

The EU As a Driving Force of Armament

Pressure In Terms of Arms Build-Up, War Chests, and a Military-Industrial Complex for the World Power Europe

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Hechinger Str. 203, 72072 Tübingen
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Publication date: November 2012 (Layout: Andreas Seifert)

Circulation: 500



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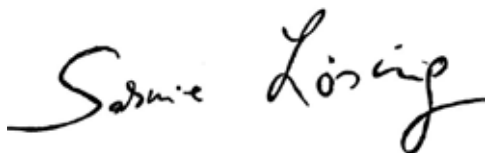
Foreword

Many still see the European Union as a civilian power which has little to do with war and armament. Yet, a “civilian power Europe” would not need any huge military apparatus; a world power Europe which, in case of need, is ready to pursue its interests through violence, however, would. And it is actually almost impossible to close one’s eyes to the militarization of the European Union which has been taking place for the past few years and which is virtually impossible to overlook. Still, it has been maintained again and again that the European Union would be a good thing, above all for those who would like to save money in the military sector. But by means of trite catchphrases such as “efficiency enhancement“, “economies of scale“, and “savings potential”, reality is being whitewashed. While social spending is in free fall in almost every country of the European Union, military budgets are left almost unscathed: In the year 2011, the Member States spent only insignificantly less than in the previous years: \$ 281 billion!

But this is only the gloomy tip of the iceberg. Even well informed and critical observers of the EU’s foreign and security policy should be frightened by the magnitude, comprehensively highlighted in this study, with which the European Union is currently promoting numerous militarization processes. The omnipresent alliance between politics and industry responsible for this, which I also continuously encounter in the European Parliament, unfortunately has proven extremely effective in this respect. Largely unnoticed, this military lobby has succeeded in building up an enormous armament pressure, in establishing ever more official, but in particular also unofficial military budgets, and in forcing the development of a European military-industrial complex. All this is the result of a combination between the world power ambitions of the European Union or its politicians and the profit interests of the armament industry. This combination is responsible for the fact that the European Union has become a downright driving force of armament.

Unfortunately, this development is also being advanced, in particular, by almost all of my colleagues in the European Parliament. For example, the “Report on the impact of the financial crisis on the defence sector in the EU Member States“, submitted to the Committee on Foreign Affairs (AFET) of the European Parliament, of which I am a member, in November 2011, symptomatically reflects the attitude of the large majority of the Members of the European Parliament (MEPs). It warns that “defence budget cuts could result in the complete loss of certain military capabilities in Europe“. To prevent this, the Report requests that armament research should also be financed from the EU budget and that the cross-financing of military actions or acquisitions of the European Union should be extended via the so-called ATHENA mechanism. In addition, there would be “the need to progress in the consolidation of the European defence technological and industrial base“. These are all proposals which ensure that the armament sector will get more money, and also promote the development of a military-industrial complex.

At the same time, it is pretended that there are no funds to address misery and poverty of countless people inside but in particular also outside the European Union. A fractional part of the armament spending worldwide would, however, be enough to be able to achieve the Millennium Development Goals for fighting poverty. But the big alliance for war and profit prefers to continue to feed up a giant military apparatus, whose very task is mainly to maintain the existing structures of exploitation around the world and to secure them by violence. The fact that all this is currently also even justified by an alleged need to economize which in reality does not exist in such a form for the military sector, caps it all off. The alternative is readily at hand: Because whoever really wants to economize disarms!



I. Introduction

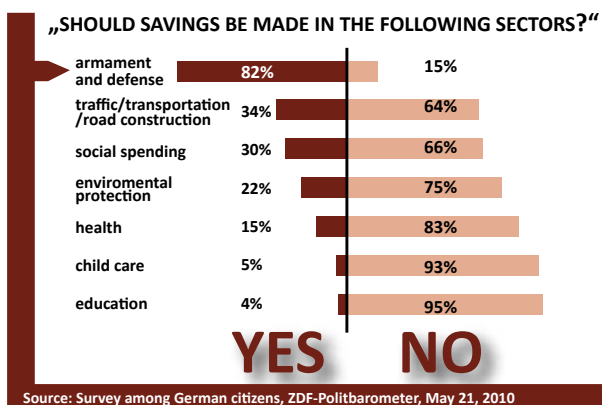
In the course of the serious economic and financial crisis currently being experienced by the EU Member States, budgets are being in part radically cut across the continent. In this connection, the large majority of the European¹ population is arguing for rigorous cuts in the military budgets instead of continual reductions in social spending – in a survey in Germany it was an overwhelming majority of about 82 percent.² In France and other European countries, there is a similar mood³: “If faced with a tradeoff between funding entitlements, such as pensions, health care, and social welfare payments versus defense, the choice would be obvious. In Europe, ‘abstract notions of national security and defence mean little when fundamental issues of social existence are at stake.’”⁴ Nevertheless, there is only a slight decrease in the EU’s military spending compared to previous years, and almost unvaryingly high budgets are unfortunately also anticipated in the forthcoming years (cf. Chapter 3.4).

Against this background it is all the more outrageous that politicians of almost all persuasions successfully continue to convey the impression that military spending is in free fall all over Europe. Symptomatic of the creative way of dealing with reality is, for instance, a resolution passed by the EU Members of Parliament which states: “The European Parliament [...] notes with concern the culmination of a trend in recent years of cuts in the defence budgets of the majority of EU Member States in the wake of the financial, economic and debt crisis, and the potential negative impact of these measures on their military capabilities and, therefore, on the ability of the EU to effectively take over its responsibilities in peace keeping, conflict prevention and the strengthening of international security [...]”.⁵ Representatives of the armament industry of course, readily take up such fitting occasions by making every effort to create an image of themselves as if they were a languishing industry desperately relying on comprehensive governmental support. One example of this is Domingo Ureña-Raso, Head of *Airbus Military* and until October 2011 President of the largest European industry

association, *AeroSpace and Defence Industries Association of Europe* (ASD): “If today’s situation doesn’t evolve significantly in the coming years, Europe is at risk of losing key capabilities in the field of defence. [...] When Europe wakes up, it will be too late! Once lost or significantly eroded, high-tech capabilities cannot be easily re-created. The time for action is now.”⁶ In this way the impression is conveyed, consciously and successfully, that the industry is battling for its existence. Headlines such as “Rüstungskonzerne wie EADS gehen schweren Zeiten entgegen” [Armament Corporations Such As EADS Are Heading Into Rough Times] or “Budgetkürzungen zwingen Rüstungsindustrie zum Sparen” [Budget Cuts Are Forcing Armament Industry to Economize] are the order of the day in mass media.⁷

But before someone is moved to too much pity for the seemingly distressed armament industry: Such prophecies of doom have nothing to do with reality. For example, a study published by the *Center for Strategic and International Studies* (CSIS) in May 2011 concluded: “European defense and security companies have performed well in recent years, both in absolute terms and compared to their peers in the commercial sector.”⁸ While revenues dropped in the 1990s, the business with armament goods has, however, been highly profitable in the last ten years. Revenues of the industry grew from 63 billion euros in the year 2003 by 49 percent to 93 billion euros in 2009. Therefore, the conclusion of the study is clear: “European defense and security companies are competitive in the global marketplace.”⁹ This trend toward ever bigger revenues also continued in 2010, and even in 2011, the alleged year of crisis, armament corporations were still able to record slightly increased revenues: „While many industries such as machine construction or the automotive industry obviously slipped into the red during the economic crisis, [...] revenues of manufacturers of military equipment rose by one percent to 411.1 billion US dollars.”¹⁰ Briefly and badly: The armament industry is doing brilliantly.¹¹ Accordingly, the aim of all that whining and moaning is not in the first place to save an industry from ruin. Rather, the aim is to stabilize generous profit margins on a high level or even to increase them under optimum conditions and to augment the European Union’s military strike capability.

To that end, a mighty alliance has been formed, based on a **militarization consensus between politics and (armament) industry**. With the end of the Cold War numerous restrictions no longer applied which up to that point had ensured that any European power-political ambitions were subject to tight restraints. From that time on, the European Union’s rise to global player was at the top of the political agenda. In addition, there was the increasing gain in influence of globally operating European corporations pushing for the development of new sales and investment opportunities outside of the European Union – and ulti-



mately also for their military protection. Against this background, the European Union is currently pursuing a strategy aimed at a militarily supported extension of its own sphere of power and influence. On this basis, the conviction has become prevalent among elites that the militarization of the European Union has to be intensified further. This is about much more than merely the product of an effective exercise of influence of pure armament-industrial interests, although a lot of pressure has, of course, also been exercised in this direction on the part of the armament industry. In the meantime, an ambitious militarization agenda has been elaborated, whose implementation is campaigned for by an increasingly tight-meshed and influential lobby network of industry and politics (Chapter 2).

Meanwhile, this lobby network has succeeded in turning the European Union into a downright driving force of armament and thereby in promoting forcefully the militarization of the European Union. To that end, the individual Member States are, among other things, being exposed to enormous **pressure in terms of a build-up of arms** on the part of Brussels. With the Treaty of Lisbon, which became effective on December 1, 2009, numerous new “incentives for arms build-up” have been established, so that it cannot be expected that the military budgets of the individual Member States will be substantially reduced in the foreseeable future. Initial announcements of the Member States that they wanted to make drastic cuts have either been partially or completely revised in the meantime. Some states are even investing more in the military sector than before the economic and financial crisis (Chapter 3).

Politics and the economy understand, however, that a clear increase in armament expenses would, under the present circumstances, presumably be doomed to fail due to public resistance.¹² Therefore, efforts have been intensified to mobilize funds for military purposes from income sources beyond the classic defense budgets. Here again, Brussels knows how to help, because military expenses obviously will meet less resistance from citizens if they are made within the framework of the European Union, as a study issued by the *Strategic Studies Institute* (SSI) of the US Army explains: “The EU label appears to mobilize Europeans to spend money on boosting military capabilities in a way that NATO could not.”¹³ Against this background, more and more **open and hidden military budgets** are currently being established at the EU level, which, moreover, are also to a large extent defying controls on the part of the respective national parliaments or the European Parliament. In addition, a more and more open **misappropriation of funds from civil EU budget items** – from the agricultural budget to the EU research funding programme to the foreign aid budget – for militarily relevant purposes has to be noted. With the establishment of the European External Action Service (EEAS), an intermingling of civilian and military capacities and funds has been institu-



Dwight D. Eisenhower: Warner of the Military-Industrial Complex, Photograph: Wikipedia

tionalized in the meantime and reached an extent that one can hardly still talk of a civilian, independent European foreign policy (Chapter 4).

Furthermore, politics and industry agree that the bundling (consolidation) of the fragmented military sector of the EU has the highest priority. Whether intentionally or unintentionally, ultimately this threatens to lead to the **formation of a European military-industrial complex** (EU MIC), because the concentration processes, which have already begun, are to be driven forward by creating a uniform European armament market, by bundling procurement projects, and by forcefully promoting armament exports. As opposed to previous national military policies, this development is meant to ultimately lead, as far as possible, to a Europeanization of military policy, which will be supplied with military goods by a few powerful super-corporations in the armament sector, so-called “Eurochampions”, for implementing its imperial ambitions. While politics is hoping for a significant increase in efficiency here and hence for a definitely more powerful overall military apparatus, industry is interested in increasing its competitiveness – and hence its profits. National states are, however, extremely sceptical about assigning any sovereignty rights in the highly sensitive area of the military sector to the supra-governmental level of the EU. This became obvious recently during the merger negotiations between *EADS* and *BAE Systems* aiming at establishing a Trans-European arms corporation, which would have advanced right away to become the undisputed global leader of the industry. The negotiations failed – at least temporarily – in October 2012 due to the respectively diverging interests of the French, British, and German governments.¹⁴ Against this background, proponents of a EU MIC see an opportunity for leveraging out such reservations under the guise of supposed needs to economize in the current economic and financial crisis (Chapter 5).

In reality, however, money is forcefully poured down the drain with this military apparatus; and this in times when many people in the European Union are confronted with plain existential fear. Likewise, the causes of today’s conflicts cannot be removed militarily – quite the contrary.

To that end, the exploitative European foreign trade policy would instead have to be stopped, any form of armament exports would have to be discontinued immediately, and comprehensive disarmament would have to be effected. The funds released thereby would have to be redirected as reparations into purposeful measures aiming at fighting poverty. In short: Establishing a more just world order is the only alternative to the militarization currently taking place. But since the elites in politics, the economy and military are not ready for this, the focus is on extending the capabilities for a violent crisis management aiming at enforcing European interests. The fact that they are succeeding for this purpose in mobilizing additional huge amounts for armament shows how powerful the lobby for war and profit has already become in the European Union – and due to the concentration processes which have started in the meantime, there is the threat that its influence will increase even further. However, the more powerful the emerging military-industrial complex becomes, the more there is the danger of **militarization dynamics** arising, which will have the consequence that the focus will increasingly be on violence when it comes to the “solution” of conflicts (Chapter 6).

Slightly more than 50 years after former U.S. President Dwight D. Eisenhower warned of the danger of the military-industrial complex for the United States of America in his farewell speech in January 1961, his statements are therefore more relevant today than ever – it is a bitter irony that this now also and particularly applies to the European Union:

“In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. [...] Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.”¹⁵

2. Empire of Europe: Political and Economic Interests in the Militarization of the European Union

The European Union is increasingly openly and roughly claiming a leadership role for itself among the world powers. In the past few years it has even become chic again to speak of an “Empire of Europe”¹⁶; even high-ranking EU politicians such as José Manuel Barroso, President of the European Commission, are using the term in the meantime without any bogus timidity.¹⁷ A powerful military, together with a potent armament-industrial basis, is considered necessary for implementing such ambitions: “The European Union tends to be able to have both, the military might associated with a global power and the capacity to produce it within its own borders.”¹⁸ The reasons for this are a change in power-political and economic interests, both with the result that the European Union is pressing ever more offensively ahead to expand its sphere of power and influence.

This leads to increasing conflicts both with other great powers and peripheral states, which from the elites’ point of view can only be “resolved” militarily in their own favor. The conviction that has emerged on this basis, that a militarization of the European Union is urgently necessary, is reinforced by an ever more influential lobby network of politics and (armament) industry: “That the gradual alignment of interests between the European defence industry and the proponents of ESDP [European Security and Defence Policy] has strengthened the military element in EU policy, is uncontroversial.”¹⁹

2.1 Claim to world power and economic expansion agenda

The myth that the European Union is a kind of “civilian power” that has renounced any profane power and interest policy of previous centuries continues to be carefully fostered in some circles up to this day: “The philosophy underlying the formation of the European Economic Community (EEC), leading to the European Community (EC) and then to the European Union (EU), concentrated towards the inside and developed a counter-concept to geopolitics and to geostrategic dimensions: pacification, reconciliation, and political cooperation through economic integration as antitheses to geopolitics and imperialism.”²⁰ This “geostrategic abstinence phase” has come to an end in the meantime: “In short, since the late 1990s, the European Union has moved away from being a ‘civilian power’ (or ‘normative power’) with an internal focus and has started to become a ‘global power’.”²¹

However, the European Union’s relative restraint, which was observable for a long time, was not owed to an aversion against tough power politics but to the specific constellation of the Cold War. This refers to the – at least felt as such – existential threat posed by the Soviet Union, where the EU Member States alone had little to counter with. So the United States became inevitably the uncon-

tested hegemonial power in the Western alliance. During the first decades of the European Union, most attention had anyway been paid to the “German question”, the integration of the German striving for power, so that the “internal integration” was in the foreground. A consequence of these “structural determinants” was that (military-)strategic questions hardly played any role for a long time at the level of the EU; they were a matter for NATO – and hence mainly for the United States: “Under the conditions of the U.S. hegemony and the competition of the systems, one could not speak of any independent European strategy in the post-war decades. This applied, in particular, to foreign and security policy.”²² With the decline of the Soviet Union, the – gradual – loss of power of the United States, and the German reunification, as well as the subsequent offensive alignment of the German military policy, all previous framework conditions shifted fundamentally from the beginning of the 1990s. So, there was a fortunate opportunity for a power-political rise to a global player – and it was used purposefully.

Besides these political developments, changes in the foreign trade and trade policy are another major driving force for the new European world power ambitions: “When considering strategic main ideas determining EU policy, a policy shift can be noted at least since the 1990s. The current alignment has been based upon a shift of the balances of power among the ruling elites since the 1970s/1980s. Since that time, the global sales and investment strategies of European transnational corporations, which had vastly gained importance and influence as a result of merger and thus concentration processes, have dominated. The rather inwardly focussed objective of consolidating a joint economic area was cut out thereby. In the meantime, European foreign trade policy is being determined by a network of elites consisting of the Commission (bureaucracy), globalized companies, and individual EU and national politicians and experts. Their project is being supported by the press through the rhetoric of a ‘necessary’ world power role to be assumed by the EU. With regards to content, the alignment following the policy shift described above can be checked in important strategy papers such as the ‘Lisbon Strategy’ (2000), ‘Global Europe’ (2006), and ‘Europe 2020’ (2010).”²³

The aggressive development of new markets and investment opportunities has thus become a paramount objective of EU policy – and the major means to that end was preaching the gospel of neoliberalism, of open markets, free trade, and equal competition. One example of this is a paper presented by the European Commission under the title “The European Interest: Succeeding in the age of globalisation”, published in October 2007, which states: “As the world’s largest exporter of goods and services [...] the EU is a major beneficiary of an open world economic system. [...] It has an obvious stake in defining the rules

of global governance in a way that reflects its interests and values. [...] The EU must use the available tools to the full if it is to strengthen its position in a globalised world. [...] At the same time, it is important for the EU to use its influence in international negotiations to seek openness from others: the political case for openness can only be sustained if others reciprocate in a positive manner. The EU needs to ensure that third countries offer proportionate levels of openness to EU exporters and investors and to have ground rules which do not impinge on our capacity to protect our interests.⁴²⁴

The EU's overall foreign trade and trade policy is then based on the notion that a race between a Ferrari and a VW Beetle is fair because they are running on the same street. It is, however, pure egoism hiding behind such seemingly egalitarian phrases as "openness" and "same conditions", because free trade among unequal partners is always to the benefit of the economically stronger one: "Historically, the promotion of free trade has always been the privilege of the powerful. And the promotion and maintenance of inequality has always been a prerequisite for the successful working of capitalist market economy on the basis of free trade. [...] Evoking the principles of sportsmanlike behavior and unrestrained competition means, however, ignoring the blatant disparity of the economic and political balances of power in global trade."²⁵ Although this neoliberal policy is resulting in a massive impoverishment of populations on the global South²⁶, this fact is obviously tacitly accepted in favor of the corporations' own profits. Meanwhile, the European Union has even outpaced the United States as the most important driving force of liberalization worldwide.²⁷

Here it would be naive to assume that the "successful" implementation of this economic agenda would ultimately not also be based on the capability of "effectively" threatening with and, as a last resort, the application of violence: "Complementarily to the internal restructuring, 'Global Europe' aims primarily at asserting its own economic agenda towards other countries, whereas 'Europe 2020'

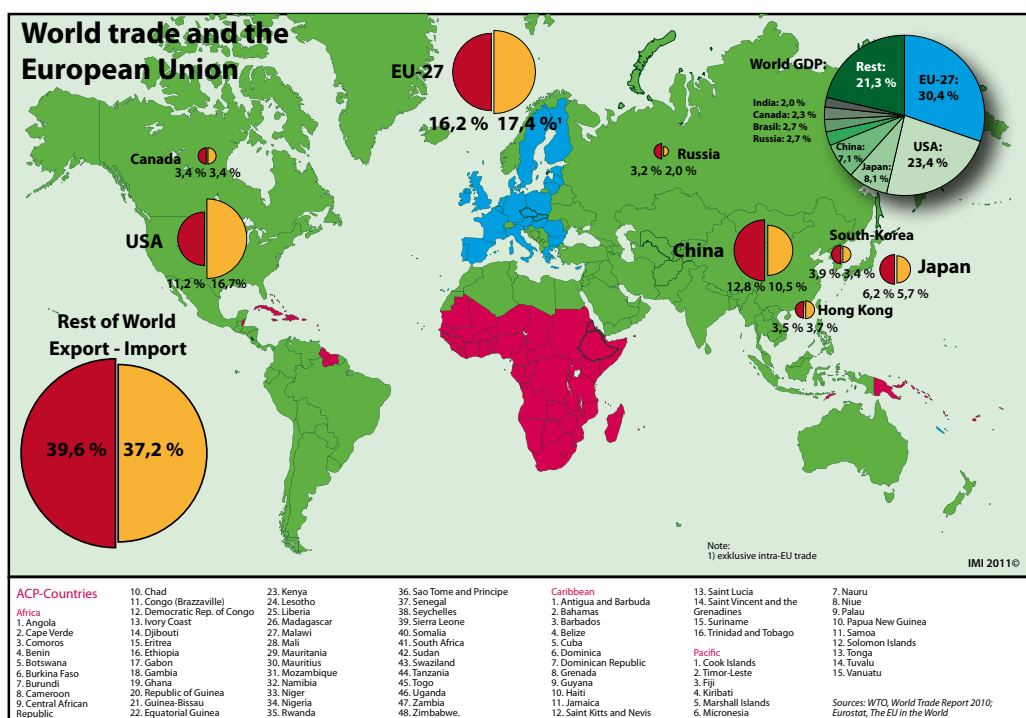
ascertains the continuation of both strategies beyond the global economic crisis. Basically, the same measures are always propagated here: Creation of favorable competitive conditions for European transnational corporations by liberalizing the trade in goods and services through equal treatment of foreign and domestic investments and by protecting companies and intellectual property worldwide against any access on the part of national states. Accordingly, there is, of course, an interest on the part of EU corporations that legal security and protection of investments will, if needed, also be militarily guaranteed by the European Union – so the companies' drive for expansion also entails expansion on the part of military. Hence, the strategic alignment of the EU aims at deepening economic globalization, which requires, in particular, that the states of the South be further radically restructured through free trade negotiations."²⁸

It will not have been by chance that the accelerated build-up of an EU military apparatus began shortly before the publication of the Lisbon Strategy, which in 2000 defined the ambitious objective for the EU to rise to world economic power number one within ten years – at the latest from this time onwards the time of modesty was over. The "European Security Strategy" of December 2003 sounded similarly forceful: „As a union of 25 states with over 450 million people producing a quarter of the world's Gross National Product (GNP), and with a wide range of instruments at its disposal, the European Union is inevitably a global player."²⁹

2.2 Imperial geostrategy

On the executive floors in Brussels, the expansion of the European sphere of power and influence is considered a necessary prerequisite for the intended rise to a global power (and this also coincides with the expansion interests of the economy): "A series of reports from the European Commission and analyses by EU scholars argue that future enlargement is needed if the EU wants to be able to compete economically and politically with other global actors."³⁰ The crucial point is to proceed step by step: "Of course, if the EU wants to become a global power, it first needs to assert itself as a power in its own region."³¹

First, the "expansion by enlargement" through the accession of ten new EU Member States in the years 2004 and 2007 served this purpose. As early as 1993, the European Council had defined the so-called "Copenhagen Criteria", by which the accession process got under way. In the course of this process, the candidate countries



were requested to undertake a comprehensive neoliberal restructuring of their economic system and a complete adoption of the overall body of EU law, the so-called *Acquis communautaire*, as a prerequisite for EU membership. With regard to the driving forces of the eastward expansion of the EU, the economic historian Hannes Hofbauer writes in his standard work about this process: “The driving force for the expansion of the European Union in eastward direction comes from the productivity of Western Europe’s big companies seeking investment opportunities. [...] It is not development aid or charitable gestures, nor the solidarity of a Christian community of values that are prompting Brussels to expand the borders of the European Union, but rather a crisis of overproduction in Western European centers. [...] The eastward expansion of the European Union primarily serves the purpose of developing a new market area for the most powerful forces in the West – the so-called ‘global players’ – and to protect it by means of the comprehensive body of legislation, the ‘*Acquis communautaire*’.”³²

But because the power position of the great powers of the EU would, from their own point of view, be weakened too much by any accession of further countries, at the moment no further accessions of additional countries – except for a few smaller states – are seriously at issue.³³ Therefore, new ways for expanding the EU’s sphere of influence had to be looked for and found: “Already before the execution of the eastward expansion in 2004, the EU Commission began to think about how they should go ahead afterwards. It was, however, clear that an abrupt end of the expansion dynamics could not be in the interest of the EU.”³⁴ The result of these considerations is the European Neighbourhood Policy (ENP), the intention of which is aptly described by the formula “Expansion without enlargement”.

The work for the ENP was already taken up in November 2002 and the results published by the European Commission in March 2003 in the form of a document named “Wider Europe”. This document defined for the first time the framework of the European Neighbourhood Policy which one year later was also officially referred to as such and which currently applies to 16 countries. The aim is to establish a “ring of friendly countries” around the European Union, but without opening any accession perspectives for them: “A response to the practical issues posed by proximity and neighbourhood should be seen as separate from the question of EU accession.”³⁵ Nevertheless – or just for this

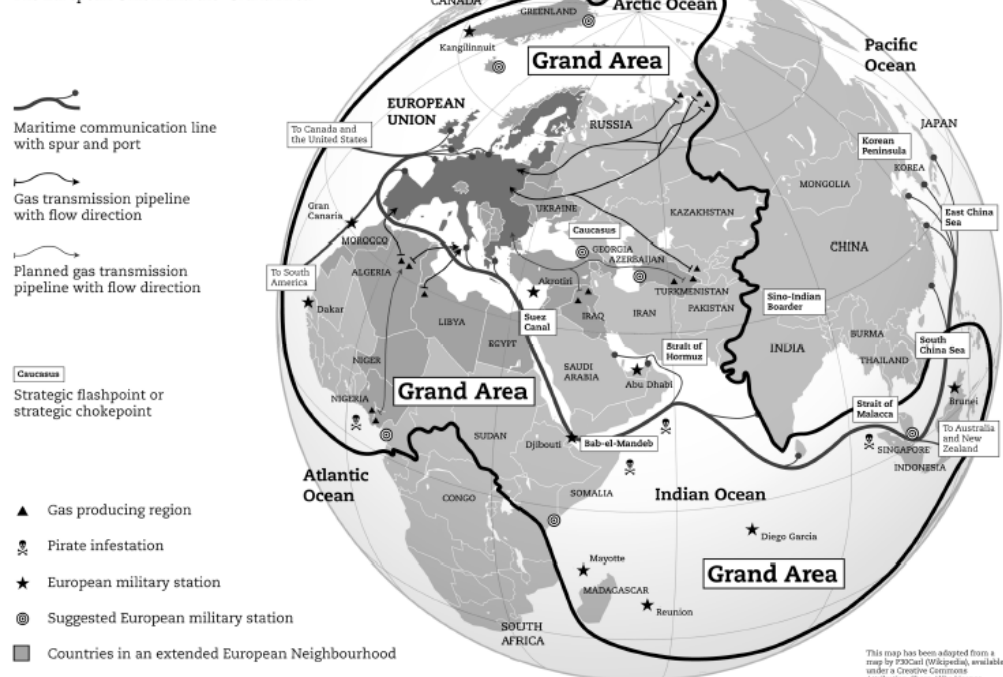
very reason – the introduction of the ENP was “revolutionary” from its signaling effect: With it, the European Union underpinned its “ambition to be/become a powerhouse beyond its direct borders, a global player.”³⁶

The primary aim of the ENP is to establish a “Greater European economic zone”, by “encouraging” adjacent countries, very similar to the EU’s eastward expansion process, with numerous measures to reduce trade barriers and to adopt the *Acquis communautaire*.³⁷ The neoliberal restructuring is effected in the form of action plans which are unilaterally dictated by Brussels. Only when the European Union comes to the conclusion that requirements stipulated thereby have been implemented satisfactorily, the ENP countries are rewarded in the form of a closer economic integration. The rights of co-determination of such neighboring countries are thus – to put it cautiously – limited, which is why numerous observers critically pointed to the imperial character and the distinctive center-periphery divide of the neighborhood policy.³⁸ Although others, like the former senior commentator of the *Welt am Sonntag* Alan Posener, come to the same conclusion, they see this, however, as a “natural” consequence of the EU’s expansion policy, which is necessary from their point of view: “What matters here are not the subtleties of the European Neighborhood Policy, but the finding that Europe, almost unnoticed by its own citizens, is already pursuing an imperial policy of a ‘Greater Europe’ and that it is developing the typical feature of all empires, namely an asymmetry and a tension between the center and the periphery.”³⁹

But if the propagandists of a world power Europe have their way, then controlling the neighborhood zone still leaves them far from reaching the end of the line. For example, Mark Leonard, Executive Director of the influential *European Council on Foreign Relations*, makes the case perspectively for the establishment of a definitely larger

Map 1

The European Union and the ‘Grand Area’



Grand Area: Imperial Territorial Concept, source: James Rogers, A New Geography of European Power, Egmont Paper 42, January 2011, p. 25

imperial Greater Area which he terms the “Eurosphere“: “The European Union is starting to develop an enormous sphere of influence, extending way beyond its borders, that could be called the ‘Eurosphere’. This belt of eighty countries covering the former Soviet Union, the Western Balkans, the Middle East, North Africa, and Sub-Saharan Africa accounts for 20 per cent of the world’s population.”⁴⁰

Such imperial expansion plans were most concisely cast into a uniform geostrategic territorial concept of the EU by the Briton James Rogers, who published at the *Institute for Security Studies* of the European Union among others, and also acted as a consultant for the European Council. The Head of the *Group on Grand Strategy* (GoGS), whose Advisory Board is filled with numerous influential members of EU think-tanks, makes no secret of where he sees the main task of a geostrategy – in a militarily supported accumulation of power: “The ultimate aim of geostrategy, then, is to link geography and politics to maximize the power and reach of the domestic territory. [...] Such an approach must be backed up by a subtle but formidable military posture, which aims to prevent potential rivals from emerging.”⁴¹

Subsequently, James Rogers defines a greater European area, called “Grand Area“, which has to be brought under control, thereby propounding nothing less than a mapping of an “Empire of Europe”. It comprises large parts of Africa, the oil-rich Caspian region, and the Middle East, but it also reaches far into East Asia, where it is essential to control central maritime shipping routes (see Figure). Specifically, any countries and regions complying with the following “requirement profile” should be integrated into the “Grand Area“: “From a geopolitical perspective, this zone would have to meet five criteria:

1. It would have to hold all the basic resources necessary to fuel European manufacturing needs and future industrial requirements;
2. Contain all the key trade routes, especially energy transmission pipelines and maritime shipping routes, from other regions to the European homeland;
3. Have the fewest possible geopolitical afflictions that could lead to the area’s disintegration and thereby harm future European economic development;
4. Show the least likelihood of significant encroachment by powerful foreign actors, relative to its importance to the European economy and geopolitical interests;
5. Represent an area the European Union Region can work towards defending most cost-effectively through the expansion of the Common Security and Defence Policy – in other words, without mandating an excessive and draining defence effort.”⁴²

According to Rogers, the “Grand Area“ should be covered with a close-knit network of European military bases and so be brought under control: “However, the ‘Grand Area’ approach would attempt to integrate those countries into a permanent European-led system, underpinned by military stations, better communication lines and tighter partnerships – a European ‘forward presence’ – to reduce the need for sporadic intervention.”⁴³ This network of military bases would primarily reinforce the following objectives: “Firstly, to deter foreign powers from meddling in countries in the wider European Neighbourhood and

secondly, to dissuade obstinacy and misbehaviour on the part of local rulers.”⁴⁴ Specifically, the establishment of a whole series of new bases is then proposed: “New European military stations may be required in the Caucasus and Central Asia, the Arctic Region, and along the coastlines of the Indian Ocean. The intention behind these installations would be [...] to exercise a latent but permanent power within the ‘Grand Area’.”⁴⁵

James Rogers’ imperial concept was, of course, not developed in vacuo. For instance, he directly refers back to the work of Robert Cooper⁴⁶, the former Director-General for External and Politico-Military Affairs at the General Secretariat of the Council, where he was responsible to the longstanding EU foreign affairs High Representative Javier Solana. Cooper is said to be one of the most influential EU strategists⁴⁷ and at the same time has been advocating publicly for a long time that the European Union has to turn towards a strategy to which he refers as “liberal imperialism“: “Postmodern imperialism takes two forms. First there is the voluntary imperialism of the global economy. This is usually operated by an international consortium through International Financial Institutions such as the IMF and the World Bank [...] The second form of postmodern imperialism might be called the imperialism of neighbours. Instability in your neighbourhood poses threats which no state can ignore. Misgovernment, ethnic violence and crime in the Balkans poses a threat to Europe. The response has been to create something like a voluntary UN protectorate in Bosnia and Kosovo.”⁴⁸

Thereby Cooper frankly puts the case for a new EU colonial policy, whereby precisely the example of Kosovo he selects shows just how little “voluntarily” European economic-political preferences were imposed. The Serbian Province has been completely restructured under Western occupation along neoliberal preferences – in the same way, by the way, as it also happened in Bosnia, Afghanistan, and Iraq.⁴⁹ In Cooper’s view, all those who do not share his enthusiasm for the “voluntary imperialism of global economy“ for understandable reasons should also be affected by the full force of the EU military apparatus: “The challenge to the postmodern world is to get used to the idea of double standards. Among ourselves, we operate on the basis of laws and open cooperative security. But when dealing with more old-fashioned kinds of states outside the postmodern continent of Europe, we need to revert to the rougher methods of an earlier era – force, pre-emptive attack, deception, whatever is necessary to deal with those who still live in the nineteenth century world of every state for itself. Among ourselves, we keep the law but when we are operating in the jungle, we must also use the laws of the jungle.”⁵⁰

At any rate, it is obvious that an “Empire of Europe“, as it is called for by leading EU protagonists, is irreconcilable with the in part still carefully maintained self-conception of a civilian power, which is thereby abandoned once and for all. In a study of possible EU future scenarios, the *Bertelsmann-Stiftung* (Bertelsmann Foundation) described its preferred option as follows: “In a scenario of a superpower Europe, greater Europe lives up to its objective world power potential. The European Union uses its material and institutional resources to the full extent. Its economic efficiency, population, military potential, and the European

value system provide a remarkable basis for action. [...] The superpower Europe is finally saying goodbye to the idea of a civilian power and unrestrictedly relying on the means of international power policy. [...] The European Union, which is continuously developing in the direction of a superpower, proves to be an extremely open system, which is able to incorporate new members even in the process of state-formation. By doing so, the EU is globally the only system that is continuously expanding territorially.⁴⁵¹

2.3 Return of the Great Power conflicts

Given the ambitious aims, reality is looking rather grim for European world power claims: Today, hardly anybody seriously denies that the global power and the global influence of the United States, and also that of the European Union, are decreasing.⁵² For example, in September 2011 a draft report of the European Parliament stated that “the current economic crisis has accelerated the process of transfer of powers from existing to emerging powers”.⁵³ Subsequently it is, however, made unmistakably clear that there is no intention to tacitly accept such a development: “The European Parliament [...] strongly rejects the contention that, in view of the emergence of new economic and foreign policy powers and potential rivals, the West should agree to relinquish its leadership and focus on managing its decline.”⁵⁴

In order to prepare itself for such emerging rivalries, the European Union has to put a greater focus on power-political questions and bundle its capacities, according to a widely held view, because otherwise the decline cannot be avoided. This is exemplified by a statement of the former British Prime Minister Tony Blair in June 2011: “For Europe, the crucial thing is to understand that the only way that you will get support for Europe today is not on the basis of a sort of post-war view that the EU is necessary for peace. [...] The rationale for Europe today therefore is about power, not peace. [...] In a world in particular in which China is going to become the dominant power of the 21st century, it is sensible for Europe to combine together, to use its collective weight in order to achieve influence.”⁵⁵

In this connection, comprehensive military capabilities are considered a necessary condition, not only in order to be able to violently enforce specific interests, but also more generally to be able to assert the “global influence” the EU is striving for. Nick Witney, former Head of the European Defense Agency, writes on this: “The value of Europe’s armed forces is less in countering specific ‘threats’ than as necessary instruments of power and influence in a rapidly changing world, where militaries still matter.”⁵⁶ To put it plainly: A world power or even an Empire of Europe cannot be ensured without a powerful military apparatus which must therefore be established and extended. Carlo Massala of the German Federal Armed Forces University Munich writes: “The political will for a global (co-)leadership can only be exercised if it is also underpinned power-politically. This means: As long as military power and the readiness to use it are also the feature of a global power in the 21st century, Europe will not be a pole of this emerging world order. It must be prepared to bear global security-political responsibility.”⁵⁷ Accordingly, military power is considered a major currency which is convertible into power and influence: “The right of the stronger was and

is [...] a significant aspect of inter-societal dealings. The power and influence in international organizations will crucially depend on this. Military strength is, for instance, roughly deemed ‘discrete background information’ about the balances of power.”⁵⁸

In this connection, the number of Western voices which put forward the case for a new epochal confrontation, a “New Cold War” between “democracies” (USA and EU) and “autocracies” (China and Russia) has been increasing in the past few years.⁵⁹ The theses of the influential political scientist Robert Kagan, especially, are shaping the debate in this respect: “The old competition between liberalism and autocracy has also reemerged, with the world’s great powers increasingly lining up according to the nature of their regimes. [...] History has returned, and the democracies must come together to shape it, or others will shape it for them.”⁶⁰ In a very similar way, Nikolaus Busse, correspondent for the *Frankfurter Allgemeinen Zeitung* in Brussels, predicts a “global great competition” which needs to be addressed as follows: “In ever more areas we will experience a passionate competition and severe clashes of interests with the emerging Great Powers. This will require a determined global presence of the West, and not only of the United States. [...] In a world of severe geopolitical rivalry, Europe cannot persist as a grand peace movement, but must find its way to sophisticated diplomacy and a self-confident appearance. This problem will not be solved by establishing new positions and structures in Brussels, but by developing a greater will on the part of the elites in the big Member States to jointly face up to severe power-political questions.”⁶¹

In part it is even expressed openly that the EU military has to prepare for armed conflicts with rival Great Powers. In May 2011, the German edition of the collected volume “What ambitions for European defence in 2020?” was published, which was edited by the European Union’s in-house think-tank, the *Institute for Security Studies* (ISS) in Paris. In this currently probably most important catalogue of proposals for the future EU’s military policy, there is a shockingly clear paper by Tomas Ries, Director of the *Swedish Institute for International Affairs*. Referring to Russia and some other countries by name, it states, for instance: “By 2020 we can expect the ESDP [European Security and Defense Policy] to need to perform several tasks. [...] Towards the AMS [Alienated Modern States], a capability to support hard power politics, both for Clausewitzian influence and possible direct military confrontation.”⁶²

The control of raw material deposits and their transport routes is a particularly delicate area. Due to the increasing shortage not only of oil and gas, but also of other “vital” natural resources, there is the threat of serious conflicts, including even military conflicts, between the Great Powers. That this can be expected to become true with some degree of probability is, for instance, the opinion of the US secret services or also of the *Zentrum für Transformation der Bundeswehr* (Transformation Center of German Federal Armed Forces).⁶³ Thus a paper published by the *Institute for Security Studies* of the European Union already in 2004, which had been brought into the debate as a proposal for a White Paper of the European Union, stated that

the “economic survival” requires “projecting stability to protect trade routes and the free flow of raw materials.”⁶⁴ From the EU elites’ point of view, “projecting stability” in such a way is becoming increasingly necessary primarily also due to the aggressive European foreign trade policy. For the poverty caused by such a policy gives rise to ever more conflicts, which will have to be “pacified” if they are “threatening” any major interests.

2.4 Neoliberalism, poverty, and war

The neoliberal world trade system not only causes impoverishment of countless people, but also has far-reaching consequences for the question of war and peace in the world. Because contrary to common media discourse, greed, ethnic or religious conflicts and the like are not the decisive factor for the outbreak of civil wars in the so-called Third World, but poverty. As the renowned peace researcher Michael Brzoska says: “If today in the Western world there is talk of the danger of war, often the impression is created that it emanates from irrational individuals. But in the causes of war research it is non-controversial that poverty is the most important factor for wars. Poverty is an indicator for both economic and social discrimination, up to the lack of opportunities to shape one’s life in dignity. The wars of the future will more and more frequently be wars for prosperity and dignity – and appear to be rational at least to those who are advancing and staging them.”⁶⁵ In a remarkable study in the year 2003, even the World Bank concluded the same: „Empirically, the most striking pattern is that civil war is heavily concentrated in the poorest countries. War causes poverty, but the more important reason for the concentration is that poverty increases the likelihood of civil war. Thus our central argument can be stated briefly: the key root cause of conflict is the failure of economic development.”⁶⁶

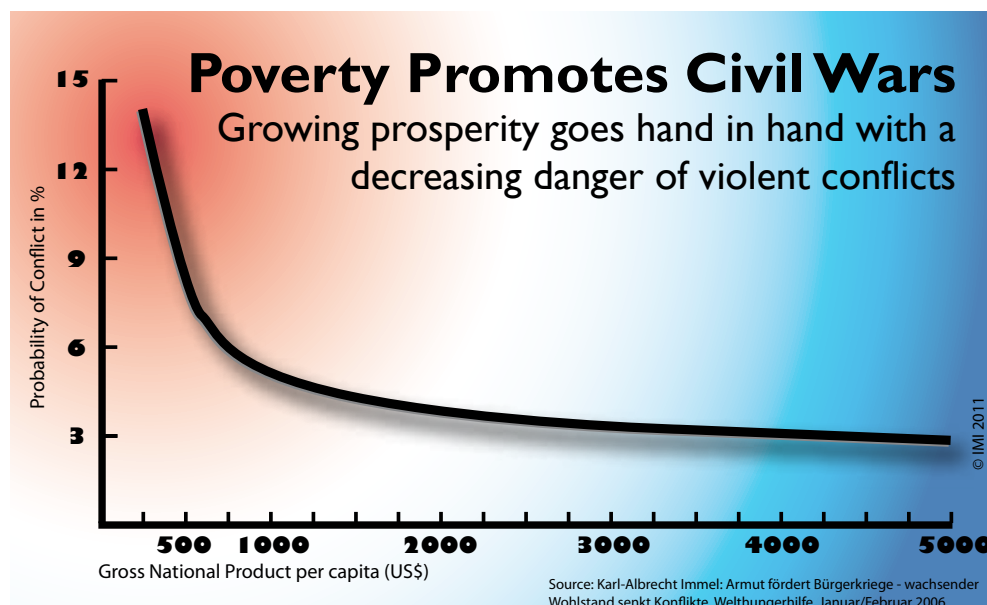
Worst and most outrageous here is that all decision-makers are absolutely aware of this correlation, but still no change of neoliberal foreign trade policy, from which EU corporations ultimately massively benefit, is even rudimentarily on the agenda. Precisely because the fatal consequences of this trade policy are well known, cap-

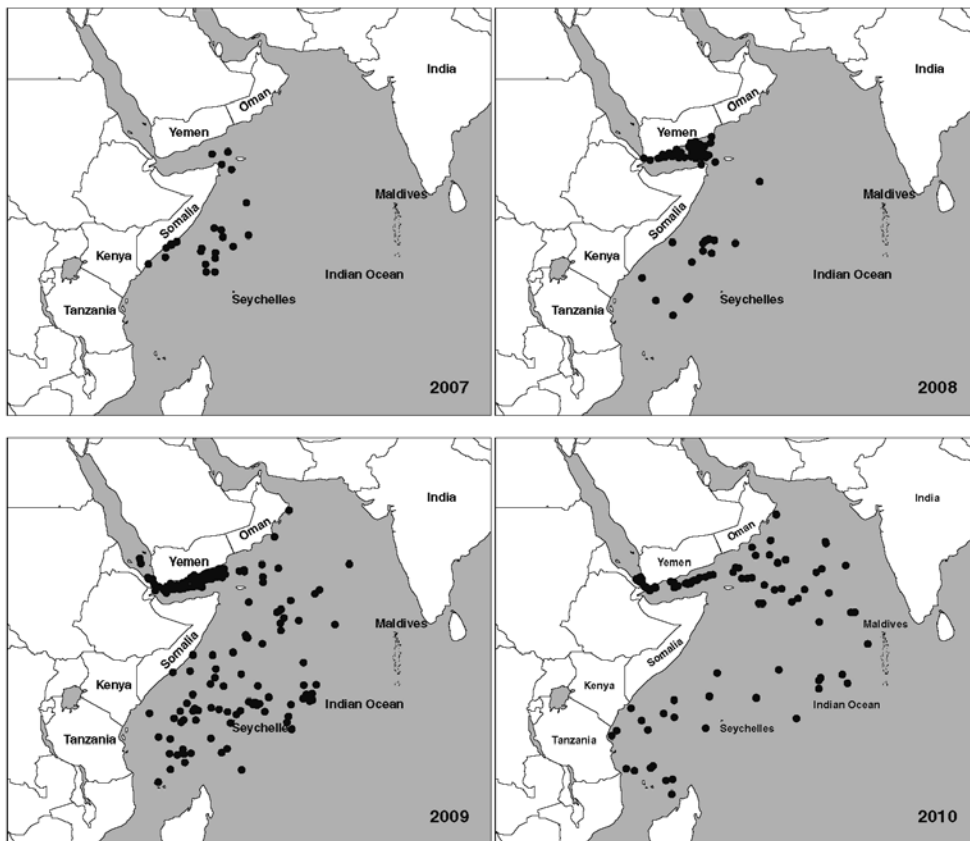
ping Western-caused globalization conflicts militarily as “good” as possible is considered to be one of the main tasks of EU security policy. This has been quite frankly admitted, for instance, in the influential collective volume already mentioned, “What ambitions for European defence in 2020?”: „Barrier operations – shielding the global rich from the tensions and problems of the poor. As the ratio of the world population living in misery and frustration will remain massive, the tensions and spillover between their world and that of the rich will continue to grow. As we are unlikely to have solved this problem at its root by 2020 – i.e. by curing dysfunctional societies – we will need to strengthen our barriers. [...] Protecting flows will require global military policing capabilities (protecting sea lanes and critical nodes, etc.) and some power projection (preventing choke operations, managing regional instability.”⁶⁷

These correlations have been described even more bluntly in an article of the magazine *griephan global security*, which considers itself to be a central organ at the interface between politics, military, and economy, with the following words: “The problem is that, instead of being a force for integration, globalisation could in fact be fast becoming a divisive influence, not least because of the growing wealth inequalities with which it is associated. [...] One of biggest risks at this time is that those people that are excluded on at some point find a voice and re-exert their influence at the national level. This presents a challenge to both global corporations and investors alike: how to protect global corporate structures at a time of when ‘country risk’ in the broadest sense of the term is rising. Companies do not just need to protect their supply chains from physical threats [...]. They also need to protect their supply chains against political and social upheaval in nation states.”⁶⁸ Two core considerations underlie such statements: That the resolution of conflicts is primarily a military matter, but only where European interests are seriously threatened, as illustrated by an article in Germany’s leading military magazine. “In view of the increasing use of force triggered by dictatorships, liberation movements, natural disasters, climate change, economic inequalities, and lack of prospects, the EU must align its Com-

mon Foreign and Security Policy (CFSP) more globally and *exercise its influence where European interests must be protected*, supranational facilities strengthened, *and its own power potential built up.*⁶⁹

Such a securitization of problems which would have to be solved in a completely different way than by military means, is, of course, also extremely attractive for the armaments industry – because it helps to justify high military expenditures. A survey among experts of the armament industry





Source: GAO analysis of International Maritime Bureau data (data), Map Resources (map).

Fighting Piracy: A Washout, source: Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa, United States Government Accountability Office, Report to Congressional Requesters, September 2010, p. 80.

Somalia: Prototype of a Globalization War

A prime example for the correlation between globalization, conflicts resulting therefrom, and Western military actions is fighting piracy at the Horn of Africa off the coast of Somalia. The root causes of the problem go back to the 1980s when Somalia got into a so-called debt trap mainly due to the increases in interest rate by the US Federal Reserve. In order to remain solvent, the country had to borrow money from the International Monetary Fund, which in response prescribed a neoliberal restructuring of the country by way of structural adjustment programs: cutting of the State apparatus; opening for Western investments and products; cutting of social security benefits, etc.

Subsequently, Somalia collapsed, resulting in what today is called a “failed state”.¹ The wages for the coast guard could no longer be paid and they were dismissed. Since there was then no longer anybody available to control the 12-mile zone, it was thereafter emptied, by EU fishing trawlers, among others, thus depriving numerous domestic fishers of their sources of livelihood. The first “pirates”, then, consisted of the coast guard and impoverished fishers, who began seizing ships and – from the EU’s point of view – disrupting the free flow of goods, the “flow of globalization“. Instead of addressing the causes, the EU has been sending warships into the region since 2008, within the framework of the Mission ATALANTA. They are literally supposed to fight a problem whose cause has a great deal to do with the EU’s interest policy, and whose solution needs to be tackled exactly there.² To be sure, the ATALANTA deployment has been a washout;

it has even aggravated the problem: When the operation began, the number and the radius of action of pirate attacks escalated for several years.³ To make things even more cynical: In the meantime, it is possible again to go fishing off the coast of Somalia – since the illegal fishing fleets no longer dare to enter this region due to piracy.⁴ Although piracy decreased in 2012, in the long run there will be no solution without addressing the root causes of the phenomenon.

Notes:

- 1 Cf. Chossudovsky, Michel: *Global Brutal*, Frankfurt 2002, pp. 109-117; Ihonvbere, Julius O.: *The World Bank/IMF Structural Adjustment Programs and the Somali Crisis*, A paper prepared for the symposium on “Towards Conflict Resolution in the Horn of Africa,” November 19, 1994, URL: <http://www.hartford-hwp.com/archives/33/006.html> (February 15, 2010).
- 2 Cf. Mahnkopf, Birgit: *Piratenhutz am Horn von Afrika. Zur politischen Ökonomie eines Piratenkonflikts und seiner geopolitischen Bedeutung*, in: *Internationale Politik und Gesellschaft* 1/2010, pp. 58-81.
- 3 Cf. *The Military Balance*, March 2011, p. 403; *Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa*, United States Government Accountability Office, Report to Congressional Requesters, September 2010, p. 80.
- 4 Cf. *Piraten – die unfreiwilligen Tierschützer*, *Tagesanzeiger*, January 12, 2010.



Conference of the lobby organization Security and Defence Agenda: Going global: Europe's security policy challenge, source: flickr/Security and Defence Agenda

gives an alarming insight into the perception of the industry, the most important results of which were published by the management consultancy *Horváth & Partners* in a press release in November 2011: “More than 70 percent of the 73 experts from the armament industry surveyed for the study ‘Wehrtechnik im Wandel – Herausforderungen für die Industrie’ (Military engineering in transition – challenges for the industry) believe that the number of armed conflicts worldwide is going to increase. Above all, an increase in the importance of civil war-like conflicts, conflicts around scarce goods such as food, water, and raw materials, as well as terrorism is expected. Another trend is that struggles be moved into residential areas. [...] To ensure that industry can meet these requirements, an effective and efficient procurement process on the part of the ordering party is required: More than 70 percent of the respondents see a need for improvement here. The military engineering industry has to adjust itself to the new conditions, too. Due to cost-cutting pressures on part of the armed forces in Europe and the growing international competition, the national armament industry is forced to extend its business areas and to develop new markets. [...] In spite of the massive challenges, future prospects of their companies have been consistently evaluated positively by the participants in the study: 73 percent of the respondents believe in increasing sales volumes in the next ten years. At the same time, more than 80 percent believe that it is probable that the armament industry will be consolidated on a European level.”⁷⁰

A fish stinks from the head down, the economic system, and that is exactly where wise peace policy has to start – not by trying to keep the boiler of globalization conflicts provisionally under control. But since this obviously is not wanted here, it can hardly be a surprise that an additional requirement of “stabilization operations” is anticipated in the strategy debate.⁷¹

2.5 Lobby for war and profit

Without a strong domestic armament industry, the dream of a Global Power Europe will quickly come to an end – that is the conclusion drawn among EU’s elites from the set of interests described above. With regard to the basic correlation between the armament-industrial basis and global political influence, the German Minister of Defense, Thomas de Maizière, said the following: “Only nations with an efficient industry in terms of military engineering carry weight with alliance decisions”⁷² In a very similar form, Antonio Tajani, Vice President of the European Commission, noted: “The defence industry, the defence markets are fundamental instruments in a European policy to give us greater independence and sovereignty in defence. [...] You cannot have a common foreign policy unless you have a common security and defence policy.”⁷³

For comprehensible reasons, the armament industry also draws on such a rationale pattern and on this basis calls for massive governmental support programs. As an example of this Stefan Zoller, former Chief Executive Officer of *EADS*’ armament subsidiary *Cassidian*, is quoted: “The survivability of the European defense and security industries is endangered against the background [of] global challenges, which, however, at the same time are also the decisive factor in Europe’s positioning as an actor in world politics. Consolidation by concentration [...] is as necessary as it is basically also possible. [...] This aim stands or falls, however, with the political readiness to support and flank corresponding industrial-political measures.”⁷⁴

Politics also want to have a powerful and efficient – in other words: deadly – military apparatus and a strong, independent armament-industrial basis, and the armament industry wants to have more governmental support, more money, and more profit – this means there is common agreement: “The common mindset behind the alliance of

industry and EU policy makers is founded in the belief that a strong European security and defence industry is a necessary basis for a strong security and defence policy. This in turn is seen as a prerequisite for a common foreign policy. [...] The security and defence community in Brussels, which is largely financed by industry, nurtures and spreads this belief in a number of ways. This means that the influence of arms companies in shaping EU policy is not confined to industrial policy, it also affects the EU's broader position on the global stage. Aggressive power projection and a military rationale are reinforced as integral elements of the EU's foreign policy.⁴⁷⁵

It is no surprise that there is almost a symbiotic relationship between politics and the armament industry due to such a complementary set of interests: "It is increasingly difficult to identify in the armament sector of the EU Member States and also on the level of the EU where the nation state ends and the interests of corporations begin."⁴⁷⁶ But an enhanced role of politics can be identified here. Although the common term MIC is further used in this study, Hans-Jürgen Bieling rightly points out that one should actually talk of a New Political-Military-Industrial Complex: "Contrary to old conceptions of the Military-Industrial Complex assuming a predominance of the military and armament-industrial stakeholders, the conception of a NPMIC in the EU is taking much more account of the initiating role of the national and supranational political decision-makers."⁴⁷⁷

This becomes particularly obvious in connection with the European Parliament: "Key positions for security and defence industrial policy, like committee chairs and the role of rapporteur on relevant legislation, have often been held by industry-friendly MEPs like Arnaud Danjean (current chair of SEDE), Christian Ehler (member SEDE and ITRE), Jean-Pierre Audy (rapporteur on interim evaluation of FP7 [Seventh Framework Programme for Research]), or Elmar Brok (rapporteur on establishing EEAS [European External Action Service])."⁴⁷⁸ On the other hand it has to be noted in turn that the associations of the armament lobby, which have, of course, already existed for a long time, have been rapidly growing on the level of the EU in terms of scope and influence in the last few years: "Stimulated by the consolidation of the European armament industry, the old industrial-political organizations [EDIG] and [ACEMA] merged in spring 2004 to [ASD]. As a representative of more than 30 trade associations and more than 800 companies of the armament sector, ASD functions as a privileged contact partner of the Commission and of EDA (European Defense Agency). This means that any decisions about armament-industrial focuses and programs within the EU are essentially taken with the involvement of the ASD and leading European arms companies [...]."⁴⁷⁹

The "successes" of this lobby network are highly visible. For example, the armament industry was able to exert significant influence on the drafting of the security research program of the European Union (cf. Chapter 4.5). Furthermore, representatives of the armament industry were directly involved in the elaboration of the Constitutional Treaty of the EU⁸⁰, which later came into force almost unchanged as the Treaty of Lisbon. Armament lobbyists also significantly influenced the establishment of

the European Defense Agency as well as the drafting of the EU's Defense Package: "Information from the Commission indicates that representatives from EADS, Thales, BAE Systems, Finmeccanica, Saab, MBDA and others met Commission officials more than a dozen times in relation to the defence package. The industry's European association ASD also played its role, discussing the proposed directives and even single amendments with EC-officials. In ASD's bulletin, Bill Gilles the organisation's chief lobbyist on the issue, said that 'the two directives [...] each herald in their different ways a revolution in Europe's defence and security markets' and that 'ASD is pleased to have been regularly consulted by the EC during the drafting of the directives.'⁴⁸¹

Organizations like the *Kangaroo Group*, the *European Security Round Table*, and particularly the *Security and Defence Agenda* (SDA) are serving as a hinge between industry and politics: "Its Director Giles Merrit, [...] controls a whole network of inter-related lobby and PR platforms [...]. This network includes the SDA's sister think-tank 'Friends of Europe' (Secretary General: Giles Merrit), the event management firm 'Forum Europe' (President: Giles Merrit), and 'Europe's World' (Editor: Giles Merrit)."⁴⁸² They meet at events organized by these groups, share their needs with each other, and thereby develop a consensus on militarization⁸³ which is then additionally reinforced and brought into the public by an expert circle which is connected to a few think-tanks. Some of the most important of such "switch-points" are the *Egmont Institute*, the *European Council on Foreign Relations* (ECFR), the *Centre for European Reform* (CER), the *European Union Institute for Security Studies* (EUISS), the *Centre for European Policy Studies* (CEPS), the *Bertelsmann Stiftung*, the *German Institute for International and Security Affairs* (*Stiftung Wissenschaft und Politik*) (SWP), and the *Institute for International Relations*.⁸⁴

On this basis, a catalogue of measures for realizing the military power of Europe has been worked out in the meantime: First, pressure must be exerted on the Member States to ensure that they continue to expand their military capacities despite the economic and financial crisis and to stop the – at least perceived as such – steep downward trend in military expenditure, or in the best case even to reverse it. In addition, resources from civilian budgets should also be mobilized for military-relevant purposes. After all, the promotion of a powerful EU MIC is at the very top of the agenda, on the one hand by way of the Europeanization of armament demands and on the other hand through the support of arms exports.

3. Pressure in Terms of Armaments Build-Up On The Part of Brussels

The set of interests described above has led to an increased readiness to resort to military operations in order to preserve existing conditions. For this reason, building up the capacities required to that end has high priority: “A key interest shared among almost all EU Member States is to enhance the deployability and sustainability of their armed forces in distant theatres.”⁸⁵ Enormous resources are, however, required for building up armed forces which are capable of intervention: “The transition from a traditional defence force to the newly required expeditionary armies, able to intervene outside EU territories, has to be accompanied by a massive build-up of arms.”⁸⁶

Against this background, warnings are issued on all sides regarding inadequate investments in the armament sector. A study of the Bundeswehr University indicates, for instance: “Particularly in the area of research and development, additional efforts have to be made in order to be able to still provide our own armed forces with the capabilities they require. Should the European Member States not be ready to make these investments, then they will have to say goodbye to the objective of playing the role of a ‘global actor’ in crisis management worldwide as the EU.”⁸⁷ A European Parliament resolution of December 2011 also complains loudly: “The European Parliament [...] notes the continuing disproportionate reliance on the United States in defence matters, given that the US share of all defence spending in the North Atlantic Alliance has risen to 75 %, and the need therefore for European allies to increase their share of the defence burden; notes with concern that recent budget cuts are in addition to a pattern of Member States under-investing and under-spending in the fields of security and defence for over a decade.”⁸⁸

So, there is an obvious endeavour to make sure that the armament sector gets as much money as possible. Along with the misappropriation of civil budgets (cf. Chapter 4), it is essential here that numerous “militarization incentives” are made by the European Union for its Member States. Yet, the Member States are by no means only the driven ones. They often use the Brussels framework themselves to legitimize high military budgets with reference to supposed practical constraints. This means that armament spendings in the European Union can continuously be kept on a high level and the militarization of the European Union makes rapid progress,

regardless of innumerable announcements that they intend to make massive cuts.

3.1 EU militarization – an interim appraisal

Even a short overview of the “successes” achieved so far in connection with the militarization of the European Union shows how far this process has already advanced: “There is no political area within the EU which is developing as dynamically as its military policy.”⁸⁹ Immediately after the end of the Cold War the “Common Foreign and Security Policy” (CFSP) was launched with the Treaty of Maastricht, but without having any substantial distinct military component for a long time. This was to change shortly thereafter, however, primarily due the experiences in NATO’s offensive war against Yugoslavia launched in March 1999, where the United States claimed the sole leadership role for itself quite ruthlessly despite vehement protests on the part of the EU. The European Council’s Cologne Summit in June 1999 is considered the official birth of the militarization of the European Union. There the “European Council Declaration on Strengthening the



Operations of the European Union, graphic: IMI

Common European Policy on Security and Defence“ was adopted. It contained the aim to build-up intervention forces (European Rapid Reaction Forces, ERRF) and military decision-making instruments, providing the EU with “the capacity for autonomous action, backed up by credible military forces“. This was to be realized – in view of the United States and their leadership role in the Western Alliance - “without prejudice to actions by NATO.“⁹⁰ A half year later, at the subsequent meeting in Helsinki from December 10 to December 12, 1999, the target figures for these military forces were specified with the “Headline Goal“: 60,000 soldiers (equalling a total count of about 180,000 soldiers in view of rotation and logistic support being required) with a deployment distance of 4,000 kilometers around Brussels.

Since then everything has gone very fast: At the Nice European Council Meeting in December 2000, the organizational framework conditions for offensively aligned EU troops were also set out with the resolution concerning the establishment of a EU Military Committee (EUMC), a EU Military Staff (EUMS), and a permanent Political and Security Committee (PSC). In December 2003, the European Security Strategy stated: „Our traditional concept of self-defence – up to and including the Cold War – was based on the threat of invasion. With the new threats, the first line of defence will often be abroad. The new threats are dynamic. [...] We need to develop a strategic culture that fosters early, rapid, and when necessary, robust intervention.“⁹¹ Already before, in May 2003, the European military Rapid Reaction Forces were declared operational; only in the upper range of military operations, i.e. with highly intensive combat operations, were there still shortfalls to be noted.⁹²

With the Constitutional Treaty of the EU worked out in 2002 and 2003, the subsequent Treaty of Lisbon or the Treaty on European Union (TEU), the military range of tasks was in addition substantially extended.⁹³ Now, the following deployment scenarios for EU military forces are specified: “Joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories.” (Article 43, para 1 TEU)

To build up to capacities required for implementing these tasks, the “Headline Goal 2010” (HG 2010) was proclaimed at the EU Summit in Brussels in June 2004. A major element of the HG 2010 was the establishment of so-called battlegroups, highly mobile and rapidly deployable military reaction forces consisting of about 1,500 soldiers each. Since January 2007, there are always two of these battlegroups on stand-by for deployment, with an area of operation of up to 6,000 km from Brussels. In Protocol No. 10 of the Treaty of Lisbon these battlegroups were contractually anchored and described in detail. It states that they are “structured at a tactical level as a battle group, with support elements including transport and logistics, capable of carrying out the tasks referred to in Article 43 of the Treaty on European Union, within a period of 5 to 30 days, in particular in response to requests from the United Nations Organisation, and which can be sustained for an

initial period of 30 days and be extended up to at least 120 days.»⁹⁴

In order to support and increase the efficiency of military operations, “civilian“ capacities are also being built up more intensively. The “European Security Strategy“ criticized, for instance: “In almost every intervention, military efficiency has been followed by civilian chaos. We need greater capacity to bring all necessary civilian resources to bear in crisis and post crisis situations.”⁹⁵ The particular “added value” is that soldiers, for obvious reasons, are suitable only to a limited extent for many tasks in connection with “stabilization operations”. Civilian actors are required here (from well builders to lawyers up to agro technicians), who are to be harnessed to support the military. As the “European Security Strategy“ states: „We could add particular value by developing operations involving both military and civilian capabilities.“⁹⁶

Parallel to the build-up of a military apparatus of the EU, a resolution on the comprehensive build-up of “civilian“ crisis management capacities was therefore adopted at the Summit of Heads of State and of Government of the European Union in Santa Maria da Feira, Portugal, on 19 and 20 June 2000. Later the target figures were defined more precisely, first with the „Civilian Headline Goal 2008“ (June 2004) and subsequently with the „Civilian Headline Goal 2010“ (November 2007). The result was that a considerable pool of „civilian“ forces has been set up, and is now available for EU military operations abroad: „The high number of experts on whom the Council can rely for crisis management operations and missions is unique for multinational organizations. Summing up all forces reported to be available [...] this adds up to a total amount of 12,396 persons.“⁹⁷ With the “Civilian Military Cell” established in 2007, which so far can manage operations with a staff size of up to 2,000 persons, there is now even the nucleus for an independent European headquarters.

Yet, the civilian-military cooperation is sharply criticized by many non-governmental organizations (NGOs), such as the *Dachverband der deutschen entwicklungspolitischen NROs* (VENRO, the umbrella organization of development non-governmental organisation in Germany): “The concept of ‘Cross-Linked Security’ – in NATO’s parlance ‘Comprehensive Approach’ – means consequently that governmental development cooperation and development aid are subordinate to the military aims in terms of counterinsurgency. [...] The said tendencies towards civilian-military cooperation and subordinating development aid to political-military objectives means to aid organizations that their work is clearly hampered and constrained. They are damaging the image and credibility of NGOs as independent and impartial humanitarian actors. In extreme cases this means that aid organizations are considered supporters of the military by parts of the population and classified as supposed legitimate targets by insurgents.“⁹⁸ Despite this criticism, a new super-authority began its work in December 2010 with the European External Action Service, where civilian and military aspects of the EU’s foreign policy are institutionally blended together up to the point of unrecognizability (cf. Chapter 4.7).

The first military operations of the European Union within the framework of the so-called “Common Security

and Defence Policy“ (CSDP)⁹⁹ took place as early as in the year 2003: “Concordia” in Macedonia and “Artemis” in Congo. The latter is interesting for two reasons: First, the area of operation was clearly further away than 4,000 kilometers from Brussels, so that spatial constraints which had been defined in terms of an already very far distance were finally dismissed. In addition, the EU was operating for the first time without resorting to NATO’s structures and hence independently of the United States, through France assuming operational control. In the meantime, these first two military operations have been followed by numerous additional ones: With EUAVSEC (South Sudan), EUCAP Sahel (Niger) and EUCAP Nestor (Horn of Africa), three new CSDP missions were launched in the summer of 2012 bringing the total of such operations up to 28 so far. Therefore Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy, concludes with satisfaction that with its “military operations on three different continents [...] the EU has demonstrated that its commitment to the area of conflict prevention and crisis management is trustworthy and that it has the required force projection capabilities.”¹⁰⁰

But to many this development does not yet go far enough. As early as in 2008, the former Head of the European Defence Agency, Nick Witney, criticized that the goal of the European Union to be able to provide effective military power projection has fallen far short.¹⁰¹ And indeed: In order to be able to implement the requirements specified in the overly ambitious requirement profile, which had already been adopted in December 2008 at the Council’s Summit, even significantly more capacities are required. There it had been decided to build up capacities as quickly as possible in order to be able to carry out up to 19 operations *at the same time* within the framework of the so-called “Common Security and Defence Policy“ – including two highly intensive rapid response operations and two “stabilisation missions” each, that is, occupation operations such as those in Afghanistan.¹⁰² Against this background, the former EU foreign affairs High Representative Javier Solana said: “We must have the personnel and capabilities – both civilian and military – to back up these political ambitions. The current gap between ambitions and reality must be addressed.”¹⁰³

In particular, the “Weimar Triangle“ consisting of Germany, Poland, and France has been willing to push further the development of EU’s military capacities. The main proposals in this connection were launched in April 2010, aiming at setting up independent EU Headquarters, the establishment of permanent civilian-military battlegroups (in as far as they are currently purely military units put together ad hoc), and a stronger cooperation in terms of joint procurement and use of military equipment (“Pooling & Sharing“).¹⁰⁴ The plans for strengthening the battlegroups were specified in more detail in May 2012, aiming at longer force rotation periods, among other things.¹⁰⁵ The necessity of a stronger procurement and use of military equipment was explicitly emphasized in various statements – for instance, the French-German declaration of February 2012 and the Italian-German declaration of May 2012¹⁰⁶ and efforts in this respect were further pushed with the Swedish-German Ghent Initiative (cf. Chapter 5.4).

It remains to be seen to what extent these efforts to further build up the military apparatus will be successful. Currently, the focus is clearly on overcoming the economic and financial crisis and the serious inner European conflicts associated therewith, which encumber at the moment any further militarization. On the other hand, propagandists of a Global Power Europe are seeing an opportunity in the crisis to remove any existing resistances against this (cf. Chapter 5.6). In any case, despite all obstacles, they succeeded in exerting enormous pressure on the individual Member States in order to prompt them to make additional militarization efforts despite tight budgets.

3.2 Pressure in terms of armament build-up by way of a Permanent Structured Cooperation

The Member States are exposed to an enormous pressure in terms of armament build-up by the military targets set by the Headline Goals, which has even been anchored in primary law by the Treaty of Lisbon (Article 42, para 3): “The Member States shall undertake progressively to improve their military capabilities.” Since originally it was even attempted to anchor an exact target value for armament expenditures – that is to say 2 percent of GDP -, this shows that this explicitly aims at releasing more funds for the armament sector.

The highly modern battlegroups play a very major role here, serving as a kind of “transformation catalyst“ for restructuring national armies in the direction of intervention forces.¹⁰⁷ Even more: Countries which are not ready to set up these expensive units may well find themselves sitting at the side table of the military policy of the EU by being excluded from numerous relevant decisions. This could be made possible by another “innovation“ of the Treaty of Lisbon, the “Permanent Structured Cooperation“ (PESCO): „The underlying idea is to establish an exclusive club of those who are able and willing to do more in the defense sector of the EU. The other way round, such a club makes transparent by ‘naming and shaming‘ which Member States are contributing less.“¹⁰⁸ That means the core idea of the PSC is to pass the control of the EU military policy on to the hands of a few “more qualified” Member States or at least to “encourage” all Member States to invest extensively in their armament sector.

Prior to the Treaty of Lisbon, the Member States were prohibited from forming “exclusive groups“, which would have been able to decide single-handedly on certain areas of the EU’s military policy. It is important to note here that the PSC allows the elegant annulment of the hitherto applicable consensus decision-making in the military sector. According to Article 46 (6) of the Treaty of Lisbon, a PSC can be established by qualified majority; subsequently “unanimity shall be constituted by the votes of the representatives of the participating Member States only.” The trick here seems to be just to raise “eligibility” criteria high enough that ultimately only the largest Member States will be left over. In the binding Protocol No. 10 of the Treaty, “entrance criteria“ have even been defined which must be fulfilled by the Member States in order not to be left out when major decisions on EU’s military policy are taken. This applies to their participation in military operations of the EU and in the main European armament projects, as

well as the challenging ability to set up a combat unit of the EU (battlegroup).¹⁰⁹

In addition, attempts have been made to specify those "entrance criteria" even more finely. Most prominent here are the proposals made by Nick Witney, former Chief Executive of the European Defense Agency. Only such Member States spending at least 1 percent of GDP for armament and supplying also 1 percent of all soldiers of the EU involved in operations should be entitled to participate in a PSC. In general, it has to be ensured that "influence should be proportional to the stake each Member State holds in the enterprise". According to Witney's criteria, quite a number of Member States would fall through the net.¹¹⁰ During the Spanish Council Presidency in the first half year of 2010, the *Egmont Institute* was officially commissioned to work out a paper concretely specifying the criteria for access to the PSC. The document published in March 2011 refers to the following aspects: a) the military forces deployable for interventions abroad must be increased by 25 percent in the next 5 years and by 50 percent in the next 10 years; b) the level of expenditures should be increased to at least 1.63 percent of GDP; c) Member States must contribute to EDA-initiated projects (i.e. they must co-finance arms build-up projects) in proportion to their GDP; d) Member States must participate in *all* military operations of the EU requiring military assets, with military forces.¹¹¹ The message is clear: Those who don't build up arms (and fight), will have no say!

There are even considerations being made openly in the meantime to "transfer" the decision about EU operations to PSCs. For instance, Henri Bentégeat, Chief of the Military Staff of the EU, writes: "In particular, the possibility afforded by the new Treaty of establishing enhanced cooperation in the field of the common foreign and security policy, opens up great potential for EU operations. Just one third of the Member States will be needed to take a decision in the Council to launch an operation."¹¹² Where they want to go is demonstrated by considerations made as early as in 2008 by then French President Nicolas Sarkozy: The Permanent Structured Cooperation should be used to establish a "Directoire" (Board of Directors) for the area of military policy, consisting of France, Great Britain, Germany, Italy, Spain, and Poland.¹¹³

So far they have not succeeded in agreeing on any uniform criteria for the establishment of such exclusive groups, which might be attributed to the resistance on the part of the smaller Member States. Nevertheless, the threatening posture adopted by PESCO has already proven to be extremely successful;¹¹⁴ it is obvious that mainly smaller and medium-sized Member States are concerned that they might be excluded from relevant decisions and therefore prefer to give in to the pressure exerted in terms of armament build-up: "According to British officials, even permanent structured co-operation has encouraged countries to improve their military capabilities – even though the concept introduced by the Lisbon treaty has still not been implemented. After PESCO was first discussed during the Convention on the Future of Europe in 2002 and 2003, the lure of joining a core group played a central role in the decision of several EU member-states to field EU battlegroups."¹¹⁵

What is still important here is who is "entitled" to determine whether a Member State has adequately complied with the obligation for armament and thereby qualified to participate in a military Core-Europe: The European Defense Agency has been put in charge of this by the Treaty of Lisbon, prompting the *Centrum für angewandte Politikforschung* (CAP) of the *Bertelsmann-Stiftung* (Bertelsmann Foundation) to the following assessment: "The European Defense Agency is used to evaluate those contributions. [...] This coupling of defense-political commitment (Permanent Structured Cooperation for operations with high requirements) and defense-technological investment readiness (provision of investment funds and capacities for achieving the Headline Goals) might prove to be a key element for a sustainable participation of the Member States in the integration project of a Common Security and Defense Policy (CSDP)."¹¹⁶ From this standpoint, the Agency is the „ideal“ supplement to the obligation to build up armament as set forth in the Treaty of Lisbon. For it can sanction Member States which do not comply to the desired extent with the obligation contained therein, i.e. „progressively to improve their military capabilities“. But this is not the only area where the Agency plays an important role.

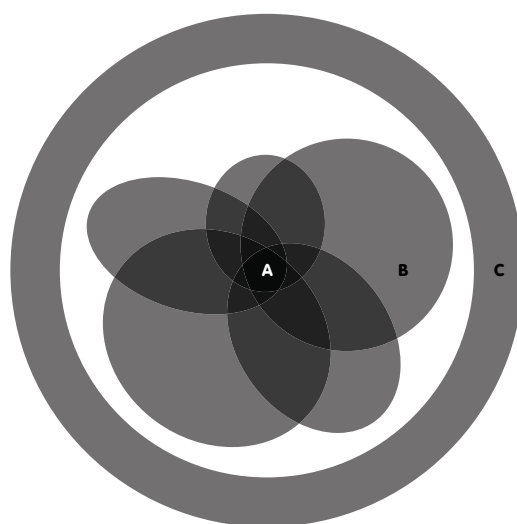
3.3 An Agency for armament build-up

The European Defense Agency (EDA) was brought into being by a joint action of the Council in July 2004.¹¹⁷ One year later it began its work and has in the meantime

RE-ENERGISING EUROPE'S SECURITY AND DEFENCE POLICY

In summary, the model just described can be represented thus:

A Model for Pioneer Groups in European Defence



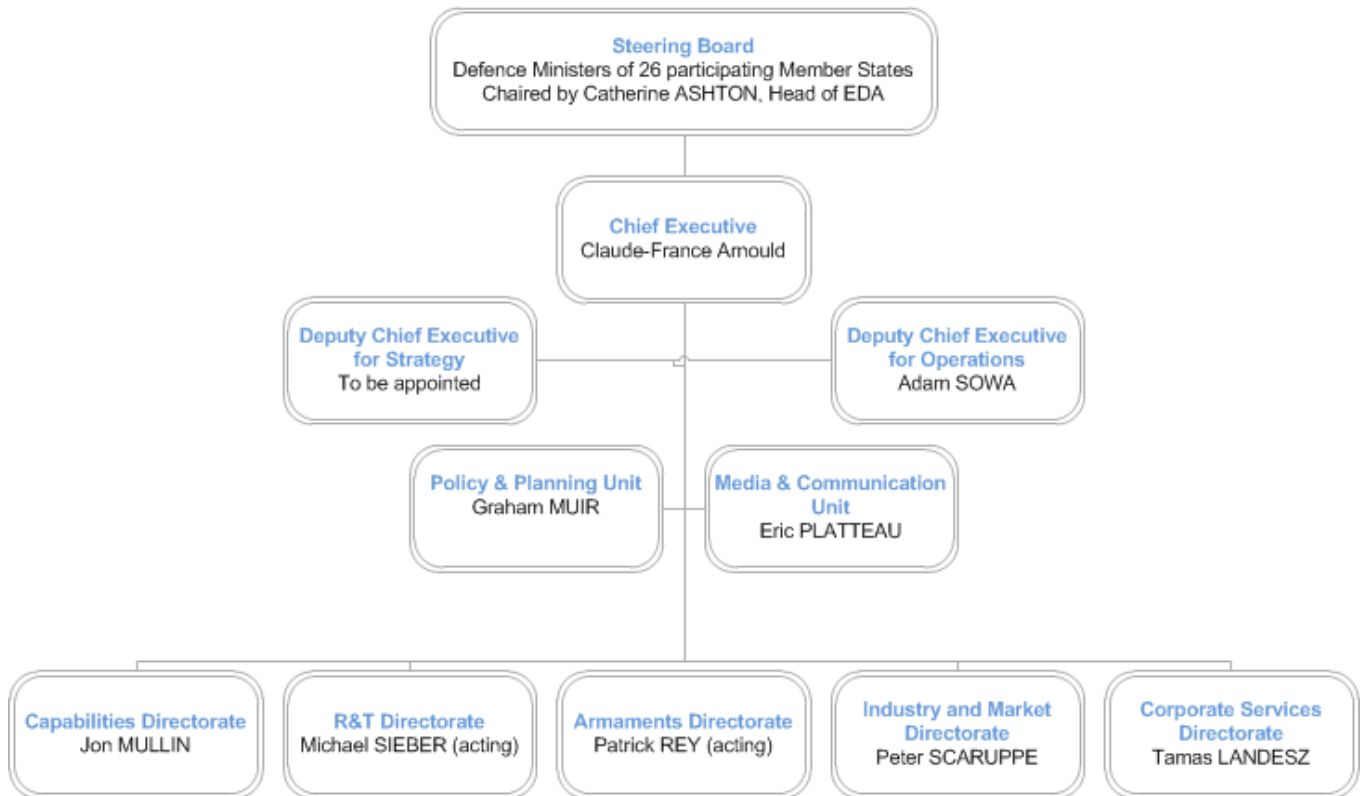
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A
The core grouping of Member States: those who contribute most to most

B
Different sub-groups cooperating on e.g. defence research, or shared capabilities

C
Member States not yet satisfying the initial entry criteria

Core grouping model of former Chief Executive of the European Defense Agency, Nick Witney, source: Witney, Nick: Re-energising Europe's Security and Defence Policy, ECRF Policy Paper, July 2008, p. 26



Organigram of the European Defense Agency, source: European Defense Agency

even be anchored by primary law as the only EU Agency by the Treaty of Lisbon.¹¹⁸ Except for Denmark, all Member States are participating in the EDA, whose decision-making body is a Steering Board composed of representatives of national Ministries of Defense.¹¹⁹

According to the Treaty on European Union, the Agency has the task to „contribute to identifying the Member States’ military capability objectives and evaluating observance of the capability commitments given by the Member States.“ Furthermore, it has to „support defence technology research“ and to contribute to „strengthening the industrial and technological base of the defence sector“ (Article 45 TEU). The main purpose of the Agency becomes, however, much clearer by referring to its original name: ”European Armaments Agency“.¹²⁰ Despite its specious renaming, the task hasn’t changed at all: “The improvement of the military capabilities of the participating Member States as well as the identification and further development of new ones [...] is at the core of the mission of the European Defence Agency.”¹²¹

After the focus of the EDA’s activities had at first been put on establishing the organization, the Steering Board charged the Agency in November 2005 with the task of defining the strategic framework of the future European armament policy in a document.

3.3.1 Long-term armament vision

The objective of the ”Long-Term Vision“ (LTV) published in October 2006 has been set forth in the document as follows: “This document does not pretend to offer a route map to be followed over the next twenty years. It aspires only to provide a sort of compass bearing, to indi-

cate the directions in which it would be sensible to move forward.”¹²² In general, the Long-Term Vision paints a gloomy picture of the future security policy development: „Globalisation will produce winners and losers, as between countries and regions, and within societies. [...] The implications for despair, humanitarian disaster and migratory pressures are obvious. [...] By 2025, Europe will be externally dependent for 90% of its oil and 80% of its gas. China and India in particular will drive global energy demand, and seek new sources in central Asia, Africa and the Middle East. In this and other ways, European security interests may be directly or indirectly challenged by tensions arising not only in the near neighbourhood but also further afield.“¹²³

Against this background, the LTV also concludes that there will be an increasing “demand” for EU military operations abroad. The task specification of the EU’s armed forces is then described in the document as follows: “EU Member States’ military forces [...] will need to demonstrate strategic reach (expeditionary operations) and strategic agility, being able to quickly move strategic distances and enter directly into the theatre of operations, readied and prepared.”¹²⁴ What is interesting is the assessment of a changing requirement profile resulting from a shift in the war objective: „ESDP operations will be [...] directed at achieving security and stability more than ‚victory‘. [...] That said, the level of force required to achieve such outcomes may, in some scenarios, be substantial.“¹²⁵

In order to be able to provide the capacities considered required, the LTV emphasizes the importance of a strong and independent European armament-industrial basis. At the same time, concerns have been expressed that this basis



Strategic Framework of the European Defense Agency, source: Meirino, Arturo Alfonso: Establishment of the European Defence Agency: A key milestone in the process of constructing European defence, in: European Defence Agency: Past, Present & Future, Ministerio de Defensa 2010, pp. 19-60, p. 40.

is about to erode: “Un-arrested, the trend points towards a steady contraction of the European defence industry into niche producers working increasingly for US primes. A combination of counter-measures is necessary. Higher levels of European investment are essential (in the interests of military capability as much as industrial policy). [...] The need for this is particularly apparent in the field of R&T, where we are now living off the fat of investments made during the Cold War, and expenditure has fallen to a trivial 1.3% of overall European defence spending. [...] It is now conventional wisdom in Europe that there is a need to increase the proportion of defence budgets going on investment.”¹²⁶

Above all, however, the armament-industrial basis has to be strengthened by consolidating the fragmented defence market: “But redoubled efforts are also required to achieve consolidation on the demand side of the market, and to facilitate further progress towards supply side consolidation. [...] The need, in short, is to accept that the DTB [defence technological and industrial base] in Europe can only survive as one European whole, not as a sum of different national capacities.”¹²⁷

Subsequently, on the basis of the Long-Term Vision, the “Capability Development Plan” (CDP) was developed, in which concrete capability gaps are identified and measures for closing them are envisaged.

3.3.2 Comprehensive armament framework

“After an initial phase of building up the Agency and developing the strategies, needed to guide capability development for ESDP,” said former Chief Executive of the EDA, Alexander Weiss, in 2009, “the emphasis of EDA’s activities is now increasingly shifting to concrete work.”¹²⁸ The framework for this was provided in a document published in July 2008 for the first time: “The Capability Development Plan is a quasi master plan for the procurement of resources, for trends, and national plans up to 2025 and is being continuously updated.”¹²⁹ The CDP is a “living document”, which means that it is supposed to be adjusted to changing requirements continuously. The first revision was made in 2010 and endorsed by the Steering Board in March 2011.¹³⁰

Specifically, the CDP lists twelve priority areas in which it is essential that “capability gaps“ are closed. The then French Presidency of the Council described the purpose and meaning of the Capability Development Plan as follows: “It will allow the Member States to begin identifying, in an exhaustive manner, the gaps liable to jeopardise their ambitions for the European Union and their opportunities for cooperation to fill in these gaps (prioritising protecting forces in operations against improvised explosive devices and ground-air missiles, improving the availability of helicopters, medical support in operations,



Door plate of the European Defense Agency, source: European Union

the fight against naval mines, network-centric operations, etc.).¹³¹ Another major objective is the establishment of a European Transport Fleet: „A first and very important project the EDA is looking after is the establishment of a European Air Transport Fleet (EATF). This is the EU’s response to the fact that transport capability is a central military asset in view of the spread of security-relevant conflicts around the globe.“¹³²

With the requirement profile of the CDP, the umbrella of EDA’s framework had been completed, so to say; the point now was the fine-tuning of the planning, which was completed by end of December 2008: Which technologies are required to close those capabilities gaps and how they are to be procured, are the subjects the “Defence R&T Strategy“ is dealing with; strengthening of the armament-industrial basis is the focal point of the ”Defence Technological and Industrial Base Strategy“; and promotion of European armament cooperation is the subject-matter of the ”Armaments Cooperation Strategy“.¹³³

3.3.3 Armament tiger or wimp?

In November 2007, EDA’s Steering Board approved four collective benchmarks for investments in the armament sector: 20 percent of total defense spending is to be spent for equipment procurement projects, of which 25 percent is to be carried out as cooperation projects. Two percent of total expenditure is to be invested in the area of Research and Technology, while 20 percent of all projects are to be carried out again collaboratively.¹³⁴ One problem

of the Agency is, however, that these are declarations of intent which are not binding. Nevertheless cross-national procurement projects increased by 67.4 percent from 2005 to 2010 and collaborative military research projects even by 98 percent during the same period, what doubtlessly can be considered a success for the Agency.¹³⁵

On the other hand, although they succeeded in considerably increasing the Armaments Agency’s budget from 21.2 million euros in 2005 to 30.5 million euros in 2010, the budget is still comparatively low given the claim being raised.¹³⁶ Moreover, only a fractional part of the total budget has been reserved for specific research or procurement projects, i.e. in 2010 only 8.4 million euros.¹³⁷ Great Britain, especially, which traditionally is opposed to a Europeanization of military policy, is currently blocking even minimal budget increases.¹³⁸ So, the Agency has to rely on individual participating Member States to finance ad hoc projects under its umbrella, which is currently, however, only done to a modest extent of about 300 million euros.¹³⁹ For this reason, the Agency is again and again the target of sharp criticism that it remains far below expectations: “The lion share of procurement remains outside the EU-framework. No big armament programme so far has come under the control of the Agency.“¹⁴⁰

But such criticism misses the mark a bit, since the Armaments Agency should basically never assume the management of procurement projects anyway: “The EDA is supposed [...] to help improve the technical and industrial bases for armament, but not manage any individual projects.“¹⁴¹ For sure, the Armaments Agency – unfortunately – has performed its main task to create a framework for a more systematic militarization of the European Union and to harmonize the efforts of the individual Member States in this respect.¹⁴² The German government at least has got big plans for the Agency, as a report published by the Federal Ministry of Defense at the beginning of 2011 reveals: “The objective is that the EDA further develops into becoming a European motor of defense policy coordination in the area of capability development and armament cooperation.“¹⁴³

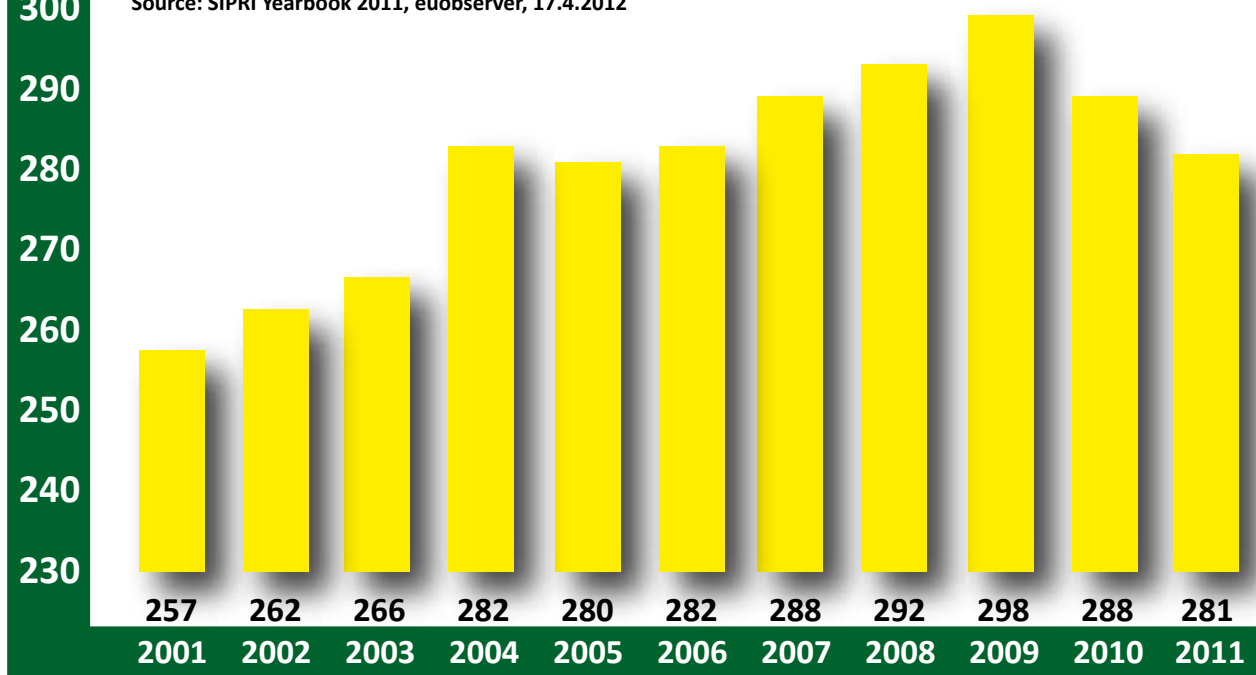
But still, when it comes to militarists, they can find something to grouse about: “Although the EDA can refer to considerable achievements, but it hasn’t so far succeeded in achieving the grand plan, the merger of all European national armament industries into one powerful European armament industry.“¹⁴⁴ But here, too, the Armaments Agency has already prepared the ground to a considerable extent. As early as in November 2005, the Armaments Agency succeeded in getting nearly all European Member States to sign the “Code of Conduct on defence procurement“. It paved the way for the “Defence Package“ later, by which the creation of EU MIC is being strongly pushed forward (cf. Chapter 5.3).¹⁴⁵

3.4 The myth of rapidly declining military budgets

With great pomp, US Defense Secretary Leon Panetta snubbed European allies in October 2011; the United States would no longer be prepared to accept rapidly declining EU budgets and compensate them by expenditures of their own: „This has meant that modernization measures urgently required have been postponed.“¹⁴⁶ Already in sum-

Military Expenses of EU Member States: 2001-2011 (billion dollars)

Source: SIPRI Yearbook 2011, euobserver, 17.4.2012



mer 2011, Panetta's predecessor in office, Robert Gates, had clearly called upon the EU Member States to make "a serious effort to protect defense budgets from being further gutted in the next round of austerity measures."¹⁴⁷

What the two US top politicians meant exactly is something probably only they themselves know, because, for sure, it can't have been the development of European military expenditures. Indeed, nearly every EU Member State paid lip service to their intention to drastically cut military budgets, but it happened almost nowhere. What is striking here is that drastic cuts, as far as they were made at all, were primarily to be noted in smaller EU Member States and that investments in new armaments altogether remained almost equally high: "Generally, cuts in the area of procurement planned or realized reached a much lower level across EU member states than discussed at the beginning of national response plans [to the economic and financial crisis]."¹⁴⁸

Particularly in the big Member States budget saving efforts have been modest, to put it mildly. France wants to cut its budget between 2011 and 2013 by a total of 3.5 billion euros, which amounts, however, to a reduction of only 4 percent, which will be partly compensated by building sales of 2 billion euros.¹⁴⁹ In Great Britain cuts between 10 and 20 percent were discussed at first, which was already considered by many to be the decline of the West.¹⁵⁰ Yet, this figure quickly dropped to 8.5 percent (with general budget cuts of 20-25 percent), and there is nothing even of that left: "In military terms saving means that the British military budget increased by 2.5% in 2011 compared to 2010 and another increase by 1.8% is contemplated for 2012; not even including the costs for concrete war op-

erations."¹⁵¹ Further south, things are not better: "Despite previous announcements of cuts in the defense budget of up to 10%, Italy keeps its budget stable in 2011. According to a manager of Finmeccanica, expenses for procurement are even going to rise."¹⁵² What the German government is doing is particularly brazen, still trying to give the impression with all sorts of accounting tricks that cuts in the military budget are being made, although in reality the opposite is true (see box).

Having said this, it is no wonder that EU's military expenditures in 2011 decreased only minimally compared to previous years, that they continue to be on an extremely high level with 281 billion dollars and that they are thus about 10% above the military budgets in 2001.¹⁵³ In particular, this is also a scandal in view of the massive austerity cutbacks in social expenditures enacted at the same time: "Most European defense budgets have been cut less deeply than other sectors of European governmental spending in 2010-2011."¹⁵⁴ That means that prophecies of doom, according to which armies would be threatened by radical cuts of unprecedented dimensions, are devoid of any foundation. Industry has no reason to lament either, as previously mentioned; its profits are higher than ever.¹⁵⁵

However, they seem to assume that with the current level of expenditures, the end of the flagpole has been reached and therefore the target is stabilization on a level as high as possible.¹⁵⁶ In addition, they have found another option for increases – and concealment at the same time – in military expenses: Under the pretext of synergy effects between military and civil programs, civil budgets are increasingly used to finance security and military-relevant measures.

Smokescreen of the Cost-Cutting Pressure: The Example of Germany

The general restructuring of the Bundeswehr (German Federal Armed Forces), which is currently undergoing detailed planning, allegedly is being implemented primarily for one reason: in order to save costs and to drastically cut the military budget on a sustained basis – that at least always has been officially announced. But in the meantime, there is increasingly less interest in the original announcement to save a total of 8.3 billion euros up to 2014. At the latest with the "Defence Policy Guidelines" and "The Reorientation of the Bundeswehr (Key Elements)" published simultaneously on May 18, 2011, it became clear that the cost-cutting target will not be met. This shows also that the overall restructuring of the Bundeswehr primarily aims at making the military more efficient and not necessarily cheaper. At the same time, the argument that comprehensive measures are required due to cost-cutting pressure serves the purpose of overcoming any resistances that until now have been standing in the way of improved warfare capabilities of the Bundeswehr.

Expensive enforcement of interests

Against the background of the restructuring of the Bundeswehr, which is currently under way, it is just breathtaking how the debate about the purpose for which the military must or may be deployed in operations abroad has recently shifted. Even at the end of May 2010, the then Federal President Horst Köhler had to resign because he took the view that "military actions are required to protect our interests, for example free trade routes".¹ About one year later, the German Minister of Defense Thomas de Maizière made an almost identical statement, without any ensuing storm of indignation: "In the meantime, it should actually go without saying that we are clear about our national interests and openly advocating them. [...] Our national security interests arise as a result of our history, our geographical position, the international integration of our country, and our resource dependency as a high-tech country and an export nation poor in natural resources. [...] This also implies deployment of armed forces."² Indeed, similar wordings could already also be found in earlier documents, but not with the same clarity, so that it was explicitly welcomed with the following words by Zeit Online: "That is a clear accent shift. [...] In a nutshell, this is exactly what Köhler suggested. While what is said by de Maizière, in his considerate, calm manner, is believed, it cost Köhler his head."³

The restructuring of the Bundeswehr is now being implemented against the background of this requirement profile. According to official considerations, savings shall mainly be achieved by reducing the staff of the Bundeswehr from currently 252,000 soldiers. Meanwhile, numerous models have been going around providing for a final scale from 145,000 to 185,000. Against this backdrop, an internal study of the Bundeswehr, which included a drastically worded warning that the cost-cutting target only allowed for a troop strength of 158,000 soldiers, was leaked to the German newspaper Bild in April 2010. This would mean that its "ability to meet alliance commitments and its operational capability will be foreseeably lost." The cuts would fundamentally endanger the Bundeswehr, according to the paper of the German Federal Ministry of Defense: "The cuts envisaged will considerably restrict Germany's capabilities to contribute to national and international security precautions with military means. The German military contribution will neither comply with Germany's role in the Alliance nor be sufficient for national security interests. These restrictions will not be reversible in the medium term."⁴

Real-life satire of cost-cutting pressure

To the armament industry's great delight, investment expenditures shall even increase. But also with regard to the reduction of the strength of the Bundeswehr, plans are now moving along the upper end of the proposals discussed so far – not least because of the urgent reminder from the German Ministry of Defense. According to the "Key Elements", therefore, "the strength the Bundeswehr will in future be up to 185,000 military personnel [...]."⁵ Considering that simply by the suspension of compulsory military service 30,000 soldiers will be eliminated, the reduction plans are anything but ambitious. Even more importantly: They are absolutely incompatible with the cost-cutting targets, since the internal paper of the German Federal Ministry of Defence mentioned above states that the troop strength would have to be reduced to 158,000 soldiers to that end. Of course, all people responsible are well aware of this, and this is why they have agreed on various accounting tricks in the meantime.

By way of reminder: According to a resolution of June 2010, the Bundeswehr should actually contribute 8.3 billion euros to the savings of 81.6 billion euros the German Federal Government wants to achieve by 2014. Accord-

Rising Tendency: Investment Portion of the German Military Budget

2005	2006	2007	2008	2009	2010	2011	2012	2013
4,02	4,05	4,27	4,06	5,06	5,38	5,77	6,15	6,38

Source: Burmeister, Kai et al.: *Perspektiven der deutschen militärischen Schiffbaukapazitäten im europäischen Kontext*, IG-Metall Kurzreport 11/December 2010, p. 9.

ing to the initial budget estimate, this would have meant cutting the military budget to 27.6 billion euros in 2014. Subsequently, however, by means of an "extension of time", it was ensured that the budget of the German Federal Ministry of Defense was only to be reduced to 30.4 billion euros by 2015.⁶ Yet, current budget plans presented at the end of June 2012 go even considerably beyond this broad financial framework once again. According to the German Federal Ministry of Finance, the military budget will clearly rise from 31.7 billion euros in 2012 to 33.3 billion euros in 2013. In addition, according to new plans, the budget to 2016 shall only be "reduced" to 32.5 billion euros.⁷ Furthermore, the possibility is being opened up that personnel costs of up to 1 billion euros annually be charged to the general budget, thus achieving an additional hidden budget increase. "Any further reduction in staff initiated by the reform will continue to be financially supported with regard to the expenses for civilian surplus staff by a backup possibility from department budget 60 up to an amount of 1.0 billion euros."⁸ Finally, the cost-cutting in figures: The budget of the Bundeswehr, which supposedly has been subjected to a financial clearcutting of unprecedented dimensions, will actually amount up to 33,5 billion euros in 2016, nearly 6 billion euros above the budget of 2006!

In addition, there are the hidden costs resulting from war operations. The costs of German operations in Afghanistan amounting to 5.5 billion euros so far, according to information provided by the Federal Government, are an example here. However, if all relevant items that have been consciously swept under the table are taken into account here, this amount adds up to approximately 17 billion euros, according to calculations of the German Institute for Economic Research (DIW). For the period from the beginning of 2011 to the beginning of 2012, a total of 1.059 billion euros has been forecast in the budget, while actually between 2.5 and 3 billion euros will be incurred, according to the German Institute for Economic Research. If the withdrawal does not begin soon, then the total costs of the war for Germany alone could add up to 100 billion euros, according to the German Institute for Economic Research.⁹

Thus, the restructuring of the Bundeswehr is and was never a matter of cost-cutting, but of increasing its operational capability. This is illustrated by the fact that the number of currently 7,000 soldiers deployable at the same time abroad shall be increased by the restructuring of the Bundeswehr: "Some 10,000 soldiers will be deployable and sustainable in parallel operations."¹⁰ Thus, the "cost-cutting pressure" primarily served the purpose of eliminating two obstacles with regard to the efficiency enhancement of the Bundeswehr. First, this refers to expenditures, which so far have been going into "futile" areas because they are useless for any "Expeditionary Force", which are to be dissolved and any non-consumed amounts redirected. This refers in particular to the comprehensive shutting down of Bundeswehr bases, announced at the end of October 2011, which so far were considered sacred cows both by large parts of the military and above all by the federal

states and the municipalities. With reference to alleged cost-cutting requirements, numerous such sacred cows are going to be slaughtered now, so that funds will be released for the investment area.

Second, this refers to the compulsory military service which was also a major element of the Bundeswehr's self-conception for a long time, i.e. the "Citizen in Uniform". But since draftees are not permitted to join military operations abroad and cause considerable costs, here too a break with the past was made by suspending the compulsory military service. However, for the Bundeswehr, this gives rise to yet another problem: So far, the compulsory military service was the main instrument for getting new recruits. For this reason, public relations measures, which had anyway been increasing for a long time, again have been considerably intensified in the course of the restructuring of the Bundeswehr and the suspension of the compulsory military service. By means of this charm offensive, the Bundeswehr wants to enhance the public approval of its war policy on the one hand, and also get new recruits on the other hand. In any case, all that has little to do with cost-cutting but much to do with the striving to be able to conduct war "effectively".

Notes:

- 1 Horst Köhler im Gespräch mit Christopher Ricke, Deutschlandradio Kultur, May 22, 2010.
- 2 Governmental statement of the Federal Minister of Defense, Dr. Thomas de Maizière, regarding the re-orientation of the Bundeswehr before the German Bundestag on May 27, 2011 in Berlin.
- 3 Lau, Jörg: De Maizières Bundeswehrreform und die deutschen Interessen, Zeit Online, May 18, 2011.
- 4 Bundeswehr wird kaputt gespart! Bild.de, April 20, 2011.
- 5 Federal Ministry of Defense: The Reorientation of the Bundeswehr (Key Elements), Berlin, May 18, 2011.
- 6 German Government's financial plan for 2011 to 2015, August 12, 2011, p. 20.
- 7 German Government's federal budget for 2013 and financial plan to 2016, p. 11f.
- 8 Ibid., p. 12.
- 9 Brück, Tilman et al.: Eine erste Schätzung der wirtschaftlichen Kosten der deutschen Beteiligung am Krieg in Afghanistan, Wochenbericht des DIW Berlin 21/2010, p. 2-11; In Afghanistan explodieren Bomben und Kosten, Neues Deutschland, October 04, 2011.
- 10 Federal Ministry of Defense: The Reorientation of the Bundeswehr (Key Elements), Berlin, May 18, 2011.

4. Open and Hidden Military Budgets and the Instrumentalization of Civilian Foreign Policy

When it comes to financing the EU's foreign and military policy, there are a confusing multitude of budget items and measures of which an overview will be given below. They range from various official and semi-official budgets to current efforts to establish an independent military budget, all the way to brazen misappropriations of funds from development aid budget items or something like the research budget. That this is at all possible has a lot to do with the fact that there is no longer any clear separation in the European Union as to where civilian foreign policy ends and where military policy begins. This confusion opens up the door to an instrumentalization and misappropriation of civilian funds and capacities for military purposes, as the just newly established European External Action Service (EEAS) makes drastically apparent.

4.1 The CFSP budget and the financing of "civilian" EU operations

Currently, it is not possible to finance armaments and military research, or military operations out of the EU's budget. Article 41 (2) of the Treaty of Lisbon is – actually – clear on this: "Operating expenditure [...] shall also be charged to the Union budget except for such expenditure arising from operations having military or defence implications." However, this opens up a loophole for financing "civilian" operations abroad from the EU's budget via the budget of "Common Foreign and Security Policy" (CFSP).¹⁵⁷ The term "civilian" should, however, be treated with caution in the European Union, in particular when it comes to operations abroad. "Civilian" operations are often closely intertwined with military operations, draw on military staff or accompany military interventions. Therefore, one can hardly speak of any purely civilian operations (cf. Chapter 3.1).

The current budget 2007 to 2013 provides for a total of 2 billion euros for this purpose, while the CFSP budget shows a steep rise from 159 million euros (2007) to 406 million euros (2013).¹⁵⁸ The draft budget of the European Commission for the period from 2014 to 2020 provides for a total of 2.51 billion euros for this area.¹⁵⁹ Although these expenditures must be approved by the European Parliament as a whole and in terms of their distribution as individual budget items, individual measures such as the beginning of "civilian" operations abroad are not subject to any approval. While no additional funds can be made

available without the approval of the European Parliament if the CFSP budget is exceeded, funds can, however, be shifted between individual budget items independently of Parliament. "As a consequence, Parliament is sidelined on approving budgets for individual common actions. Moreover, in case no consensus on additional Community funds can be reached, the Council may unanimously opt for financing certain actions outside the Community budget."¹⁶⁰

Furthermore, additional 2.062 billion euros are available between 2007 and 2013 for crisis management and conflict prevention through the "Instrument for Stability" (IfS). Although no measures with direct military or defense implications can be financed from this, there is substantial evidence that funds from this budget item are mainly used for supporting measures in countries where EU operations are under way: "In 2009, with the largest portions of expenditures going to Georgia (more than 30 million euros), followed by the Palestinian Autonomous Territories (27.5 million euros), Kosovo (25 million euros), the Democratic Republic of Congo (DRC), and Chad (both approx. 15 million euros each), regimes were supported which at the same time were stabilized by CFSP missions."¹⁶¹ The IfS is extremely intransparent: Little information can be obtained, for example, as to which specific projects are being funded.

So much for the two most important "civilian" crisis management funds; when it comes to parliamentary means of control in the military area, things are looking even grimmer.

4.2 Athena: Hidden war chest

Because it is not – yet – possible, as already mentioned, to finance military operations from the EU budget, the European Council created another option on Germany's initiative. With Council Decision 2004/197/CFSP of February 23, 2004 the so-called ATHENA mechanism was put in place. All EU Member States¹⁶² make their contributions according to a fixed allocation formula to this "war chest", which is used to finance parts of the common costs incurred by EU military operations. According to Council Decision 2007/384/CFSP of May 14, 2007 this includes: A large part of "operational common costs relative to the active phase of operations [...]: costs for [...] Operation Headquarters, [...] transport costs, [...] locally hired personnel, [...] barracks and lodging/infrastructure", etc.¹⁶³

CFSP Budget for Financing "Civilian" EU Operations Abroad (in Mio. Euro)

2007	2008	2009	2010	2011	2012	2013	Total
159	200	243	282	327	363	406	1980

Source: Grevi, Giovanni/Keohane, Daniel: *Civilian resources for ESDP*, in: Grevi, Giovanni et al. (Ed.): *European Security and Defence Policy – the first 10 years*, European Institute for Security Studies, Paris 2009, pp. 90-114, p. 91.

The ATHENA mechanism operates in a parliamentary no man's land; there is no effective control, neither on a European nor on a national level – and that is probably exactly what was actually intended.¹⁶⁴ While the European Parliament does not have any budgetary powers, the respective powers of national parliaments have actually been overturned by the mechanism: "Even in the case of non-participation in any ESDP operation, Germany would have to bear 20.18 percent of common costs."¹⁶⁵ That means that even if a Member State does not want to participate in a military action of the European Union, it will still inevitably be involved via the financing from the ATHENA budget. The conclusion with regard to ATHENA is hence clear: "The European Council's financial room for maneuvering towards the parliaments of the EU Member States has been broadened by the ATHENA mechanism. So it also restricts the scope of decision-making of the German Bundestag on military operations abroad within the framework of the EU."¹⁶⁶

Between 2004 and 2010, 520 million euros were spent from the ATHENA budget.¹⁶⁷ For 2011, the ATHENA budget amounted to 31 million euros, covering, however, only about 10% to 15% of the total funding requirements relating to common costs.¹⁶⁸ Currently, the rest has – still – to be funded according to the principle of "costs lie where they fall". It defines that Member States must also provide the funds for their own costs relating to a military action of the EU. This is especially irritating for large EU troop providers, who are understandably anxious to shift the costs of military operations as far as possible on to other Member States. "The ATHENA financing mechanism proves to be inadequate and the principle according to which costs lie where they fall is rather a non-incentive for the Member States."¹⁶⁹

In order to remedy this "nuisance", extensions of the measures funded by ATHENA have been repeatedly demanded. A study of the European Council's Directorate-General for External Policies proposes, for instance, to tap the budget for common armament procurement projects, too.¹⁷⁰ Most recently, such a request was again put forward in December 2011: "The European Parliament [...] encourages the Member States to increase their efforts in finding an agreement on common financing; invites the Member States to consider, as part of the review of the ATHENA mechanism, the possibility of extending the mechanism to provide also common funding for actions or acquisitions which support the aim of greater cost efficiency in European defence, but cannot be financed from the EU budget, notably a common financing of provided equipment."¹⁷¹ At the end of June 2012, the European External Action Service submitted a proposal for financing specific operations, aiming at using ATHENA funds in future to a greater extent than so far for deployment of EU battle groups.¹⁷²

4.3 Start-up fund: Nucleus of a military budget of the EU?

With regard to the future financing of EU military policy, the sections to be found in Article 41(3) of the Treaty on European Union (TEU) are particularly delicate. There, with the so-called "start-up fund", the possibility was opened up for the first time to establish immediately a sort of a military budget of the EU to which the European

Council – i.e. the executive – will be granted exclusive access. The actual political issue is not only that there is no provision for any budget control on the part of the European Parliament or the national parliaments. Even more: Apparently, the European Council should also be able to determine all modalities single-handedly, in particular the scope of the fund. Article 41(3) of the TEU states literally: "Preparatory activities for the tasks referred to in Article 42 (1) and Article 43 which are not charged to the Union budget shall be financed by a start-up fund made up of Member States' contributions. The Council shall adopt by a qualified majority, on a proposal from the High Representative of the Union for Foreign Affairs and Security Policy, decisions establishing:

- a) the procedures for setting up and financing the start-up fund, in particular the amounts allocated to the fund;
- b) the procedures for administering the start-up fund;
- c) the financial control procedures."

That means that the heads of state and government may determine alone the scope of this "war chest". Although they have not succeeded so far in reaching an agreement on the details with regard to the start-up fund, it is still clear where they want to go, namely in the direction of a full-blown EU military budget. Although the wording is actually unambiguous, because it speaks of the financing of "preparatory activities" and not of "carrying out a military action", a paper of the *Friedrich-Ebert Stiftung* forecasts, however, for instance: "In the medium term, the start-up fund could be the basis for a European fund ESDP missions."¹⁷³

Still in 2003, a resolution of the European Parliament pointed "to the risk of the financing of the European security and defence policy leading to the emergence of shadow budgets which are closed to democratic scrutiny."¹⁷⁴ In 2005, too, a report of the European Parliament was absolutely clear about this: "A 'subsidiary budget' held by the Council is unacceptable from the point of view of democratic controls."¹⁷⁵ But that is exactly what the ATHENA mechanism and the start-up fund are. Both shadow budgets are black budgets existing outside of any effective parliamentary control.

However, besides these official and semi-official ways of financing the EU military apparatus, items from other budgets are also increasingly used.

4.4 Space armament by means of civilian budget items

The European Union has also been participating actively for years in using space for military purposes.¹⁷⁶ Two projects in particular are of crucial importance here: the Galileo satellite radio navigation system and „Global Monitoring for Environment and Security“ (GMES). These mainly militarily relevant projects are financed from civilian EU budgets. Galileo especially is additionally more than a clear first sign that EU cooperation projects do not at all automatically lead to reduction of costs.

4.4.1 Galileo as a "billion-dollar grave"

The origins of the European satellite radio navigation system Galileo go back to the year 1998, when a feasibility study of the European Commission and the European Space Agency was prepared. The project was finally officially adopted by a resolution of the European Council on April 5, 2001. Announced as a purely civilian – and economically reasonable – project, the first three Galileo satellites were to be put into operation as early as 2006, according to initial plans.

Ostensibly they wanted to get a slice of the profitable navigation pie which has so far only been consumed by the American GPS system. The European Commission estimated 1.8 billion euros for the development phase and an additional 3.4 billion euros for the deployment phase. Originally the aim of the European Union was to have to fund only one third of the costs for the deployment phase, and the rest should be contributed by private investors. However, after such investors were not found, the funds were painstakingly gathered from various – civilian – budgets: 1 billion euros from the budget for Trans-European Networks Energy and Transport (TEN); 1.6 billion euros from the European Agricultural Fund, and 800 million euros from the Research Budget of the year 2008. This is explosive among other reasons because Galileo is also a military project (see below), which actually may not be financed from the EU budget, according to the already quoted Article 41 TEU.

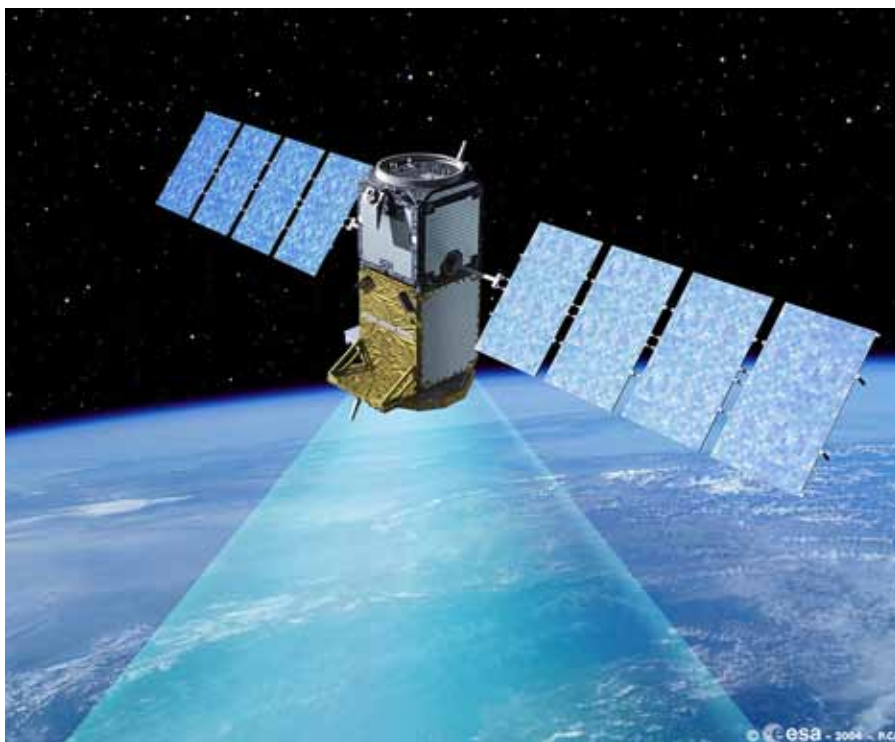
But as a report of the German Federal Ministry of Finance on the "current state of affairs with regard to Galileo" leaked to the press by mid October 2010, admitted that the cost estimates were – cautiously worded – extremely optimistic. According to information provided by the European Commission, "additional costs of 1.5 to 1.7 billion euros" will be incurred for the deployment phase and the

completion will be delayed to 2017 or 2018.¹⁷⁷ The outlook of the European Commission presented in its "Mid-term review of the European satellite radio navigation programmes", published in January 2011, was even more pessimistic. It reveals that Galileo is financially getting even further out of hand than had already become apparent in autumn 2010. According to the European Commission, the completion of the project will be delayed to 2019 or even 2020. Furthermore, the mid-term review states that the costs which will additionally be incurred to the 3.4 billion euros initially estimated now amount to an additional 1.9 billion euros. That means that the commitment for the deployment phase rises to the princely sum of 5.3 billion euros.¹⁷⁸

The report of the German Federal Ministry of Finance was in particular also explosive, because they no longer want to know anything about the initially advertised economic profits to be yielded by the project: „The sources of revenues are considered to be significantly lower than originally expected, because a commercial exploitation of Galileo services is difficult in view of a market which is only beginning to develop and the free services of the other satellite navigation systems.“¹⁷⁹ What is emerging here, i.e. that Galileo is going to be a huge subsidy project, is finally also documented in the report with concrete figures. Expected revenues of 100 million euros are matched by operating expenses in the amount of 850 million euros, which means, according to the German Federal Ministry of Finance, that in future "financial resources in the amount of 750 million euros from the EU budget will be annually required on average for operating expenses."¹⁸⁰ The "Mid-term review" of the European Commission reached similar conclusions. It assumes that annual operating costs will amount to 800 million euros, while only 70 million euros per year could be generated at best – and even this only "in the long term"! The devastating conclusion: "The prospects for direct financial revenues for

the EU generated by the operation of the systems are very limited."¹⁸¹ No wonder, then, that the Commission's draft for the budget 2014 to 2020 includes on average 1 billion euros per year for Galileo.¹⁸²

After publication of that figures fiasco there was enormous outrage. Accordingly explicit were then the headlines of the press such as „Fass ohne Boden" (Bottomless Pit) (*Frankfurter Rundschau*), "Milliardengrab im All" (Billion-dollar grave in space) (*Abendzeitung*), or "Dauerhafter Zuschussbetrieb statt Goldesel" (Constantly subsidized operation instead of cash cow) (*Heise Online*). According to Klaus Hagemann, politician of the Social Democratic Party of Germany (SPD) and Chairman of the EU Sub-Committee of the Budget Committee of the German Bundestag, it is "incredible that it only now – after the first partial orders for the satellites have been



Galileo, source: European Council

awarded – comes to light that Galileo will not be a cash cow but a constantly subsidized operation.”¹⁸³ But in fact, these and other statements by responsible politicians are more than ridiculous: It has been clear for years that the total commitment for the project would amount to about the sum of the figures now presented. For instance, the *Spiegel* reported already on January 12, 2008 that the costs of the deployment phase would rise to at least 5 billion euros.¹⁸⁴ It has also been known for a long time that Galileo would by no means be the cash cow once advertised, both on the part of the economy and politics. As early as 2007, a communication of the European Commission already highlighted, for instance, the reason why the enthusiasm of private companies to invest in the Galileo project was very limited: “Among the reasons are the uncertainties of the commercial use of Galileo, with the fact that the GPS civil signal is free of charge.”¹⁸⁵

Indeed it is quite difficult to imagine – but at least possible – that these and other sources which already years ago predicted the financial debacle now officially acknowledged were not known or disregarded due to absolute incompetence. This does not, however, explain why there is currently no one at all arguing in favor of tacitly burying such a loss-making project. Even any contractual penalties possibly incurred should be rather negligible in view of the horrendous annual operating costs. The answer is quite simple: it’s the military, stupid!

4.4.2 Expensive military project

Although the civilian character of the Galileo system has always been emphasized, Galileo also explicitly facilitates a military utilization. This is particularly relevant because this system is a major prerequisite that the European Union in future does not have to rely on GPS data (which would possibly not be obtained in extreme cases) in case of any autonomous comprehensive military operations – meaning which are carried out independently and possibly even against the will of the United States. So, it is no surprise that the “Report on the European Security Strategy and ESDP” adopted by the European Parliament in January 2009 stated that it “considers it necessary to allow the use of Galileo and GMES for security and defence purposes.”¹⁸⁶ Another Report adopted by the European Parliament in July 2008 had earlier already made clear that it “underlines the necessity of Galileo for autonomous ESDP operations, for the Common Foreign and Security Policy (CFSP).”¹⁸⁷

At the final stage, Galileo is said to be able to offer five different services, from a freely accessible service to a strictly controlled Public Regulated Service (PRS). This PRS is subject to strict security restrictions, and for anyone who needed a final proof that Galileo is to be used explicitly militarily, that proof was given in October 2010. At that time, the European Commission published its „Proposal for a decision of the European Parliament and of the council on the detailed rules for access to the public regulated service offered by the global navigation satellite system established under the Galileo programme“ saying clearly that almost every EU Member State intends to use the PRS for military applications. In addition, the Commission’s document shows that PRS is designed to be militarily used to about 50 percent (plus additionally 20 percent for areas

of „domestic security“).¹⁸⁸ In view of the above, it is downright outrageous how persistently the myth that Galileo is a „civil system under civilian control“¹⁸⁹ continues to be cultivated in press releases of the European Union.

What is really incredible is, however, what has been revealed by the magazine *Technology Review* by referring to statements made by Hubert Reile, Program Director Space at the German Aerospace Center (*Deutsches Zentrum für Luft- und Raumfahrt* (DLR)). One reason why Galileo is going to be so expensive are horrendous construction costs, and the other one is that the commercial market is becoming increasingly unprofitable due to ever more providers. Both problems could have been significantly mitigated by having China join the project, if, well, if they hadn’t absolutely wanted to have a military system. “The Middle Kingdom joined the Galileo project in 2003 with a contribution of 280 million euros – hoping to be an equal partner. When it became clear that Galileo was not only designed for civilian but also for military use, however, Europeans no longer wanted to cooperate with the Chinese on all levels, says Hubert Reile, representative of the German Aerospace Center. The response: The still young aerospace nation decided to establish a system of its own.”¹⁹⁰

This is consistent with documents that were published by *Wikileaks* and caused a great stir. Berry Smutny, CEO of the German satellite manufacturer *OHB-System*, who in the meantime has been dismissed, had very openly expressed his opinion about Galileo when talking with US diplomats. In a discussion with representatives of the US Embassy, Smutny said, among other things, that Galileo is “a waste of EU tax payers money“ and “a stupid idea that primarily serves French interests.”¹⁹¹ According to him, the program is inspired by the desire of the Europeans and in particular the French to have a satellite navigation system for military purposes which is independent from the United States.

Smutny’s statements not only underline once more the military calculation underlying Galileo, they also belie any other single official EU statement about the project. With regard to Galileo’s commercial future, the former OHB CEO stated that the current GPS already supplies all of the Europe’s position, navigation, and timing (PNT) needs. As for the time schedule for the completion of the European satellite project, further delays are extremely likely. So the market opportunities should be significantly limited in the face of the competition by Russian and Chinese developments and in particular by the modernized GPS generation planned for 2014. Smutny is also absolutely clear with regard to the development of costs and predicts a significant budget overrun for the program, which will balloon to 10 billion euros from what originally was once 3.4 billion euros. Smutny’s employer, *OHB-System*, which received the order for the first 14 Galileo satellites and had previously built the SAR-Lupe spy satellites for the Bundeswehr, took the statements that had become known seriously enough to dismiss Smutny as soon as possible.

That means that critics like Frank Slijper, who said that Galileo was designed right from the beginning for a primarily military use, were right. In his study “From Venus to Mars”, published already in 2005 by the *Transnational Institute*, Slijper made the following gloomy, but probably



GMES Advertising, source: European Council

also accurate forecast: “Europe’s own satellite navigation system is clearly set to become a crucial asset in any future military intervention that involves EU nations. It will therefore be a matter of when, not if, Galileo also is to be used to guide bombs and missiles to ‘terrorists’ and other perceived enemies probably far outside Europe.”¹⁹²

In part downright grotesque intellectual acrobatics have been done in an argumentative attempt to somehow still ascribe a civilian character to the project. In November 2009, for instance, the European Commission answered a parliamentary question as to how far any military use of Galileo would be excluded in view of its civilian character, as follows: “The Council has already said on several occasions that the system being established within the framework of the Galileo programme is a civilian system under civilian control. [...] This essentially civilian designation of the system does not, however, exclude that it could also be used for military purposes.”¹⁹³ The undisputed champion here is, however, an article in the magazine *wehrtechnik*, which postulates that Galileo is a civilian system because “the source of financing is the indicator

here.”¹⁹⁴ IMI’s study „Aus dem All in alle Welt: Weltraumpolitik für die Militärmacht Europa“ (From Space All Over the World: Space Policy for a Military Power of Europe) answered this already years ago with an assessment which is more topical now than ever before: „For all those who do not want to follow this logic, Galileo is neither simply a civilian project nor one that is only used militarily. Actually it is a mixture of an armament project which is being merged with a civilian infrastructure project in order to be able to pass on the costs incurred for military use to civilian budgets. As such it is an important contribution towards the creation of an independent European military power that is able to enforce its interests without regard to international partners.”¹⁹⁵

4.4.3 GMES: Monitoring for war

“GMES is a networking project where data of various European earth observation satellites and ground-based measuring stations run together and are to be edited for end-users.”¹⁹⁶ The plans for this project, too, began in 1998; since 2001, it is in the development phase. Actually, GMES should already have been completed in 2008, but enormous delays in this area seem to be the rule rather than the exception.

In case of GMES also, they hardly make any secret of the fact that it has explicitly been designed for military use. Here again, Karl von Wogau, who acted as an armament lobbyist and as a member of the European Parliament as one and the same person until 2009, was clear: The „Report on the European Security Strategy and ESDP“ he produced in 2008, states: “The European Parliament [...] considers it necessary to allow the use of Galileo and GMES for security and defence purposes.”¹⁹⁷ On the Internet page of the Directorate-General Enterprise and Industry of the European Commission it is also

emphasized: “The GMES initiative plays a strategic role in supporting major EU policies. It has an impact on [...] Common Foreign and Security Policy (CFSP), including the European Security and Defence Policy (ESDP).”¹⁹⁸

The mixed financing of the project is complicated: “In the first phase from 2001 to 2006, 230 million euros were spent for the development of GMES, 100 million euros thereof from the European Union and 130 million euros from the ESA. In the next phase from 2007 to 2013, in particular funds from the EU’s Seventh Framework Programme for Research are to be used. Included in the Seventh Framework Programme is a separate budget line under the heading ‘Space’ showing 1.4 billion euros for this period. About 85% of that, equalling 1.2 billion euros, will be spent for GMES.”¹⁹⁹

Initially, the total costs of the project were estimated at about 5 billion euros; due to the delays this will, however, become significantly more expensive. In March 2011, the German Federal Government answered a question as to what the total costs will be according to its estimate: “The long-term cost estimate for GMES is currently being con-

solidated by the Commission and will be accounted for in the proposal for the next Mid-Term Financial Planning.²⁰⁰ In effect, the assessment of the European Commission was clear, in that it removed GMES from the budget in view of the persisting difficulties: “For the European earth observation initiative GMES [...] the EC [European Commission] proposes to defer its financing outside of the MFF [Multiannual Financial Framework] and hence into a still unclear financial situation due to high costs and unforeseeable cost overruns.”²⁰¹

This prompted 44 Members of the European Parliament to go to the barricades. They wrote an urgent letter to the President of the European Commission, José Manuel Barroso, requesting that the project be reinstated in the budget and its financing be ensured by doing so, which otherwise would have to be guaranteed by voluntary contributions of the Member States.²⁰² Subsequently, the European Parliament adopted a resolution in December 2011, in which it “demands that the GMES project continue to be funded from the EU budget under the next Multiannual Financial Framework (2014-2020).”²⁰³

But the armament of space is not the only militarily relevant area drawing on funds of the Framework Programme for Research.

4.5 Security and armament research

In 2003, the European Commission came to the decision to establish a separate budget item for security research (ESRP) under the umbrella of the Seventh Framework Programme for Research 2007-2013 (7FRP).²⁰⁴ The total sum allocated for this period amounts to 1.4 billion euros. To specify the design of this Security Research Programme and to get the first projects under way, a „Group of Personalities“ (GoP) and another advisory board (European Security Research Advisory Board, ESRAB) were appointed. All this was done without any involvement of the European Parliament or any national parliament, not to mention civil society. Behind closed doors, hidden from the eyes and ears of the public, representatives of the armament lobby and public security institutions could thus work out the future European security research agenda. In addition, the *European Security & Information Forum* (ESRIF), which is both unrepresentative and undemocratic, was established in 2007 to work out an agenda for the future and submitted its requirements catalogue of 324 pages in December 2009.²⁰⁵

Although this certainly does not apply to every single measure being promoted, the overall alignment of the Security Research Programme is highly alarming. Despite the fact that they are dealing there with every possible aspect of security, the solutions are almost always the same, as Ben Hayes of *Statewatch* criticizes: “For each of these apparently distinct ‘mission areas’, it is observed that the same response was proposed: maximise the use of security technology; use risk assessment and modelling to predict (and mitigate) human behaviour; ensure rapid ‘incident response’; then intervene to neutralise the threat, automatically where possible [...] What emerges from the bewildering array of contracts, acronyms and EU policies is the rapid development of a powerful new ‘interoperable’ European surveillance system that will be used for civilian, commercial, police, security and defence purposes

alike.”²⁰⁶ Such an approach is typical for a „security society“ as it has been described by Tobias Singelstein and Peer Stolle: “The former conception to resolve underlying social conflicts is abandoned in favor of a mere administration of problems through constant control.”²⁰⁷

This also further fosters the blurring of civilian and military, as well as internal and external security. Although, as already mentioned several times, there is no legal basis for any use of EU funds for military research²⁰⁸, the military industry succeeded in snaring substantial portions of the amounts made available. Tim Robinson, Vice President of *Thales* and former Chairman of the European Security Research Advisory Board (ESRAB), explained the underlying calculation of the industry as follows: “‘Security’ is a more politically acceptable way of describing what was traditionally ‘defence’.”²⁰⁹ From a critical point of view, this sounds then like: “The most successful measure of the European Union in supporting the armament industry probably was to integrate internal security under a EU budget line. In this way it is possible to promote research programs of the armament industry and at the same time to avoid any political sensitivities, just by relabelling armament production as ‘security production’.”²¹⁰

In the course of the negotiations on the budget 2014 to 2020, ever more direct requests are being made to extend the possibilities of financing measures with military implication in the future security research program, currently being traded under the title “Horizon 2020”. Furthermore, the voices calling directly for an establishment of a European military research budget are growing ever louder.

4.5.1 A research agenda from lobbyists for lobbyists

That the interests of the armament corporations would be integrated to a considerable extent in the security research agenda had already been ensured by the composition of the decisive bodies. The tradition that corporate representatives were conceded a major role in the GoP and in the ESRAB was uninterruptedly continued in the ESRIF. Both the Directorate consisting of 65 persons and its 660 advisors are composed to one half each of representatives of the industry (primarily from armament companies) and of representatives of public security institutions.²¹¹ But there are no representatives of the civil rights movement or the peace movement or at least one or two data protection officers to be found. That means that exactly those corporations and institutions were entrusted the task of working out the research agenda which are most interested in an abundant security apparatus.²¹²

A good deal of money can be made in the security business, not least because there are hardly any export controls in place for this sector: The annual volume of orders is estimated to be about 100 billion euros (with continuous growth rates of 5 percent).²¹³ Therefore, one of the main objectives on the agenda of the ESRIF is the development of an internationally competitive European security-industrial complex. So far, the „fragmented market“ in the European Union prevents an optimum positioning in international competition. „Rectifying this would open the door to global leadership in the security market.”²¹⁴ Consequently, the aim is not only to encourage public in-

vestments but also to raise the volume of orders and thus the competitiveness through a uniform European security market: „Through its operation ESRIF will contribute to promoting a Europe-wide single market for security equipment, systems and services.“²¹⁵

4.5.2 Hidden military research

A main criticism of the EU security research program is that the – reasonable and important – boundaries between “internal“ and “external“ security, as well as between “civilian“ and “military“ research are cheerfully and deliberately blurred²¹⁶: „ESRIF advocates that the external dimension of security should feature high on the agenda of any subsequent security research and innovation policy. The European Union and its Member States are part of a highly interdependent complex world. Failed states, border disputes, environmentally induced migration, resource conflicts: all increasingly have intercontinental, if not global, repercussions. Europe cannot ignore these external risks and threats [...] on its domestic security. [...] But this also requires a new mindset to enhance the cooperation of civil and military authorities who, in many instances, use similar organizations and equipment.“²¹⁷ What in the eyes

of those who worked on this research agenda has belonged together for a long time is obviously supposed to grow together here.

Quite frankly, the ESRIF urges that civilian security research should also be beneficial for military actions: „Giving high priority to security’s external dimension [...] Research and innovation programmes should support peace-keeping, humanitarian and crisis management tasks.“²¹⁸ After the EU Ministers of Defense had commissioned the European Defense Agency in May 2009 to work out a „European Framework Cooperation for Security and Defence Research“, where the journey is headed finally seems to be clear. “This new Framework will provide the overarching structure for maximising complementarity and synergy between defence and civilian security-related research activities.“²¹⁹ In September 2011, it was then announced that the EDA and the European Commission will work closely together in the future to coordinate military and civilian research and for synergy effects between military and civilian research.²²⁰

All this should literally pay off for the armament industry. A first analysis of 91 projects in the amount of nearly 500 million euros, which was carried out by the *Policy Department Citizens’ Rights and Constitutional Affairs* of the European Commission, concludes that 57% of the funds went to armament corporations: “It is mostly large defence companies, the very same who have participated in the definition of EU-sponsored security research which are the main beneficiaries of FP7-ST funds.“²²¹

But to many, these „successes“ do not yet go far enough. ESRIF urges, for example, that 1 billion euros annually be made available as soon as possible by the EU for security research, i.e. that the previous budget be quintupled.²²² In the proposal which is currently being circulated for the research program 2014-2020 (“Horizon 2020“), the funds in the area to which security research has also been allocated have been increased considerably. Yet, it is still open how high the budget will finally actually be; according to estimates of the armament industry it will rise to more than 2 billion euros. Although the armament industry criticizes that the defence sector doesn’t play a prominent role therein, it also points out: “But because of the often fluid transitions from the area of defence to the areas of security, research and development, space, etc., defence can still be brought to bear.“²²³ And indeed, the proposal for a Council decision on Horizon 2020 states: “Activities will follow a mission-oriented approach and integrate the relevant societal dimensions. They will support the Union’s policies for internal and external security, *defence policies* [...]. This also requires integrating civilian and military capabilities in tasks ranging from civil protection to humanitarian relief, border management or *peace-keeping*.“²²⁴

Furthermore, demands are growing louder in the meantime that not only should it be possible to finance more militarily relevant aspects from the security budget, but that a military research budget should even be established in addition to the budgets for security research.

Ample consideration:

Among the main beneficiaries of “security research“ are numerous armament companies

1.	Thales	253,89
2.	Selex Group	138,64
3.	Totalforsvarets Forskningsinstitute	99,89
4.	TNO	99,35
5.	Commisariat Energie Atomique Cea	94,04
6.	JRC	82,63
7.	Fraunhofer	78,25
8.	Elsag Datamat	72,10
9.	Valtion Teknillinen Tutkimusekukus	52,97
10.	Telespazio SPA	54,49
11.	EADS Group	47,75
12.	University of Reading	43,73
13.	Saab Group	41,80
14.	Elbit System Ltd.	40,22
15.	ITTI Sp Z.O.O	36,28
16.	Indra Group	34,31
17.	Bae Systems	31,49
18.	Swedish National Policy Board	28,86
19.	Office d’Études Et De Recherches	25,21
20.	Demokritos	24,61

Source: Jeandesboz, Julien/Ragazzi, Francesco: *Review of security measures in the Research Framework Programme, Policy Department C: Citizens’ Rights and Constitutional Affairs, Brussels, October 2010, p. 23 (in Mio. Euro).*

4.5.3 An EU budget for military research?

What went largely unnoticed is that meanwhile the Treaty of Lisbon – at least according to common interpretation – opens up the possibility of establishing a military research budget directly. Among others, Hilmar Linnenkamp, the longstanding Vice-Head of the European Defense Agency, pointed out to this fact enthusiastically: “The Treaty of Lisbon enables, unnoticed by many, a small revolution of European research funding. It allows the sponsoring of research activities in all European policy areas; this also includes those within the framework of CSDP (Art. 179(1) TFEU). At the same time, Art. 45(2) TEU allows the repositioning of the European Defense Agency in the structure of EU institutions and thereby enables it to assume the planning and organization of common EU R&T activities. Such an enhanced European Defense Agency would get its own budget line for R&T in the Union budget.”²²⁵

In the meantime this request is being supported by many sides.²²⁶ Among others, Jean-Pierre Audy, Rapporteur of the European Parliament for the “Mid-term review of the Seventh Framework Programme”, proposed in April 2011 “that an ambitious European research plan for defence technology should be adopted between the Union and the Member States, pursuant to Article 45 [...], with a view to enhancing the defence sector’s industrial and technological base, while at the same time improving the efficiency of military public spending. This plan should have the aim of consolidating the European defence industry.”²²⁷ The “Draft report on the impact of the financial crisis on the defence sector in the EU Member States” of November 2011 is equally clear. It states quite bluntly: “The European Parliament [...] takes the view that, in addition to the ‘Security’ theme, the establishment of a new ‘Defence’ theme in the Framework Programme should be envisaged, in order to stimulate European collaborative research and help bring together dispersed national funds. [It] notes that any EU-funded defence research activity should first of all follow the objective of the development of EU crisis management capabilities [It] points out the provision of Article 185 TFEU allowing an EU contribution to existing research and development programmes undertaken by a group of Member States; takes the view that EU co-financing based on this article should be used to speed up the development of capabilities needed for CSDP missions and operations.”²²⁸

Such a military research budget is not yet a done deal, but in the face of considerable pressure being exerted in this direction it remains to be seen how the related discussion about “Horizon 2020” and the budget 2014 to 2020 is going to develop.

4.6 Militarization of development aid and disaster relief

In recent years, the tendency to use development aid funds ever more directly for enforcing strategic and/or economic interests has been massively intensified. An example here is the European Council’s requirement for the development of the EU Raw Materials Initiative: “The European Council explicitly asked the Commission and the Member States to align their development aid also to

securing access to raw materials.”²²⁹ The Communication from the European Commission “A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy”, published at the beginning of 2011, then also fully complied with this request. A press report summarizes the core elements as follows: “In order to secure the supply of wolfram, rare earths, and similar natural resources on international raw materials markets, the Commission intends to include this subject in all negotiations on cooperations and trade facilitations with third countries. Development aid for poor countries of origin – especially in Africa – could be made subject to supplies of raw materials in return.”²³⁰

Such measures go hand in hand with a dramatic “securitization” of European development policy. It already goes so far that ever more security-relevant and militarily relevant measures are financed from budget items which – in fact – should be used for fighting poverty.²³¹ Disaster relief or humanitarian relief are not spared, either, from the general militarization trend, as will be explained in this chapter.

4.6.1 Rhetorical gateway: Without security no development

Article 208 of the Treaty on the Functioning of the European Union is – actually – unambiguous: “Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty.” As early as in 2003, however, an argumentative springboard was formulated in the European Security Strategy in order to legitimize a diversion of development aid funds to the security area. It stated: „A number of countries and regions are caught in a cycle of conflict, insecurity and poverty.“ While this is still to a large extent an undisputed fact, the decisive question is, however, how this vicious cycle can be broken and what priorities are set here: „*Security is precondition of development.*”²³² Thereby, the (military) establishment of “security and stability” is reinterpreted in a coup de main into a development policy project in the sense of fighting poverty.

Of course, the premises of the European Security Strategy cannot remain without consequences for development cooperation: “The European Union’s Security Strategy of 2003 is based on a concept of extended security which acknowledges that complex and far-reaching economic, sociocultural, and environmental causes may underlie threats and an increased potential for violence. Consequently, security policy will no longer be restricted to military ways and means, but will also directly concern other policy areas, in particular that of development cooperation.”²³³ So, development policy is going to be an integral part of an overall package, which is even positively assessed by parts of the development community. For instance, Dirk Messner and Jörg Faust of the *German Development Institute (Deutsches Institut für Entwicklungspolitik)* say: “Against this background, the concept of the European Security Strategy [ESS] rightly calls for a closer link between the different instruments and their alignment to the target system of security policy. Development policy is of major importance in this context. Development policy must now pro-actively bring its wealth of experience into shaping European foreign relations and should formulate a strategy

for this purpose in order to support ‘Solana’s concept’.”²³⁴

This position was finally reflected in the new version of “The European Consensus on Development” of 2006, which identifies the following main problem: “Insecurity and violent conflict are among the biggest obstacles to achieving the MDGs [Millennium Development Goals for fighting poverty].”²³⁵ Based upon this, the Consensus derives the necessity of a close coordination of development and security policies for stabilizing failed states. The document is a good example of the extent of the securitization of development policy: „The issues of development, security, and fragile states developed from a side theme that is virtually not mentioned in the statement on development policy of 2000 to a central concern in the Consensus 2005.”²³⁶

Harnessed thus in favor of security policy, the official downgrading of development aid had already begun a long time ago within the framework of the European Union. The most obvious manifestation of this was the de facto abolition of the Council of Development Aid Ministers at the EU Summit in Nice in 2000, which was then integrated into or absorbed by the General Affairs Council. The signal was clear: “Development policy has been downgraded to a side show of foreign policy. It now serves as an instrument of foreign policy diplomacy.”²³⁷

4.6.2 Opening of the ODA criteria: Stability instead of fighting poverty

With the UN Resolution 2626 dated October 24, 1970, rich countries explicitly are to spend at least 0.7% of their Gross National Product for development aid. This goal has not nearly been reached by most countries up to the present day²³⁸, yet precisely for that reason it is a crucial question which expenses can be allocated as Official Development Assistance (ODA). The ODA figures are of major relevance because they reveal to what extent the donor countries fulfill their – anyway very modest – commitment according to Resolution 2626 (1970).

As early as in 1969, the OECD established a uniform recording system in order to determine the volume of Official Development Assistance. Since then, the OECD Development Assistance Committee (OECD DAC), consisting of 22 of the most important donor countries plus the European Commission, defines binding criteria according to the principle of unanimity as to what can be referred to and taken into account as ODA: “Public funding provided firstly to countries which have been classified by OECD as developing countries, secondly which are pursuing the objective of economic and social development, and thirdly that contain a grant element of at least 25% are taken into account as ODA.”²³⁹ After military aspects were categorically excluded for decades and development aid had to put the focus – at least officially – on fighting poverty in a narrower sense, it is obvious that any opening of the ODA criteria in favor of security or military-relevant expenditures simultaneously relieves military budgets, only leads us to believe that there are increases in development aid, and embellishes the abysmal balance of the donor countries.

The big floodgates were opened in 2004 and 2005 at the annual meetings of the responsible OECD Development Assistance Committee (DAC High Level Meeting).

There, the respective Ministers adopted a resolution to extend the ODA criteria in terms of various security-relevant aspects in two steps. Since then, parts of the costs for so-called security sector reforms, i.e. for building up the army and police of “friendly” countries, are particularly chargeable as ODA.²⁴⁰ While costs for military aspects of peacekeeping or peace enforcement actions are – so far – not chargeable as ODA any more than supplies of military equipment, this amendment of the ODA criteria still opened up the possibility of cross-financing all kinds of security-relevant expenditures via development aid. The “African Peace Facility” (APF) is just one example among many of the securitization of development aid caused as a result.²⁴¹

4.6.3 Case example African Peace Facility

At the end of 2003, the EU ACP Council of Ministers agreed upon the establishment of an “African Peace Facility” (APF), which started its work in April of the following year and is being financed from the European Development Fund (EDF), to whose budget Germany contributes 25 percent.²⁴² Its purpose is mainly to support logistically and financially “peace support operations” of the African Union (AU, founded in 1993).²⁴³ This construct offers the “advantage” of being able to evade any applicable legal provisions: “According to the Treaties on the European Union, military actions may not be paid by using funds of the European Union. The EDF is not part of the EU budget, but is financed directly by the Member States and subject to other rules.”²⁴⁴ Although it is – in fact – currently not allowed to invoice “peace support operations” as ODA, still all payers contributing to the Peace Facility seem to be doing this.²⁴⁵ In any case, this was officially acknowledged by the German Federal Government in February 2010.²⁴⁶

Until May 2012, a total of 755 million euros were spent via the African Peace Facility. In fact, the Peace Facility had once been conceived and announced as a one-time exception. But now the funds seem to have been made available on an ongoing basis and to have been increased. In May 2011, the European Council decided to approve an additional 300 million euros up to 2013, while recalling at the same time without even blushing “that funding from the European Development Fund is provided as an interim measure.”²⁴⁷

Of the funds distributed so far, 100 million euros went into building up the “African Standby Force” (ASF), the African rapid reaction force. Among other things, the five training centers of the ASF were financed from this, enabling the European Union to exert significant influence: „De facto, the training and establishment of the ASF is controlled by European countries through the funding of these centers and by delegating military personnel to crucial positions in those training centers.”²⁴⁸ The bulk – so far 600 million euros – was, however, used for financing AU operations. The money was used to co-finance to a considerable extent the already completed operations in Sudan (AMIS) and in the Comoros (AMISEC). In case of AMIS, the APF funds of 305 million euros covered two-thirds of the total cost. In addition, the AU missions in the Central African Republic (MICOPAX) and in Somalia (AMISOM) are supported via the Peace Facility.²⁴⁹

Although a direct financing of arms, munitions, military equipment, and training is not allowed, AU operations could not be financed without the Peace Facility, so that the African Union becomes extremely dependent on the European Union.²⁵⁰ This is a particular distasteful interpretation of “African Ownership” or of the slogan advocating “African solutions for African problems”. In essence, the aim is to build up support troops and to establish and maintain close ties, so that these troops can implement the EU’s own agenda by proxy. This is politically easier to enforce and significantly more cost-efficient than deploying soldiers of one’s own. For this reason, it is currently being considered to extend the previous scope and geographical area of application by establishing a separate instrument for financing “peace support operations”. Among others, this claim was raised by the *German Development Institute (Deutsches Institut für Entwicklungspolitik)*: “It is in fact cheaper for the EU to pay for missions led and staffed by Africa than to deploy European personnel to African areas of conflict. But the possibilities of the financial instruments of the EU being available to cover the costs of the AU are limited. [...] A separate EU peace and security fund could strengthen the solidarity between the Member States of the EU and the AU, increase the predictability of funds for African PSO [peace support operations] and perhaps finance a wider range of peace-supporting activities than is possible through Union funds or the EDF. It could also be used in other regions of the world for supporting UN-mandated missions.”²⁵¹

4.6.4 War as development aid?

Since this had been excluded so far, pressure was exerted in the run-up to the DAC High Level Meeting in 2004 to ensure that a direct funding of “Peace Support Operations” (PSOs) of the UN would also be included in the ODA criteria. Thus, a G8 Declaration in 2003 called for „consensus building in the OECD Development Assistance Committee to release development aid for PSO-related activities.”²⁵² Since no consensus could be achieved on this, the subject was postponed until the next High Level Meeting at the beginning of 2007. Although the ODA eligibility of PSOs was also on the agenda there, the opponents of such an extension succeeded again in winning out over the proponents of Canada, Sweden, and the United States; Finland and Germany were also sympathetic to an extension.²⁵³ Yet, another evaluation of the subject was decided upon and the option kept open to put this aspect on the agenda again in 2008.²⁵⁴

Then Austria pressed ahead by announcing in 2008 that it wanted to settle its costs for the EU military mission in Chad as ODA. Officially the mission pursued the aim of protecting refugee camps militarily, a measure which according to ODA criteria should actually not be eligible.²⁵⁵ Inofficially, it was also a matter of enforcing European (in this case particularly French) interests, which has even less to do with fighting poverty.²⁵⁶ The motion was justified by Hans Winkler, the former Secretary of State within the Austrian Federal Ministry for European and International Affairs, as follows: „Sustainable development cannot be reached without security and stability.”²⁵⁷ Exactly in this context the Chad mission had to be seen, according to

Winkler: „In this case, the humanitarian mission is in the foreground and therefore a large percentage of this mission is chargeable.”²⁵⁸ In any case – no matter whether the EU is assumed to have altruistic or egoistic motives – the costs for such missions should not be covered by budgets that are actually designed to reduce poverty. Accordingly, Christoph Petrik-Schweifer, Head of the Foreign Aid Department of *Caritas Austria* criticizes: “If a military mission is included in development aid, the money will be missing elsewhere, for example, for food assistance.”²⁵⁹ Nevertheless, the *Standard* reported in mid-August 2008 that Austria has been assured by the OECD of the mission’s ODA eligibility²⁶⁰, which then finally happened so.²⁶¹

Nonetheless, it is fortunately not yet generally possible to charge all costs for military operations. But it is called for time and again, and it is to be feared that it is only a question of time until the last floodgates are also opened here. For instance, Ben Knapen, whose area of responsibility as Secretary of State within the Dutch Ministry of Foreign Affairs includes among others the development policy of his country, called upon the OECD at the beginning of 2011, “to count military spending aiming at promoting peace and security in developing countries as development aid.”²⁶² Germany’s anyway extremely military-near Development Minister Dirk Niebel seems to be on board here. Immediately after a meeting with Knapen, he said: “We also agreed that we must adopt a common stance regarding the revision of the criteria used by the OECD Development Assistance Committee to measure the eligibility of funding as Official Development Assistance (ODA).”²⁶³

Should this request that military operations under the leadership of the UN be rendered ODA-eligible prevail, this would be associated with an increase of Official Development Aid by 8-12 percent, according to estimates, without the donor countries having to invest one cent more in fighting poverty. Currently, military operations that are not led by the United Nations (Afghanistan, Kosovo, etc.) are, however, most expensive. Should the request prevail that even such military operations are declared to be ODA-eligible, this would lead to rapid increases in ODA figures. For Germany alone, this would mean an „increase“ by definitely more than 25 percent.²⁶⁴ The logic underlying all this is just as self-evident as it is disgusting. Ole Schröder, a politician of the German Christian Democratic Union (CDU) responsible for budgetary policy, for instance, summarized it succinctly as follows: „Missions such as that in Northern Afghanistan and in the Congo are unequivocally development aid.“ By financing such “humanitarian missions” from the development aid budget, the military budget could be disburdened “in the amount of millions.”²⁶⁵

4.6.5 Militarization of disaster relief

As early as in 2006, Michel Barnier, now EU Commissioner for Internal Market and Services, prepared a report on behalf of the Austrian EU Presidency in which he proposed the establishment of a Europe-wide disaster relief troop (europe aid). The core idea was that a systematic integration of military assets should make it possible in case of emergency to virtually shoot the way clear for humanitarian aid: “In crisis scenarios and protocols, supplementation through military resources is also to be

reviewed systematically in order to guarantee a maximum of integration and to limit the costs of their mobilization in cases of emergency.”²⁶⁶

Where this militarization of disaster relief, which actually is committed to strict neutrality, is headed, became obvious during the cyclone “Nargis” in May 2008. After the military regime of Myanmar (Burma) denied humanitarian helpers entry into the country to take care of the numerous victims of the cyclone, it was argued that “one” – i.e. the West – would now be authorized to do good by force. For geostrategic reasons, the West has been interested in a regime change for a long time – and precisely for that reason the regime did not want any Western stakeholders entering the country. Now they wanted to seize this opportunity (only recently has the conflict situation clearly shifted due to the pro-Western rapprochement of the country).

Even then the so-called Responsibility to Protect, R2P, served as a gateway. This is the very construct used recently to legitimize the military interventions in Libya and the Ivory Coast and which currently contributes decisively to the erosion of the prohibition of force and intervention under international law.²⁶⁷ Even then numerous politicians such as the former French Foreign Minister Bernard Kouchner advocated an armed intervention in Myanmar by referring to the Responsibility to Protect.²⁶⁸ Ruprecht Polenz, a member of the German Parliament of the Christian Democratic Union (CDU), said at that time: „I believe that if something concrete doesn’t change really quickly in Burma now, so that the helpers are let into the country, that the disaster relief, that is virtually waiting at the borders of Burma is accepted, then we will get into a situation where the responsibility to protect the population, i.e. the legal concept of the ‘Responsibility to Protect’, will take effect – and although it first of all depends on an action of the Security Council – let me remind you: it was developed after the intervention in the Kosovo, and at that time as is generally known the Security Council also failed to act. [...] If the Security Council is not in a position to act in such a serious situation, because it is being blocked by countries that have veto power, then the international community is required not just to stand idly by.”²⁶⁹

Ultimately the cheap propaganda for an armed intervention failed, but the direction had been set and the discourse had significantly shifted. Since then, the establishment of the civilian-military disaster relief troop is being called for in numerous reports of the European Commission and the European Parliament, for instance in the “Report on the implementation of the European Security Strategy and the Common Security and Defence Policy” of March 2, 2010, which called on the European Council to establish such a troop to be deployed both inside and outside the Union on the basis of the Barnier Report.²⁷⁰ In line with this context are also considerations that in future there should be the possibility to also use EU Battle Groups for disaster relief.²⁷¹

Considerations made at the beginning of 2011 were therefore also sadly consistent: “Discussions are under way for a potential merger between the EU’s humanitarian aid and crisis management budgets after 2013. [...] There is an idea on the table [to merge the two budgets] which is being considered by some people,” a commission official working in the humanitarian aid sector said [...] on the con-

dition of anonymity.²⁷² That this “plan” was concocted in the new European External Action Service is not a coincidence, because by now civilian and military foreign policy instruments have been blended together institutionally to the point of unrecognizability .

4.7 EEAS: Institutionalized militarization of civilian budgets and capacities

On December 1, 2009, the Treaty of Lisbon (TEU) became effective as the new legal basis of the European Union. It created the post of the High Representative of the Union for Foreign Affairs and Security Policy (CSDP), to which shortly thereafter the British Catherine Ashton was appointed. To support her activity, the Treaty provides for the establishment of a new “super agency”, which started its work officially exactly one year thereafter and whose impact has been described by Jean Ziegler as follows: “From December 1 on, the EU will have – according to the Treaty of Lisbon – its own security apparatus and its own diplomacy. In order not to rouse national public opinions, Catherine Ashton, the new Representative of the EU for Foreign Affairs and Security Policy, is implementing the probably biggest reform since the introduction of the common currency. And this with absolute discretion. The official name of the apparatus is: European External Action Service (EEAS).”²⁷³

Already in March 2010, the High Representative submitted a concrete proposal for the organization and functioning of the EEAS. As a result, fierce bickering over responsibilities and influence in the new External Action Service began between national and European levels, as well as between large and small Member States. Major differences were resolved at a meeting of various EU institutions on June 21, 2010, and on July 8, 2010, the European Parliament finally adopted the proposal of the Council. Although it again took several months until the last controversial issues could be resolved, despite sometimes hot debates during the negotiation process, the establishment of the new Service was never seriously questioned, because the Union hopes to get a value added of power politics out of it. What is required is a “foreign policy all of a piece”, said Elmar Brok, a Member of the European Parliament of the Christian Democratic Union (CDU), who played a major role in the negotiations on the organization of the External Action Service. With the EEAS, the European Union could “eventually also develop from a Global Payer to a Global Player.”²⁷⁴

In the EEAS, things are thrown together that do not belong together: Compared to the common division of responsibilities in Germany, here the competences of the Ministry of Defense, the Foreign Ministry, and large parts of the Ministry of Development have been merged. The result is that civilian foreign policy instruments will in future be systematically used to promote a militarily supported enforcement of interests.

4.7.1 Maximization of the power projection

Four major considerations underlie the establishment of the External Action Service: *Firstly*, there is agreement in the EU strategy circles that the European Union will only be able to achieve its more or less openly communicated claim that it wants to participate in the concert of the Great Powers as a serious player with a more offensive foreign policy and security policy performance. *Secondly*, a growing “demand“ for European “stabilization operations“ for controlling crisis regions has unanimously been assumed. *Thirdly*, virtually all available capacities, whether of civilian or military nature, shall be used for enforcing European interests, as Angela Merkel had already requested some years ago at the Munich Conference on Security Policy: “The purpose of foreign policy is to influence the policies and actions of other nations in a way that serves your interests and values. The tools available include everything from kind words to cruise missiles.”²⁷⁵ Finally, the aim is *fourthly* to bundle those civilian and military capacities and to link them systematically with each other so that they can be used “coherently” in the service of European interests.

So far, there could be no talk of such an “integrated approach“ on the EU level, but this is to change with the European External Action Service. The very jealousies between the Commission, which had been responsible for large parts of “civilian“ foreign policy, and the Council, which above all was responsible for civilian and military operations, had proven to be extremely obstructive. For this reason, this division was now abandoned to a large extent by the Treaty of Lisbon with the post of the High Representative. In addition, the Treaty stipulates in Article 27(3) that the work of the High Representative shall be supported by a new agency to be established: “In fulfilling his mandate, the High Representative shall be assisted by a European External Action Service.”

When it comes to the function and impact of the External Action Service, Catherine Ashton leaves no room for doubt. For instance, at the Munich Conference on Security Policy, she declared in February 2010: “We must mobilise all our levers of influence – political, economic, plus civil and military crisis management tools – in support of a single political strategy. [...] The creation of the European External Action Service is important to promote exactly the kind of joined up thinking and action we need. This is not just a bureaucratic exercise. It is a once-in-a-generation opportunity to build something new. [...] I hope by now you get my point. The days when EU foreign policy could be dismissed as all talk and no action are long over.”²⁷⁶ With regard to the EEAS, the heads of state and government emphasized, too, at their meeting in September 2010: “The European Council calls for a more integrated approach, ensuring that all relevant EU and national instruments and policies are fully and coherently mobilised, [...] in support of the European Union’s strategic interests.”²⁷⁷

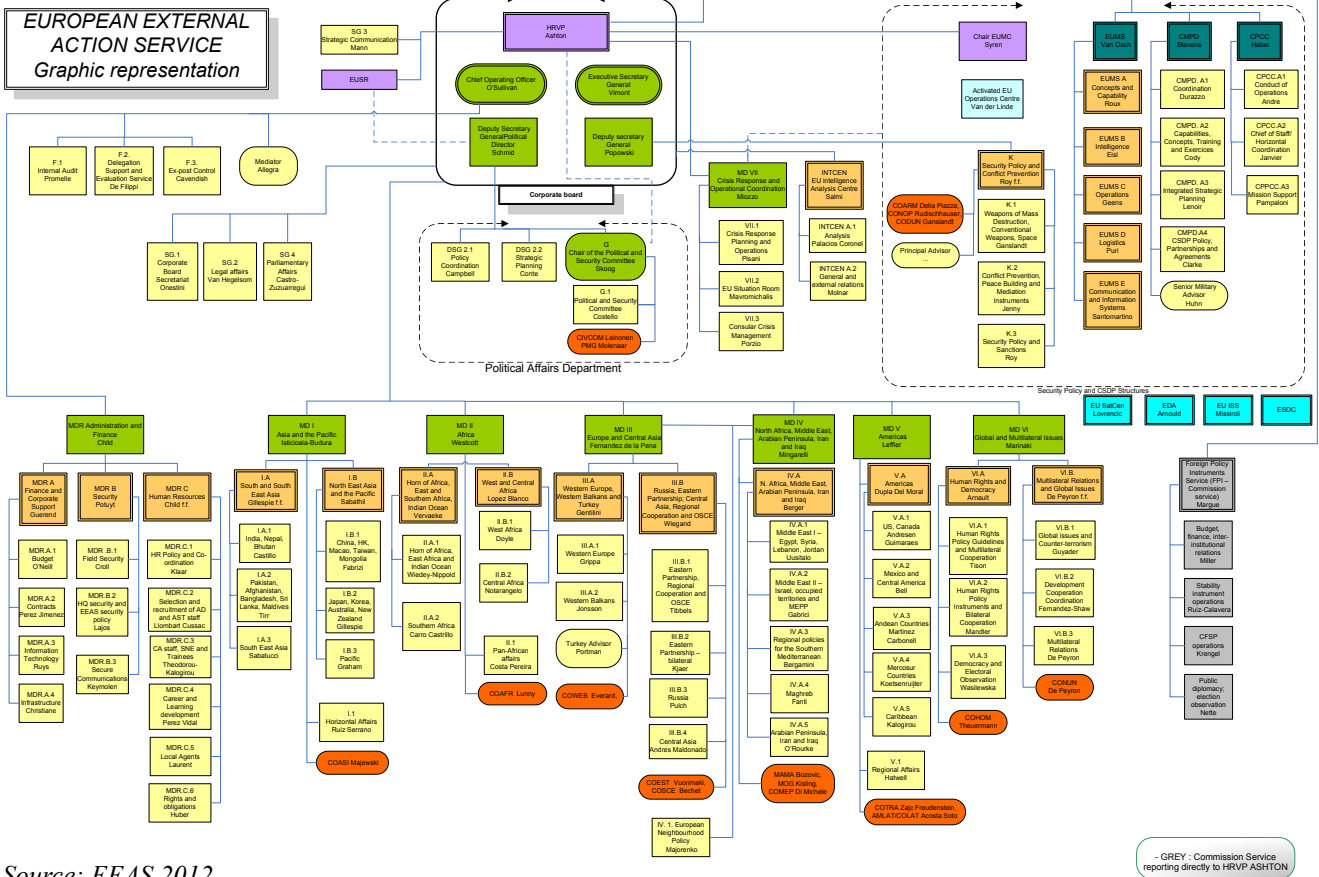
4.7.2 Military External Action Service

In view of its military bias, the problem of the EEAS begins already with its naming: In the meantime, almost all military and civilian-military EU structures have been transferred to the EEAS: “Decisive is the fact that all crisis management structures of the CSDP, including the EUMC [Military Committee], the Military Staff (EUMS), and the Committee for Civil Aspects of Crisis Management (CIV-COM), that previously were under the Council’s responsibility, as well as large part of the Directorate-General for External Relations (DG Relex) of the Commission were integrated in the EEAS.”²⁷⁸ Accordingly, the military will play an important role in the EEAS, so that it should be referred to honestly as “Military External Action Service”. Anything else is gigantically false labelling.

The first negative consequences are already becoming apparent for Civil Conflict Management or Civilian Crisis Management, which originally were once intended as an alternative and not as a supplement to military operations. But even given that “civilian“ EU operations in essence have already now been reduced to a role of mere agents of an optimized enforcement of military and/or strategic interests, this trend might get even worse with the European External Action Service, since the Directorates-General (DG) E VIII (military strategic operations planning) and the E IX (civilian strategic operations planning), operating previously under the responsibility of the Council of the European Union, have now been transferred to the EEAS. At the same time, the DG VIII and IX were merged into the new *Crisis Management Planning Directorate* (CMPD). All operations will thus in future be planned “by a single source“. That means: On the level of the EU, there will in future no longer be any independent civilian operations planning completely separate from military operations planning.

Against this background, frigate captain Volker Brasen noted with satisfaction in a leading German military magazine that there was now at last “civilian-military planning from a single source. [...] The establishment of the CMPD was a first necessary and important milestone for improving the structures and processes in civilian-military crisis management. It is another consistent step for implementing a networked security policy; by merging civilian and military planners, the comprehensive crisis management approach of the EU is institutionally further strengthened.”²⁷⁹ Others are fortunately displaying less enthusiasm in view of this development. For example, Alain Délétriz of the *International Crisis Group* warned of the “strong military taste” the crisis management would get on the EU level with the EEAS: “Now we are looking to the future where military experts will take over the planning of civilian missions.” The impact of the merger in the EEAS which has now got under way is underlined by Délétriz as follows: “The structures created today will have a sustainable impact on the way EU projects will be perceived in the world for decades. The Union’s capacity for conflict prevention and for peacekeeping measures has just suffered a major blow.”²⁸⁰

Quite similar were the comments of Josephine Liebl of the *European Peacebuilding Liaison Office* (EPLO), a network of non-governmental organizations which are ac-



Source: EEAS 2012

tive in the area of peace promotion. In March 2011, she criticized in a paper for the German Bundestag’s Sub-Committee for “Civilian Crisis Prevention and Networked Security” the new institution as follows: “The Crisis Management Planning Directorate (CMPD) [was] established to integrate civilian and military crisis management on a strategic planning level. The EPLO monitored this institutional integration and had to experience how civilian capacities were then absorbed into a military structure. The result was that civilian crisis management was no longer planned by civilian but by military staff, leading to a militarization of civilian crisis management.”²⁸¹ Even the *German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik)*, which supports the German Federal Government, noted with regard to the CMPD: “Thereby the EU is running the risk that military aspects will predominate in any strategic planning in the future.”²⁸²

4.7.3 Development aid: Used in the service of the military

Against the background of the already critical trend to instrumentalize development aid, the fact that the European External Action Service and not the Commission alone will play a major part in the future when it comes to the “programming” of European aid funds, especially gives rise to considerable concern on the part of many non-governmental organizations.²⁸³ It is to be feared that if foreign policy and, even more, military policy stakeholders have a decisive say when it comes to the allocation of future development aid funds, these funds will in the future be al-

located even more according to interest policy aspects than already is the case now. For example, a joint declaration of the two development aid organizations CIDSE (France) and CAFOD (Great Britain) states: “The current proposal [on the EEAS] blurs the distinction between foreign and security policy and development policy which will facilitate the subordination of development and poverty reduction to security and foreign policy priorities.” While the Commissioner for Development has certain co-determination rights, it is, however, foreseeable, what might happen when foreign or security policy interests collide with the goals of fighting poverty, as further criticized by CIDSE and CAFOD: “While the HR’s [High Representative’s] proposal envisages an oversight role for the Development Commissioner over development programming, it fails to mention how this would happen in practice. Since the decision-making processes are not spelled out, we believe that, in the event of disagreement, the High Representative’s opinion will override that of the Development Commissioner.”²⁸⁴

Here, however, they went the whole hog, though it has not been definitely clarified as to how far the new “super agency” is actually in line with legal requirements. In particular, this applies to the question whether the sphere of competence of the EEAS may include both the CSFP and development cooperation, although nothing was indicated to that end in the Treaty of Lisbon. While a legal opinion concludes that the EEAS does not constitute a violation of the “spirit or letter” of the Lisbon Treaty,²⁸⁵ another expert opinion on behalf of CAFOD and CIDSE expresses considerable doubt about “that part of the treaty which

focuses on 'specific provisions on the common foreign and security policy.' This supports the interpretation that EEAS' main function is the promotion of CFSP and its role is strictly limited to this. [...] it appears that 'development cooperation activities do not substantially relate to the CFSP as defined, rather these activities reside in the realm of 'the rest of the Union's external action' [...] and relation to which the EEAS is to have no role.'²⁸⁶ A second expert opinion for and on behalf of *Eurostep* also arrives at the same conclusion²⁸⁷, but still there are no signs at the moment that this conclusive legal reasoning will have any consequences.²⁸⁸

4.7.4 Power policy without any democratic control

Another aim is to be able to use the representations of the European Union, which were quasi given the character of embassies with the Treaty of Lisbon, more precisely in terms of power policy. In the future, one wants to speak with "one diplomatic voice", so that now all 136 EU Delegations in countries around the world (plus two additional at the United Nations in New York and international organizations in Geneva) are being integrated step by step into the EEAS. The respective Heads of EU Delegations (EU ambassadors) report directly to the High Representative, who is authorized to give instructions to them. The EU representatives may not only speak on behalf of the EU, they are also to coordinate and harmonize the positions of the individual embassies of the Member States: "With the EEAS and the worldwide EU Delegations we are able here to pursue foreign policy on a high level," said Elmar Brok. One of the future fields for Europe's "foreign policy on a high level" was specified by the Christian Democratic Union (CDU) politician: "During the last weeks and months, Brok has observed a 'battle over the future of the Ukraine' with dramatic impact on the political importance of Europe. In connection with the question whether Kiev is orientating itself more towards Moscow or to Brussels, European national states have so far been playing a modest role. This is, for example, a decisive starting point for the EEAS.'²⁸⁹

A particular problem is the question of democratic control of the Service, which already played a subordinate role during the negotiations on the EU Constitutional Treaty, where the EEAS was mentioned for the first time.²⁹⁰ With regard to the procedure of its establishment, it has been stipulated in short in Article 27(3) of the almost unchanged Treaty of Lisbon: „The organisation and functioning of the European External Action Service shall be established by a decision of the Council.“ Since the enthusiasm of the heads of state and government is well-known to be very limited when it comes to granting comprehensive rights to the Parliament, the wording was meant to ensure that large parts of the future External Action Service – and therefore also large parts of the overall foreign and security policy – will by and large remain beyond any parliamentary control.

The Council of the heads of state and government quickly made clear that it intended that the European Parliament be seated only at a side table of the future Service. Already in October 2009, the then Swedish Council Presidency submitted a paper on the functioning and distribu-

tion of competences of the External Action Service. It stated that the EEAS should be a service of a "sui generis" nature, independent from the Council and the Commission, but de facto report to the heads of state and government and be almost completely disconnected from the Parliament. With regard to the activity of the EEAS, it specified only that the High Representative "should regularly consult the European Parliament on the main aspects and the basic choices of the CFSP/CSDP."²⁹¹ These sections were basically adopted by Catherine Ashton in her proposal for a Council resolution on the EEAS, which was presented for the first time end of March 2010.²⁹² On the other hand, the European Parliament complained several times about the inadequate possibilities of parliamentary control: "On 21 April [2010], the largest political groups in the European Parliament published a communication warning against leaving the diplomatic service in the power of the EU Member States."²⁹³

Therefore, Members of the European Parliament requested repeatedly that the new agency be closely associated with the Commission. The reason for this was explained by a parliamentary opinion as follows: "In case the EEAS was anchored with the Commission, the EEAS would be under the control of the EP, which is why the EP urges that the EEAS is integrated in the Commission. Thereby, the EP would also be given greater rights of co-determination in connection with the EU's foreign policy."²⁹⁴ This in turn did not at all fit with the conceptions of the heads of state and government, who wanted these and other requests to remain more or less unheard and be to no avail. Consequently, the Council Decision on establishing the organisation and functioning of the EEAS of July 26, 2010 provides only that the European Parliament will "in accordance with Article 36 TEU" be regularly "consulted" on the activity of the Service.²⁹⁵

Even if the approval of the European Parliament for the establishment of the EEAS was not required according to Article 27(3), it still found a way to assert its interests. To enable the new agency to begin its work, the approval of the Parliament for an amendment of the EU budget and personnel provisions was required, and this was thereafter used as a lever to get certain concessions from the Council. But this was only successful to a limited extent. This way, it could at least be prevented that the EEAS be granted a completely independent budget, so that the European Parliament was able to maintain a certain budget control. But with regard to administrative expenses, there is only the possibility to either accept or reject the budget completely; individual items are therefore hardly negotiable or changeable. In addition, the Service would be completely paralyzed by any negative vote, so that this should only be seriously considered on rare occasions.

Furthermore, the appointment procedure for the Heads of the EU Delegations was extremely disputed. Initially, the European Parliament wanted to have the possibility to be able to hear and also reject future ambassadors prior to their appointment. While there is now a right of hearing prior to their accession to office, it comes only after their formal appointment, which hence is not subject to approval. Not even with regard to the question whether these hearings should be held in public, was the EP able to prevail. In future they will be held in a private room, hid-

den from the eyes of the public.²⁹⁶ Although the possibilities of co-determination of the Parliament are extremely modest here, the *German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik)* urges, for example, that the EEAS' "capacity to act" must not, under any circumstances, be limited by these anyway meager parliamentary control functions: "These rights should strengthen the so far weakly pronounced legitimacy of EU diplomacy mainly in intergovernmental fields. But in practice, care should be taken to ensure that they do not impair the foreign policy response capability of the EU."²⁹⁷

Despite these rather modest "successes", the European Parliament finally gave its go-ahead on October 20, 2010, so that at last the European External Action Service began its work on December 1, 2010. Upon agreement on the EU budget 2011, the budget for the first year amounted to some 460 million euros, while the budget is to be increased up to 3 billion euros in the medium term. On January 1, 2011, the first employees were transferred to the EEAS from their previous positions in the Commission and the Council. Since then, about 3,600 officials are working there (about 1,600 at the Headquarters in Brussels and about 2,000 in the EU embassies). In addition, there are still 4,000 persons who are responsible for civilian and/or military crisis management.

It is still too early to be able to say exactly in which direction the tediously negotiated construct is going to develop. One possibility is that the EEAS will become an instrument of the heads of state and government, but the Service might just as well "get free" and develop a "life of its own", which even Elmar Brok had warned about several times.²⁹⁸ But one thing seems to be sure: The future of the EEAS will largely be shaped under exclusion of the European Parliament: "The main reason that no small number of Members of Parliament got headaches when voting was probably that, despite small concessions on the part of the governments, they have actually surrendered their rights of control with regard to the new mega agency. What bothered the European representatives of the people less was the largely open mandate of the agency and the amalgamation of civilian and military aspects."²⁹⁹ In fact, from the point of view of most Members of the European Parliament, the value added in terms of power policy seems to have been more important than any existing concerns with regard to the inadequate democratic control of the Service. Ultimately, both on the national and on the European level, they share the goal of being able to enforce European interests with the EEAS in the future more effectively, as evidenced by statements of Elmar Brok: "All in all, we must succeed in reconciling our foreign policy tools in such a way that the EU will be strengthened as a whole by the sum thereof. [...] But so far, this potential has not been bundled due to existing inconsistencies. But this is necessary if one wants to have a say on the foreign policy stage and to enforce European interests."³⁰⁰

5. Europe's Military-Industrial Complex

The fragmentation of the EU defense sector is being criticized in cozy consensus by politics and the armaments industry. The European Union is said to have at its disposal 89 different arms programs in which countless companies are working, while there are only 27 in the United States, despite their distinctly higher military budget.³⁰¹ Just the three fighter aircraft, seven different helicopters, four kinds of tanks, and countless armored vehicles alone would exemplify how unproductive the fragmented sector is at present.³⁰²

Here too, industrial and political interests complement each other, but are not necessarily identical. The political side argues that bundling the armaments industry and the armaments market would lead to significant increases in efficiency and hence to a “more effective” military apparatus – a rather questionable assumption in the light of the data currently available. At the same time, the aim is to ensure that the capability to produce all “necessary” arms and military equipment be kept within the European Union in order to avoid the EU becoming dependent on any other countries. In order to ensure this, however, a critical size is deemed to be required, so that EU corporations will be able to successfully maintain their position on the world market – particularly with regard to U.S. competition. This is, of course, also in the interest of the armaments industry: “Competitiveness and the capability for cooperation ‘on equal terms’ means, however, that a corresponding size will be taken for granted, if one does not want to restrict oneself to the role of a supplier.”³⁰³ Against this background, an analysis carried out by *Price Waterhouse Coopers*, for example, requests that actions be taken which “lead not only to demand-side consolidation, but also to a consolidated supply side.”³⁰⁴ Javier Solana, the former EU High Representative of the Common Foreign and Security Policy, used almost identical words when arguing that the EU must “achieve the consolidation of the demand and supply sides.”³⁰⁵ Finally, the aim at the end of this consolidation process is that fewer European arms companies will handle less orders with a larger volume (political demand side) and with bigger margins (industrial supply side).

The concentration processes in the armaments industry have progressed relatively far on the national level, and in part also Europe-wide. This process is now to be further intensified by numerous measures, in particular by the so-called Defence Package. The aim is to establish a “free” and “fair” arms market on the level of the EU by removing any “distortions of competition”. The result will, however, be that only the strongest corporations will be able to survive in the market; and the consequence will be mergers and corporate takeovers and thus a further concentration process. The European Union has also been very eager when it comes to the demand side. Hopes are, above all, that the Ghent Initiative will help to get a significant step closer to a uniform Europe-wide procurement market and

hence larger order margins. Another particularly appalling measure also serves this purpose: With the Directive on intra-EU transfers of defense products, which is part of the Defence Package, the European Union wants to start a downright arms export offensive to strengthen its own corporations.

In the end, all these processes threaten to lead to the emergence of a military-industrial complex similarly powerful and influential to its U.S. counterpart. For example, Stefan Zoller, former CEO of *Cassidian*, an armaments subsidiary of *EADS*, says: “The objective of a consolidation of the European defense and security industry, however it might be designed, must be focussed on a dimension which at least tends to correspond to that of the U.S.-American market.”³⁰⁶ A major prerequisite to that end is, however, a Europeanization as far as possible of the overall arms and military policy, which has so far been impeded by the Member States, which consider this area as a core component of their sovereignty. The economic and financial crisis is now to be used as a lever to “persuade” the Member States to surrender competencies to the level of the European Union.

5.1 EU MIC: Political and industrial interests

Currently some lively guessing with figures is going on – Karl-Heinz Kamp of the *NATO Defence College* in Rome, for one, argues that only 3 to 5 percent of the EU forces could be deployed abroad³⁰⁷; then the *German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik)* talks of forces of somewhat below 10 percent³⁰⁸, and finally the European Defence Agency presents a disproportionately higher figure with 26.6 percent.³⁰⁹ No matter which figure is correct, there seems to be widespread agreement with regard to one point at least: It is too low!

From the EU Member States’ point of view, the current ratio between financial military expenditures and military power-political revenues is not at all acceptable: “The dilemma is obvious. Europe is spending a lot of money for security and armaments, but the results are sometimes meager. On paper, Europe is a superpower in terms of security policy: European military forces command almost two million soldiers – 500,000 more than the United States. [...] And still, these enormous expenditures lead only to a modest benefit. Three-fourths of this impressive military force are practically immobile because there is a lack of equipment, transport capacities, and means of communications.”³¹⁰ The European Parliament too “deplores the way in which most of these funds are spent, based on uncoordinated national defence planning decisions, which results not only in persistent capability gaps, but often also in wasteful overcapacities and duplications, as well as

fragmented industry and markets, which leads to the EU not having either the visibility, resources or reach of EUR 200 billions' worth of spending.⁴³¹¹

The motto is therefore: "More bang for the buck". This shall be achieved, as Javier Solana, the former EU High Representative of the Foreign and Security Policy, emphasizes, by establishing an EU armaments market as uniform as possible. This would be more a "step toward rationalizing defense spending rather than toward demilitarizing Europe."⁴³¹² In this context, reference is made mostly to the work of Keith Hartley, who concluded in a study that by establishing a uniform EU arms market, savings of between 3.8 and 7.8 billion euros could be achieved.³¹³ By using economies of scale, higher profit margins per unit are to help to achieve substantial savings and increases in efficiency.³¹⁴

In addition, the volumes of orders are to be expanded by boosting arms exports. To be competitive in the international market, the compartmentalized EU arms sector must, however, be forged together into a powerful military-industrial complex, from the point of view of politics and the economy. This view is closely correlated with developments in the United States at the beginning of the 1990s: "During the famous 'Last Supper' of 1993 [...] the then US Secretary of Defense Les Aspin told the Chief Executive Officers of the large arms companies gathered there that due to budget development, only 50% of them would still be in the business in 5 years. To him, the only solution of the tense situation was for them to merge with other companies. This steering will was also expressed in a substantial financial support: From 1993 to 1997, the U.S. Department of Defense invested \$ 1.5 billion in seven mergers in the area of defense!"⁴³¹⁵

Thereafter fear of falling behind the U.S. competition grew: "In Europe, fears emerged that in the long run Europe would no longer be able to keep up with the United

States economically and technologically."⁴³¹⁶ For the EU, a threatening technological dependency on the United States – or any other Great Power – was, however, a power-political nightmare which had to be prevented by all means. Ultimately, as mentioned above, an independent and efficient military-industrial base is considered the foundation of the capability for "effectively" exercising power globally. Now it was time to take action and to initiate a consolidation process similar to that in the United States. These were the origins of the efforts to establish an EU MIC: "For the large weapons-producing states, it was vital that industrial mergers (both national and transnational) were facilitated if their firms were to survive in the new competitive global arms market."⁴³¹⁷

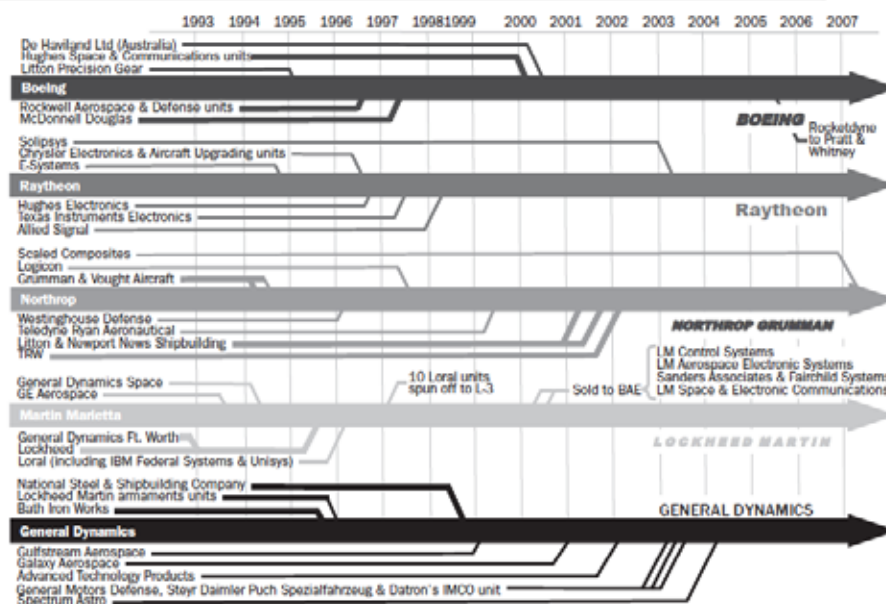
The worry about its competitiveness compared with the United States – i.e. about its own military-industrial power basis – continues to this day. In 2003, a report issued by the European Commission warned, for instance: "There is a danger that European industry could be reduced to the status of sub-supplier to prime US contractors, while the key know-how is reserved for US firms."⁴³¹⁸ A study of the Bundeswehr University also warns: "If in particular the American predominance with regard to defense technology continues to increase, the consequence might be a greater dependency of Europe on the United States, which in turn would hardly be compatible with an equal Transatlantic Partnership."⁴³¹⁹

In December 2011, the European Parliament echoed this concern once again very clearly: "The European Parliament [...] recalls the need to progress in the consolidation of the European defence technological and industrial base, as, in the face of increasing sophistication of technologies, growing international competition, and decreasing defence budgets, in no EU Member State can the defence industry any longer be sustainable on a strictly national basis; deplores the fact that, while a certain level of concentration

has been achieved in the European aerospace industries, the land and naval equipment sectors are still overwhelmingly fragmented along national lines; warns Member States against the possibility that reductions in defence investment will expose European defence industries and technological innovation to the risks of being overtaken by the control of third powers with different strategic interests."⁴³²⁰

From a power-political point of view, a continued defragmentation of the market seems to be urgently needed: "European mergers – the emergence of 'Eurochampions' – point to

FIGURE 9. TOP-TIER U.S. DEFENSE INDUSTRY CONSOLIDATION, 1993 TO 2007



Model for Europe? Concentration Process of the U.S. Arms Industry, source: Watts, Barry D./Harrison, Todd: *Sustaining Critical Sectors of the U.S. Defense Industrial Base*, Center for Strategic and Budgetary Assessments (CSBA) 2011, p. 75.

the (ideal) way out of the dilemma. On the one hand, this makes it much easier to compete for shares of the world market and to compensate the reduced (domestic) demand by doing so; on the other hand, there is the possibility of reaching the 'critical mass', that thwarts or at least extremely impedes any takeover by the American competition.³²¹ The dimension of the "consolidation process" envisaged by the political elites becomes obvious when considering the statement of the former Chief Executive of the European Defense Agency calling for a "European Last Supper".³²²

Industry, too, is interested in a consolidation of the EU armaments sector – at least the corporations, which are hoping to emerge as the winners of the concentration processes. For a "critical size" is considered a necessary prerequisite for any "successful" arms export policy, along with the lucrative revenues resulting therefrom. As, for instance, Klaus Eberhardt, *CEO of Rheinmetall* and President of *Aerospace and Defence Industries Association of Europe* (ASD), put it: "For our industry, there are two necessities: To approach international growth markets outside of Europe together and not as competitors and, in addition, to vigorously promote industrial consolidation in Europe."³²³ The unanimous opinion is that all parties involved would ultimately benefit from the agglomeration process: "The armed forces, because cheaper and better products can be procured in a joint action and because a uniform equipment facilitates joint military actions. And industry, because higher volumes and better profit margins make it more competitive."³²⁴

Although the incessant references made to "economies of scale", "increases in efficiency", and "savings potentials" sound good and are also suitable for legitimizing the emergence of an EU MIC, they have little to do with reality. Still, it has been argued again and again that a consolidated arms industry would unleash savings potentials; that joint procurement projects would entail lower unit prices; and that investments in the military sector would, generally speaking, be a purposeful matter in terms of national economies.³²⁵

With regard to the question of supposed savings potentials to be achieved by concentration processes and uniformly standardized procurement markets, there are, however, studies about the United States which do not support any such claims.³²⁶ Although similar studies about the European Union are missing, looking at previous large EU procurement projects should suffice to raise doubts as to the picture of an efficient EU MIC. The same applies to the supposed blessings of investments in the armaments sector for national economies. Any much-praised "spin-offs", technological innovations which were invented by the armaments sector and afterwards contributed enormously to the economic development, are, provided they ever existed to a relevant extent, a thing of the past. High technology is now a matter of civilian companies, and the arms industry draws on their know-how and not vice versa, as has been documented by a number of studies. Accordingly, investments in the armaments sector are extremely unproductive, also in terms of national economies, as far as one is hoping for effects of growth.³²⁷ This is also evidenced by new studies from the United States, which put an end once and for all to the myth of "the arms industry being a job

engine". They investigated how many jobs are created by investments in various social sectors. The result: "Military spending is less effective at creating jobs than virtually any other form of government activity."³²⁸

Still, they are stubbornly sticking to the fairy tale of an efficient EU MIC and working towards an intensified consolidation process.

5.2 Eurochampions: Concentration processes in the EU arms industry

Although efforts have already been made for quite some time to bundle the fragmented EU arms sector through various measures, such initiatives petered out more or less unsuccessfully long ago: "While new integration dynamics were established in Europe already at the beginning of the 1980s and specified in the Treaty of Maastricht and the Economic and Monetary Union, the military dimension of the European Union had been excluded to a large extent from the communitarization processes. After all, the internationalization of production had more or less no impact on the base of the arms industry in Europe in the 1980s."³²⁹

A major stimulus bringing about a change here came, as already mentioned, from the concentration processes in the United States at the beginning of the 1990s. With some delay, a similar, albeit not quite so dynamic development began on the other side of the Atlantic, but initially not so much on a European level: "The first phase of consolidation from the beginning of the 1990s took place on a national level at first. The aim was to create 'National Champions' for the company mergers to be expected on a European level."³³⁰ The preliminary work for a "defragmentation" on the European level also progressed quickly during the 1990s. In December 1997, the British, French, and German governments called on national system leaders in a "Joint Statement" to agree upon new Europe-wide forms of cooperation.³³¹ Subsequently, a merger between *DASA*, *British Aerospace* (BAE) and *Aérospatiale-Matra* to become the *European Defence Aeronautic Company* (EADC) was envisaged, which would have meant establishing the largest arms corporation of the world. These plans were, however, shattered at the beginning of 1999 after the merger between *British Aerospace* and *GEC-Marconi* to become the super-corporation *BAE Systems*, now the second largest global arms corporation: "Although *BAE* offered additional merger negotiations after the merger had been effected, no other company was considering a merger any longer, since in view of the outstanding size of *BAE*, a British dominance would have been the logical consequence of any possible merger."³³²

Subsequently, *DASA*, *Aérospatiale-Matra*, and the Spanish *CASA* merged in July 2000 to become the *European Aeronautic Defence and Space Company* (EADS). While various efforts aimed at also fusing *EADS* with *Thales* failed thereafter, the corporation is to date still by far the most important and biggest Trans-European company merger and today the seventh biggest arms corporation of the world – some even refer to it as the first "European company."³³³ Furthermore, the European consolidation in the aerospace sector, in particular in the area of missiles, has progressed far. Here, a Europe-wide market leader emerged with *MDBA*, resulting from a merger in 2001 be-

tween *Aérospatiale-Matra Missiles*, the missile division of *Alenia Marconi Systems*, and *Matra BAe Dynamics*.

Hence, there are only two companies (*EADS* and *BAE Systems*) with system capability, i.e. the capacities for development, design, production, and testing of weapon systems, left in the field of aerospace in the meantime, and for missiles with *MDBA* only one. In the field of electronics, there are also only three system leaders left: *Thales*, *BAE Systems*, and *EADS*.³³⁴

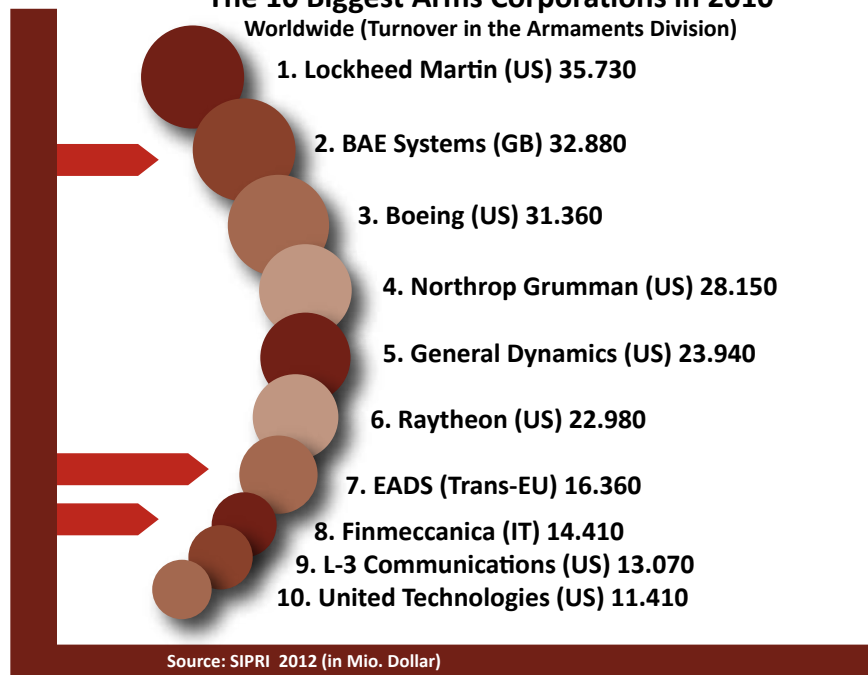
In the naval sector, on the other hand, there are still a few more companies with system capability. But here, too, national consolidation has already progressed far. In Great Britain, *BAE Systems* “is in the process of becoming the UK’s sole warship design company.” In France, capabilities are concentrated on *DCNS* and *Thales*, while in Italy *Fincantieri* is emerging as the biggest corporation. In Spain, *Navantia* “has emerged [...] as Spain’s national champion with an almost monopolist position.”³³⁵ In Germany, a shipyards association has emerged principally through *ThyssenKrupp Marine Systems AG* (TKMS), which arose from the merger between *ThyssenKrupp-Werften GmbH* and *Howaldtswerke-Deutsche Werft AG* (HDW) in 2005.

As a result, the national consolidation process has advanced far: “The number of the companies left on the market after mergers and takeovers is relatively small. Most times, within a country there are only still one or two companies which appear as system leaders before the Ministry of Defense when it comes to larger procurement projects.”³³⁶ Previous efforts made above all by the French side, aiming at establishing an “EADS of the Seas”, fell on deaf ears in Germany, however. The reason: “On the German side, one continues to be reserved towards such a development, because one does not want to leave the leadership to the French state through its majority holding in *DCN/SJ*.”³³⁷ The first transnational projects already exist, however, in the area of aircraft carrier construction, where *BAE Systems* and *Thales* are cooperating closely; in the area of submarine production, *TKMS* and *Fincantieri* are cooperating, and *DCNS* and *Fincantieri* among frigates.³³⁸

The development in the land forces market has advanced least so far, it is the “most fragmented sector”.³³⁹ Yet, here too national consolidation processes have been brought underway. In Great Britain since 2002, *Alvis* established itself as the largest manufacturer in the land area with the acquisition of *Vickers*. After a purchase offer had been submitted to the company by the American *General*

The 10 Biggest Arms Corporations in 2010

Worldwide (Turnover in the Armaments Division)



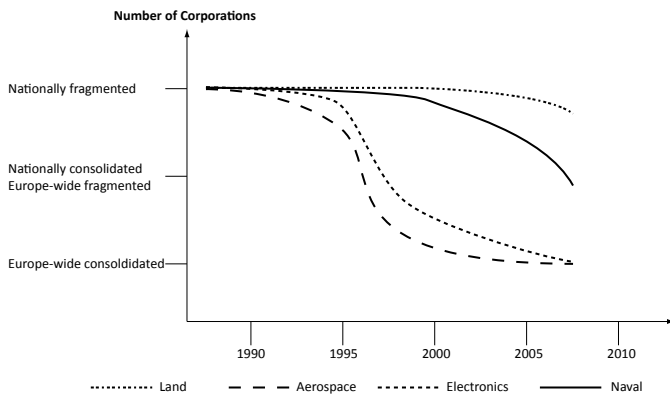
The 10 Biggest Arms Corporations in 2010

Europe (Turnover in the Armaments Division)



Dynamics, it was acquired by *BAE Systems* in 2006, in order to keep it under a British umbrella.³⁴⁰ In Italy, *Iveco* is by far the largest company, and in France, there are still four big providers with *Nexter*, *Panhard*, *Thales*, and *Renault Trucks Défense*. In Germany, where six large companies existed still in 1997, only *Rheinmetall* and *Kraus-Maffai Wegmann* (KMW) are still left today. After rumours began to spread at the beginning of 2011 that the U.S. arms corporation *Northrop Grumman* was planning to take over *Rheinmetall*, the German government was prompted to insist on a stronger consolidation as a defensive measure: “Current takeover speculations are putting the German Federal Government under pressure: Berlin has been pushing for years for a consolidation of the highly fragmented domestic armaments industry, however, this is meant to

Development of the European Defense Market: National and Europe-Wide Consolidation



Graphic on the basis of Bertges, Florian: *Der fragmentierte europäische Verteidigungsmarkt: Sektorenanalyse und Handlungsoptionen*, Frankfurt am Main 2009, p. 216.

take place among domestic companies. [...] With regard to the consolidation, the Federal Government focuses mainly on providers of land forces technology, i.e. manufacturers of tanks, munitions, and small arms.³⁴¹

To sum it up, this means that there has been a strong bundling in the armaments sector³⁴²: “Much of Europe’s technological capability [...] is now concentrated in the hands of a small, oligopolistic group of ‘national champions’.”³⁴³ On the level of the EU, the consolidation process has, however, made significantly more progress in some areas – electronics and aerospace – than in others (land forces and naval sectors): “Cross-border mergers were rather an exception, consolidation took place primarily more or less consistently along national borders.”³⁴⁴

It is, however, unanimously assumed that the concentration process will be further accelerated in the next years all over Europe, also because they are specifically working towards it. “[It] is obvious that the European defense market must and will tend to develop further in the direction of European cross-border solutions due to the still high pressure in terms of changes and adjustments.”³⁴⁵ In short, the trend will continue towards “fewer but bigger companies.”³⁴⁶

5.3 Defence Package: An EU armaments market for the EU MIC

The fact that the national states are continuously trying to strengthen and to protect their own corporations is considered a big problem. Contracts have so far been preferably awarded by the Ministries of Defense to domestic companies: “The Member States largely decide autonomously on contract award and are therefore spending at home almost 85% of their funds which have been allocated for the procurement of armaments projects.”³⁴⁷ In the face of increasing international competition and worries about declining profits, this is considered an untenable situation: “Instead of an Europe-wide market for defense equipment there are still 27 national individual markets that are sealed off from each other by import duties and import licenses. These individual markets are too small to guarantee international competitiveness.”³⁴⁸ Without a uniform arms market, there is concern about the existence of the European armaments industrial base: “Europe as a former ruler

of the world is lagging behind the achievements of the arms industry in the United States and will only be able to catch up with the leadership role of the United States if the individual national states are prepared to share all their technological developments in the armaments sector and to establish the European arms market without any ifs or buts and without regard for their own advantages.”³⁴⁹

Against this backdrop, numerous measures have been taken in the meantime to reduce intra-European trade barriers and distortions of competition in order to promote the development of a uniform EU armaments market.³⁵⁰ This pertains, for example, to so-called offset agreements: “If a government purchases products for a larger amount from a company in another country, then often a compensation (offset obligation) will become due. [...] Offset claims in connection with larger procurement projects are quite usual in most countries. A distinction is made between direct and indirect participation. The former means direct participation in the production of military equipment (i.e. supply or licensed production of the product which is purchased), the latter are general contracts awarded to the industry of the purchasing country.”³⁵¹

Such offset agreements are a thorn in the flesh of the big armaments corporations in particular, because they prevent them from taking full advantage of their superiority. For instance, the Federation of German Industry, *Bundesverband der deutschen Industrie* (BDI), stated: “Offset agreements are unacceptable from a regulatory and an economic standpoint. They hamper and distort competition, make procurements more expensive, have a dirigist and protectionist effect, violate the principles of the market economy and the EU Treaty for a uniform, joint, and free market. [...] Purchasing countries are acquiring know-how and high technology by offset, are utilizing their own branches of industry, and are building up new capacities. [...] Distortions of competition at the expense of the German security and defense industry on a European level must be a thing of the past. [...] The thematization of offset must stay on the agenda; this includes above all also the further development of the Code of Conduct on Offsets and the consistent implementation of the Defence Package.”³⁵²

This point of view is also shared by the European Union, because offsets are considered here too to be measures distorting competition and thus violating the rules of the (neoliberal) domestic market. For this reason, efforts have been made for quite some time to drastically restrict the possibilities for such offset agreements.³⁵³ To that end, the Defense Agency elaborated a „Code of Conduct on Offsets“, which was adopted in October 2008 and became effective in summer 2009.³⁵⁴ According to the words of the German State Secretary Christian Schmidt, the aim of the Code of Conduct is “to contain excessive offset claims.” But it was only agreed that offsets must not exceed 100% of the order value, a target mark, which embodies moreover nothing more than a non-binding declaration of intent of the Member States. That is why Schmidt emphasizes that “more ambitious regulations would have been desirable.” However, according to Schmidt, the Code of Conduct and above all the new Defence Package would be “steps in the right direction”.³⁵⁵

The Member States, which rely a great deal on offset agreements, are invoking Article 346 of the Treaty on the Functioning of the European Union (TFEU), which is referred to for doing business with arms beyond the rules of the barrier-free internal EU market. But even this almost last bastion by which the Member States are defending their sovereignty in the military-industrial area is to be demolished by means of the Procurement Directive of the Defence Package: “The Directive on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security dated July 13, 2009 is the legally bold attempt to relativize the primary law of Article 346 TFEU (former Article 296 EC Treaty) and its impacts. This legally problematic approach – secondary law cannot modify primary law – is, however, accepted in order to create an internal market for military and security equipment in the long term.”³⁵⁶ Article 346 TFEU specifically states: “Any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material.”

The Article, which was originally only meant as an exception, has been used by the Member States to seal off their respective armaments markets permanently against any intra-European competitors. “The reality is that this Article has been very loosely interpreted over the years, meaning that foreign companies have rarely been given the opportunity to participate in national defence contracts.”³⁵⁷ The Defense Agency and the Commission have already been up in arms against this procedural practice of the Member States for some years. Certainly, the EU Commission also has in mind in this connection that it would gain influence enormously if the arms market was fully subject to the rules of the internal market and thus be under its control. European Internal Market Commissioner Michel Barnier announced in November 2011, for example: “My intention is to use the Commission to strengthen the European defence industry and the European defence market. That is a capacity that Europe needs.”³⁵⁸

In order to promote a uniform EU arms market, the Defense Agency presented the “Code of Conduct on Defence Procurement” in November 2005, which became effective in the summer of the following year. It contains the non-binding declaration of intent that invitations for tender be issued in future for procurements from 1 billion euros onwards on a Europe-wide basis and that all bidders be treated fairly and equally.³⁵⁹ In practice, this hardly had any effect initially, since the Member States continued to invoke Article 346 TFEU often. If invitations for tender were issued at all on a Europe-wide basis, then it continued to be ensured that the outcome was a foregone conclusion in favor of domestic corporations from the outset.³⁶⁰ In order to put a stop to this practice, the European Commission published an Interpretative Communication in December 2006, to prevent possible “misinterpretation and misuse” of Article 346 TFEU. The Commission emphasizes therein that the “conditions of application” of the Article must be interpreted in a “restrictive way”.³⁶¹

Yet, up to that time, the problem for the Commission

was that all agreements were non-binding declarations of intent. So, they really might now have achieved a great success with the so-called “Defence Package”, consisting of two directives, that was presented in 2007 and finally approved two years later: “The Defence Package is intended to intensify competition on the European armaments markets [and] bring the current fragmentation of the European arms market to an end.”³⁶²

One part of the Defence Package consists of the “Directive on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security” (in short: Procurement Directive).³⁶³ This is – and that is a significant innovation – a legally binding agreement. Although it is still possible to invoke Article 346 TFEU on this basis, the Directive makes it unmistakably clear that this may only be done on a restrictive basis and in absolutely exceptional cases.³⁶⁴ In addition, the Member States are requested to take the “decision on grounds of value for money, recognizing the need for a globally competitive European Defence Technological and Industrial Base, the importance of open and fair markets and the obtaining of mutual benefits. Member States should press for increasingly open markets. Their partners should also demonstrate openness, on the basis of internationally-agreed rules, in particular as concerns open and fair competition.”³⁶⁵ With the Procurement Directive, considerable progress has been made towards a uniform European arms market: “Importantly, the Directive will bring a requirement for the EU-wide publication of contracts over a certain value, underpinned by non-discriminatory award procedures. This will encourage greater transparency and openness, make public procurement more efficient and improve market access of European companies in other Member States.”³⁶⁶

The second component of the Defence Package is the “Directive simplifying terms and conditions of transfers of defence-related products within the Community” (in short: Transfers Directive).³⁶⁷ It is hoped that, besides cost reductions, this will lead above all to a promotion of European arms exports (cf. Chapter 5.5). Furthermore, by removing export controls to a large extent for intra-European transfers of arms and military equipment, the creation of a uniform European armaments market is to be advanced further: “The Directive on intra-EU transfers on the other hand aims to establish a genuine European market for defence equipment in which common production projects are stimulated and competitiveness of EU defence companies is enhanced.”³⁶⁸

The Defence Package should actually have been transposed into national legislation within two years, by August 2011, and be applicable Europe-wide in mid-2012 after a transitional and testing phase of one year. But after delays occurred in some countries, the European Commission announced that it would now massively insist on implementing the Directive.³⁶⁹

That the Commission is willing and anxious here to exert considerable pressure lies in the reach of the Defence Package, which is being referred to by many observers, unfortunately presumably rightfully, as a “milestone” and as “revolutionary”.³⁷⁰ This is explained by the fact that with the envisaged EU-wide armaments market all com-

panies are meant to be able to compete without discrimination on a “level playing field“. But the underlying more or less openly declared intent is to massively intensify thereby a further consolidation of EU arms corporations.³⁷¹ The “level playing field“ always favors the most powerful and biggest companies on the respective market – this applies to the internal market as well as to the armaments sector. Accordingly, it is certainly not an accident that just those countries with the strongest arms industries are among the most eager advocates of the Directive: “The German arms industry does not need any protectionist cloak, but a fair, open market in Europe and elsewhere, where quality products and economic offers count,“ said German State Secretary Christian Schmidt, for example.³⁷²

The Defence Package might therefore possibly mean the end of the arms industries in smaller and medium-sized EU Member States, which will no longer be able to feed their companies with contracts: “Medium-size or smaller companies might increasingly be relegated to subcontractor status.“³⁷³ Case studies confirm that any liberalization of the arms market means that smaller providers are pushed out of the market and that it will lead to further concentration processes.³⁷⁴ “By unifying the European arms market, a ‘level playing field’ will be enforced among European arms corporations, with the likely result that smaller national companies will not be able to compete with corporate giants like EADS. This further consolidates a European arms market controlled by a small number of very powerful corporations.“³⁷⁵

For some observers, however, the provisions of the Defence Package do not go far enough. They criticize that there are still too many loopholes enabling national states to preferably award contracts to their own arms companies.³⁷⁶ Indeed, much should depend on whether the European Commission will insist on the restrictive application of Article 346 TFEU.³⁷⁷ Yet, for some years already it has been showing an increased readiness to pick an argument with the Member States in this respect.³⁷⁸ The vehemence with which the Commission has been pushing for the implementation of the Defence Package signifies also that this might possibly really be the quantum leap towards an EU MIC, that many militarists would like to see.

5.4 Europeanization of military policy

By intensifying EU military collaboration one hopes, on the one hand, to achieve a significantly higher interoperability between the national parts of the armed forces. Joint standards and joint equipment are to help to clearly increase the military clout.³⁷⁹ The primary aim in this connection is to drastically reduce the procurement costs for arms and military equipment through Europe-wide procurement projects – that is at least what is hoped for: “[Through] European military cooperation [...] in this way an economic satisfaction of demand can also be achieved – besides the provision of military capabilities, because the problem of high unit prices for altogether small volumes can be solved by joint procurement.“³⁸⁰

The savings potentials hoped for are enormous: “A general economic rule of thumb is that a doubling of production figures will lead to cost savings of 10 percent per product.“³⁸¹ Therefore, first attempts for consolidating the demand side were already made early on by the po-

litical side, by founding the *Western European Armaments Group* (WEAG) in 1992, which emerged from the *Independent European Programme Group* (IEPG), founded back in 1976. It pursued the aim of achieving a more efficient use of resources by harmonizing armaments programmes and the mutual opening of national armaments markets. In 1995, efforts failed to transform the WEAG to a Europe-wide armaments agency with comprehensive competencies, which then led to the foundation of the *Organization for Joint Armament Cooperation* (OCCAR) in 1997. Its task is to coordinate some binational and multinational procurement projects, such as that of the combat helicopter Tiger or the Airbus A400M. But there were only four countries that participated in the OCCAR, Germany, France, Great Britain, and Italy. The “Letter of Intent“ (LoI), signed in 1998, which was designed to expand the European armaments cooperation, was also limited to only six countries (France, Germany, Sweden, Italy, Spain, and Great Britain).³⁸²

Probably not least due to the disastrous experiences with many EU procurement projects – in particular the Airbus A400M (see box) –, there was an extreme reluctance to take any further steps for a long time thereafter. But in the meantime, efforts made in this regard have again been intensified, because the EU is afraid to sink into power-political insignificance without any intensified armaments collaboration: “Our armed forces are simultaneously facing budgetary austerity and increasing deployment for crisis management operations. [...] Only by aligning their defence efforts and *collectively* focussing it on those shortfalls can Europeans remain militarily relevant.“³⁸³

It is therefore the declared goal to considerably expand the areas of Europe-wide armaments cooperation under the heading “Pooling & Sharing“ (P&S). Greatest importance is currently attached to P&S, it is considered “as a kind of technocratic miracle cure for [the] impending inability to act militarily“³⁸⁴ A major impetus here came from the German-Swedish Ghent Initiative, whose proposals were approved by the European Council on December 9, 2010 by referring to the intensified cooperation in the military area as an indispensable “force multiplier“. In addition, it called on the Member States to step up their efforts in this direction: “The Council stressed the need to turn the financial crisis and its impact on national defence budgets into an opportunity, to give a new impetus to European military capability development in order to meet its level of ambition, to address remaining shortfalls and to safeguard the defence capabilities required to support the EU’s Common Security and Defence Policy (CSDP) as well as to achieve national capability targets, while avoiding unnecessary duplication between Member States. [...] With a view to strengthening military capabilities in Europe for sustaining and enhancing CSDP, the Council called on Member States to seize all opportunities to cooperate in the area of capability development. It particularly stressed the need to develop pooling and sharing options.“³⁸⁵

In July 2011, the European External Action Service presented a first interim report, which emphasized too that “if the EU is to remain an active player in the world, it must maintain highly capable military forces – these are crucial to a credible CSDP. [...] Multinational cooperation must become a reflex – the rule rather than the exception

– if we want to preserve and develop Europe’s defence capabilities.³⁸⁶ With this work assignment, the EU Military Committee and the EU Military Staff then peddled around the Member States and in the meantime gathered more than 300 proposals for areas where military cooperation should and can be intensified.³⁸⁷

As to how the Anglo-French “Defense Pact” of November 2010 is to be evaluated in this connection is a question where opinions currently diverge extremely. Some consider the alliance already as the coffin nail for efforts to push any Europeanization of military policy, because the agreement was concluded completely outside of the framework of the EU, which represents an extreme about-face in the case of France above all. To date, Paris had always taken a stand for strengthening EU competencies in the military area, but seems at present to show a little less enthusiasm in this respect (while London has always put the brakes on here). The reason is partly a certain disillusionment with the previous progresses in the EU military area. But

it cannot have been the decisive factor, because Paris at the same time committed itself to the initiative of the Weimar Triangle, which is meant to help to strengthen the EU military component. A motivation for a closer cooperation might also have been the concern of the two countries about the increasingly blatantly articulated German claim of supremacy in Europe.³⁸⁸ In any case, the fact that such a far-reaching cooperation project was agreed upon completely beyond of the umbrella of the EU is not necessarily a sign for a strengthening of the EU military component: “This military collaboration with London basically means burying the previously independent EU military policy.”³⁸⁹

But on the other hand it has been emphasized that the really essential sections of the agreement speak a different language. Therefore it is, from the point of view of many military men and strategists, quite a welcome example of European military cooperation. Among other things, the agreement provides, for instance, for the establishment of a collaborative military reaction force and cooperation

Airbus A400M: Flops, Failures, and Mishaps - EU Procurement Projects As Inefficient Billion Dollar Graves

In theory, it may make sense at first sight that by bundling and hence increasing order volumes in the form of pan-European procurement projects, lower unit prices will be achieved – in practice, however, this proves not to be true. The probably most glaring example here is the Airbus A400M, a military transport aircraft, produced by EADS, by far the biggest European armaments project, with an initial total volume of some 20 billion euros. Within the European Union, France undertook to buy 50 aircrafts, Germany 53 (of which, however, 13 are intended for resale), Spain 27, Great Britain 22, Belgium 7, and Luxembourg 1.

The great demand for the Airbus A400M is to be explained by the fact that having one’s own capacities for transporting troops to areas of deployment is considered a major prerequisite for any effective exercise of military power. As for the reasons to develop and acquire an EU military transport aircraft, the Frankfurter Allgemeine Sonntagszeitung notes, that although technically there is something very wrong with it, one still has to hold on to it: “But politically, it stands for a dream of the Europeans, at least for those for whom Europe is not only a political or a monetary union but also a military one. A military union, which collaboratively with its troops is restoring peace in Afghanistan and driving the reconstruction of Afghanistan – and which can do this even with its own arms and military equipment, which has been developed independently from the Americans and Russians.”⁴¹

Due to numerous technical problems, the Airbus A400M has developed in the meantime into a billion dollar grave. France should have got the first aircraft in spring 2010 and Germany its first one a year later. Now, there is talk of France getting its first aircraft by the turn of the year 2012/2013, but only in the form of a heavily reduced basic version.² In the meantime, the additional costs of the project amount to at least – some estimates are significantly higher – 5.3 billion euros. That was at least the amount which gave rise to heavy disputes between the purchasing

countries and EADS when it came to the apportioning of expenses. The result was that the countries bear 3.5 billion euros of the additional costs already incurred up to now. “Expensive, Even More Expensive, A400M” was the headline of Focus Online.³ In addition, the performance of the aircraft will also be considerably lower than originally contractually agreed upon: “The military transport aircraft will come later, cost more and perform less than promised.”⁴⁴

The reason why they nevertheless firmly hold on to the project is that it is intended to serve as a model for reproduction and hence “play a major role” in the consolidation of the European arms industry.⁵ While this failed completely, the project is, however, still considered “too big to fail”, writes the German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik): “A failure of the project would seriously damage the armaments policy cooperation in Europe and the lighthouse function of the A400M for the European armaments industry.”^[6] This is all the more problematic because the Airbus A400M is by no means an isolated case: Current expenses getting out of control are not the exception but the rule in connection with previous EU procurement projects.^[7]

Notes:

- 1 Ed.: Rosa Luxemburg Stiftung Hamburg e.V. (Ed.): EADS/Airbus: Ein Global Player im Kreetslag. MIK und Stamokap in Hamburg, Hamburger Skripte 19, December 2009
- 2 Staaten besiegeln Milliardenhilfe für Militärtransporter, Spiegel Online, April 7, 2011.
- 3 Neue Geldspritze für das Sorgenkind A400M. Teuer, noch teurer, A400M, Focus Online, April 7, 2011.
- 4 Fasse 2010.
- 5 Bertges 2009, p. 127.
- 6 Brune, Sophie et al. 2010, p. 4.
- 7 Mölling/Brune 2011 p. 56.

with regard to research of new weapon systems, even in the highly-sensitive area of nuclear weapons. The sections referring to joint industrial policy are particularly far-reaching: "We have reached an agreement on a 10 year strategic plan for the British and French Complex Weapons sector, where we will work towards a single European prime contractor and the achievement of efficiency savings of up to 30%. The strategy will maximise efficiency in delivering military capability, harness our technologies more effectively, permit increasing interdependence, and consolidate our complex Weapons industrial base."³⁹⁰

This is indeed a radical change of the British position, because so far London, invoking reservations regarding national sovereignty, was always extremely critical of European cooperation projects and a joint industrial policy.³⁹¹ Furthermore, the basic assumptions on which the agreement and the measures derived therefrom are based are in line with the considerations made within the framework of the Ghent Initiative. As Nick Witney, the Head of the European Defense Agency, puts it: "The real significance lies in the implicit recognition by both parties that their individual pretensions to the status of global power will remain sustainable only if they begin pooling their defence efforts and resources."³⁹² Therefore, it has been assumed by numerous observers that the Anglo-French agreements have a role model function and will be the starting point for further Europe-wide initiatives in the same direction.³⁹³ This assumption is confirmed by the fact that the initially also bilateral French-German (February 2012) and German-Italian declarations (May 2012) have placed the focus on Pooling & Sharing, but at the same time are explicitly trying to involve other countries.

5.5 "Arms exports are essential for survival!"

In addition to the "beneficial" effects of the Transfers Directive for enhancing a uniform EU armaments market, another major interest is still being pursued in this connection: National standards for arms exports are intended to be reduced – harmonized – to the lowest common denominator by the Directive. The consequence will be a massive growth of arms exports, although the Member States of the European Union are already today the world's largest suppliers of arms. Since the "Code of Conduct on Arms Exports" is as full of holes as Swiss cheese, a lot of these arms are moreover delivered to crisis regions, where they are fueling conflicts and used to suppress the population.

5.5.1 The European Union as arms export world champion

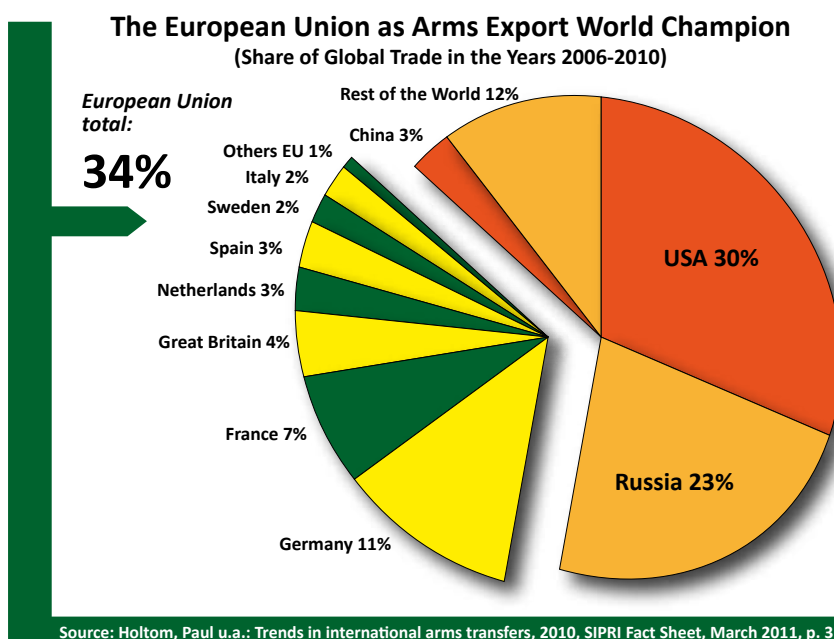
According to the SIPRI Report, the European Union was once again able to claim for itself the dubious "success" of having achieved the title of the arms export world champion for the year 2010, with a share of 34 percent. Then came

the United States with 30 percent and Russia with 23 percent. Within the EU, Germany holds the top position with a global share of 11 percent, followed by France with 7 percent, and Great Britain with 4 percent.³⁹⁴

A lot of these exports are going to countries with – to put it cautiously – a questionable human rights record and/or to crisis regions. During the last ten years, Germany approved, for example, arms exports to Saudi Arabia in the amount of 675 million euros, to Bahrain in the amount of 22 million euros, to Yemen in the amount of 12 million euros, and to Egypt in the amount of 268 million euros. Altogether, German exports approved during this period for countries in the Middle East and North Africa amounted to 3.5 billion euros.³⁹⁵ Mathias John, *Amnesty International's* arms expert, said: "These supplies of arms were approved although there was then already a significant risk of them being used to commit human rights violations."³⁹⁶

This is being done although Germany, compared to other EU Member States, has – relatively – comprehensive arms export restrictions, which are obviously only conditionally effective. So, it is no surprise that Europe-wide arms are blithely exported to conflict regions. An analysis published in November 2011 revealed, for instance, that European countries exported arms and military equipment to the crisis region of North Africa and the Middle East in the amount of more than 50 billion euros during the period between 2001 and 2009.³⁹⁷

The documentation of European arms exports has been classified in Brussels as being of secondary importance and is not taken too seriously. The way the current EU Report on Arms Exports for the year 2010 was handled was quite brazen. It was published only at the end of 2011 – on the very last working day and without any prior information about the forthcoming publication. Furthermore, there are extreme gaps in the data of eight Member States (including Germany and Great Britain), so that they are absolutely misleading. It can hardly be signaled any clearer that the European Union has little or no interest in any transparency in this area.³⁹⁸



5.5.2 Transfers Directive as arms export offensive

The defense industry is relying more and more on expanding export activities in order to maximize its profits. The argument that the domestic market is too limited to guarantee the necessary volume for a competitive and thus viable arms industry is being used once again as justification. As Heinz Marzi, Managing Director of the *Federal Association of the German Security and Defense Industry (Bundesverbandes der Deutschen Sicherheits- und Verteidigungsindustrie - BDSV)* until 2010, put it, for example: “With a declining national budget, exports of its products are becoming increasingly more important and necessary for the German defense technology industry.”³⁹⁹ His successor at the BDSV, Christian-Peter Prinz zu Waldeck, even declares an expansion of export activities to be an existential question: “It is a question of survival: Do we want to preserve this industry, or do we not want to preserve it.”⁴⁰⁰ Without any pretended shyness, the representatives of the arms industry are approaching politics and asking for support for this request: “In view of the different framework conditions in the European Member States, support by politics and the backing of the industry by authorities in connection with exports is indispensable.”⁴⁰¹

The industry criticizes as a special problem what they see as the overly “restrictive arms export provisions” in many EU Member States.⁴⁰² And here too politics proves to be eager to comply with the interests of the arms industry. For example, the German CSU (Christian Social Union of Bavaria) defense expert Florian Hahn – who formerly worked, among other places, at the press office of *Krauss-Maffei Wegmann* – revealed that he considered it “conceivable that German arms export guidelines be relaxed a bit.”⁴⁰³ For this purpose, the previous certification system for intra-European arms transfers is, in simple terms, being changed by the Transfers Directive from pre-checking to post-checking, and such a post-checking needs not even be made bindingly. Casually speaking, this means that “clearance certificates” are being issued which enable arms and military equipment to be transferred almost at will within the European Union. This is particularly problematic because the regulations regarding a possible re-export are absolutely inadequate. Strict national regulations could quite easily be overturned by a pre-export to a “more generous” EU Member State: “Especially when items are being re-exported, intra-EU transfers can also give rise to contestation (e.g. export Belgium – France – Chad). Fears that such transfers will become almost impossible to detect are wellfounded.”⁴⁰⁴

Such a fear is all the more justified, because with regard to the assessment whether any re-export of arms and military equipment would possibly violate any regulations of the country of origin, the Transfers Directive is making a gamekeeper out of a poacher: “According to the procedure of the Directive, the obligation to report possible reservations concerning the recipient country is passed to those companies which want to export a finished product out of the area of the EU. This presupposes, however, loyalty and good conduct of the companies involved in the arms business.”⁴⁰⁵ This brings with it the risk that arms export restrictions Europe-wide are approaching the low-

est common denominator, as many critics are warning.⁴⁰⁶ This is all the more problematic because the existing arms export control system on the level of the EU is more than inadequate and will probably remain so for the foreseeable future.

5.5.3 Code of Conduct without any effect

In the early 1990s, the European Council approved eight criteria to be fulfilled for granting any arms export license. In 1998, these criteria were finally incorporated into the “Code of Conduct on Arms Exports”.⁴⁰⁷ Included therein is the consideration that arms will neither be exported to crisis regions (Criterion Three) nor to any countries where human rights are violated (Criterion Four). But there was just one problem: There was no legally binding force that the Code of Conduct really had to be observed!⁴⁰⁸

Therefore, many hoped for a considerable improvement of the desolate situation when the Common Position of the European Council regarding the Code of Conduct was adopted in December 2008, through which the criteria became legally binding.⁴⁰⁹ Such a hope would, however, quickly prove illusory: “Yet, the CP [Common Position] has its limitations. First of all, it only covers very limited aspects of arms export controls: i.e. the eight criteria and dispositions in terms of exchange of information and transparency. Other aspects are left to each MS [Member State] to decide, including the structure of and the procedures implemented by national arms transfers licensing authorities. Second, the CP relies heavily on the implementation and the interpretation of each criterion by each MS: The decision to grant or not an export licence remains a national prerogative.”⁴¹⁰

Many EU Member States are of the opinion, for instance, that arms exports to countries such as Saudi Arabia, Israel or Chad are compatible with the eight criteria without any problem.⁴¹¹ Therefore, the Code of Conduct in its present form is absolutely inadequate to constrain the looming arms export offensive – on the contrary: “All but the most dubious of arms transfers (and sometimes not even those) are provided with formal veneer of legitimacy.”⁴¹²

Circumventing objections via Brussels is quite attractive for the armaments industry, as so often. The Transfers Directive allows the circumventing of any existing national arms export regulations, something which probably, in view of the general mood of the population, would frequently hardly be possible via any official softening of export criteria. A representative survey among the German population in October 2011 revealed, for example, that an overwhelming majority of 78% generally opposes all arms exports, an additional 11 percent want to prohibit any exports to crisis regions, and just a mere 7 percent are generally in favor of such exports.⁴¹³

5.6 Europeanization of military policy – crisis as a chance?

Without any intensified EU military cooperation, but also without any general Europeanization of foreign and military policy, propagandists of an imperial EU geostrategy like James Rogers (cf. Chapter 2.3) are pessimistic about the perspectives of a military power of Europe. The

reason: “The old European nation-states are no longer big enough to make their voices heard in a rapidly changing world, and [...] the best way to protect the values that those national communities hold dear is through a greater and more potent grouping. [...] *In short, the European Union must become a super-state and a super-nation, which should enable it – in turn – to become a superpower.*”⁴¹⁴

A bit less pointedly but still with the same hidden agenda, the former President of the European Parliament, Hans-Gert Pöttering, also postulates: “In the area of finance and economic policy, the European Member States have already transferred decisive national competencies to the supra-national level. The time has come to take the chance to do this also in the area of the security and defense policy.”⁴¹⁵ Representatives of the industry such as Stefan Zoller, former CEO of *Cassidian*, can also reconcile with such proposals: “A Europe-wide consolidation in terms of industrial policy will only be successfully effected if this is the will of politics and if politics are ready to partly abandon national sovereignty in favor of higher efficiency and effectiveness in the area of defense and security.”⁴¹⁶

By nature, however, national states have extreme reservations about such intentions. The reasons why the individual states are interested in strengthening their own arms companies are obvious. Taxes and jobs are certainly not even the most important motives here, but the fact that the same applies to the individual states as to the European Union as a whole. Preserving an independent arms industry is also considered an important power-political means by the Member States, which is why they are reluctant to become dependent on any other EU Member State.⁴¹⁷ In short: They are all in favor of a Europeanization process, but please not at the expense of their own companies. As the former Head of the European Defence Agency, Nick Witney, complained: “Governments generally insist that it is up to industry leaders to consolidate their companies according to commercial considerations. But the same politicians [...] try to ensure that, when the inevitable industry contraction and consolidation occurs, their own ‘national champion’ is amongst the last men standing.”⁴¹⁸

As already indicated, this became more than clear when efforts were made to establish a “Naval EADS”: “All considerations with regard to an actually economically plausible grouping of the companies into a kind of ‘EADS of the Seas’ failed due to national interests with regard to industrial leadership, protection of technology, and regional employment.”⁴¹⁹ Even in connection with the EU showcase project *EADS* there is a lot of clubbing and stabbing as to who sets the tone in the company. *DaimlerChrysler* is acting as “a trustee and guardian of German interests” within the corporation, as the Chairman of the Supervisory Board, Manfred Bischoff, put it.⁴²⁰ On the other hand, any attempts made by the French Government to gain influence have been strongly criticized: “EADS is a model for perfectly organizing French hegemony in the German-French costume.”⁴²¹ Such national differences became quite clear in the course of the efforts to merge *EADS* and *BAE Systems* into the biggest arms corporation of the world. Such a merger would have been a milestone for the formation of a EU MIC, but it failed as already mentioned at the beginning in October 2012 due to the diverging na-

tional interests of France, Great Britain, and Germany.⁴²² This constellation can be generalized: “However, various national interests involving technology development, maintaining employment levels and specific regional considerations have so far thwarted this [consolidation] process. In addition, [...] the sequencing of procurement orders, the partly conflicting mission requirements of weapon platforms and the incompatible ownership structure of companies represent major barriers to any potential Europeanisation project.”⁴²³

For overcoming barriers to a Europeanization of military policy the economic and financial crisis could prove to be a downright “lucky chance”. That is at least what a study of the Directorate-General for External Policies of the European Council hopes for: “The financial crisis can be both for the European defence sector, a risk as well as an opportunity: on the one hand, it sounds plausible that shrinking budgets increase the pressure on member states to cooperate and thus to overcome the EU’s problems related to capability development and restructuring of the defence industries and markets. On the other hand, despite a decade of rhetoric and initiatives for more cooperation and less national influence on the EU defence, national prerogatives still dominate.” According to the study, it is no longer acceptable “to waste resources under the disguise of national sovereignty.”⁴²⁴

Other studies are downright optimistic that the financial crisis will prove to be an “ideal” lever for the emergence of a EU MIC: “In many Member States, the current financial crisis is turning out to be an opportunity for implementing painful but necessary structural reforms.”⁴²⁵ The *German Institute for International and Security Affairs (Stiftung Wissenschaft und Politik)* even speaks of a “European imperative” and explains this as follows: “With the financial crisis, the pressure is increasing for the EU Member States to look for resource-saving solutions. [...] It is time to break with the tradition of nationally designed defense planning so that efficiency potentials can be used on the EU level.”⁴²⁶ All in all: “The financial restrictions could turn out to be a blessing in disguise for European military capabilities.”⁴²⁷

6. EU MIC: Risks and Side Effects

Less is usually more, as is generally known. However, from the point of view of peace policy this does not at all apply to the developments in the European armaments and military area, which inevitably will lead to the shutdown of a lot of smaller companies and the transfer of competencies to the level of Brussels. Admittedly, there is no reason to shed too many tears over sinking national arms industries. But it would be naive at best to hope for a reduction of military spending or even a less aggressive foreign policy as a result of this.

Above all the threatening further Europeanization of military policy must be a cause for concern. Given the fact that the European Parliament barely plays a role when it comes to the control of the foreign and security policy⁴²⁸, the capability of the Political-Military-Industrial Complex to control EU policy on its own terms will increase still further. It should not be overlooked, however, that the militarization of the European Union cannot simply be explained as a product of the armaments industry's interests in profits. As shown, it is fueled by a number of other motives: "Emphasizing the MIC's own dynamics alone cannot capture its role because the MIC also achieves its position and dynamics from the reproduction of other social relations which it is supposed to help defend."⁴²⁹

The militarization of the European Union is the outcome of the reluctance to finally turn its back on any aggressive power policy and exploitation. Instead, billions of euros are invested in a military apparatus whose primary aim is exactly to maintain poverty, exploitation, and oppression in the world. This in turn increases the tendency to look for military solutions for problems which may only be resolved in other ways. For someone who has a hammer (and sells hammers), all problems are nails, as is well-known: "A number of things suggest that [...] global distortions will continue to increase. [...] Hardly any good can be expected to come of the military security policy by which the increasingly violent constellation is to be kept under control. In this sense, it would be better if the 'sleeping giant' didn't wake up and become 'an imperial grand power in the medium term or in the long term'. Without the corresponding military capacities, it is perhaps more likely that one feels compelled to think about the causes of the increasing distortions."⁴³⁰

If those in charge were ready to think about these causes, then completely other measures would have to be on the agenda. Among other things, it would be necessary to stop any and all arms exports, to abandon the exploitative neoliberal foreign trade policy, to proceed with immediate disarmament, and to redirect the funds released in favor of meaningful development aid. The *Committee on Disarmament, Peace & Security* (CDPS), a non-governmental organization committed to peace policy, recently compared military expenses with the costs estimated to be required for the achievement of the millennium goals for fighting poverty (MDG). According to the CDPS, extreme poverty and hunger could be removed with \$ 39 - \$ 54 billion. To ensure universal education and to promote gender justice would require another \$ 10 - \$ 30 billion. To reduce infant mortality rates by 2/3, to improve the health of mothers, and to fight Aids, malaria, and other diseases would require \$ 10 - \$ 25 billion. Finally, environmental protection would require \$ 5 - \$ 21 billion.⁴³¹ In other words, for the implementation of these millennium goals that were to be achieved by 2015, but will be missed by far, \$ 64 - \$ 130 billion would be required – i.e. about 8 to 16 percent of the money being annually pumped into armament by the NATO states!



Airbus A400M, source: Wikipedia

Notes

- 1 When reference is made hereinafter to “Europe“ or the “European“ population, the author is well aware of the fact that the European Union by no means comprises all countries and people of the continent. Although reference should therefore actually rather be made to “EUrope“ and “EUropean“, the other spelling is used in this study because it is much easier to read.
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- 3 Cf. Jones, Ben: Franco-British military cooperation: a new engine for European defence? Institute for Security Studies (ISS), Occasional Paper, February 2011, p. 16.
- 4 Flanagan, Stephen et al.: Outlook for Defense. Doing Less with Less?, in: Flanagan, Stephen et al. (Ed.): Diminishing Transatlantic Partnership? The Impact of the Financial Crisis on European Defense and Foreign Assistance Capabilities, Center for Strategic and International Studies (CSIS), May 03, 2011, p. 15 (quotation comes from Jack Treddenick). The results of the “Transatlantic Trends“ published in mid September 2011 suggesting that the approval rating for cutting armament budgets would be very low, are inconsistent with this only at first glance. The problem is that in the “Transatlantic Trends“ people were only generally asked whether they wanted savings to be made in the military sector, but not whether they wanted savings to be made there or rather in other (social) budgets. Due to the negligent classification and presentation of the results of the survey, a completely false impression has even been created – presumably consciously; after all the survey was carried out by various military-related institutions and the Swedish Ministry of Defense – that the majority of the population would speak out in favor of social cuts instead of cuts in the defense budget. See Transatlantic Trends 2011. Key Findings, September 14, 2011, URL: http://www.gmfus.org/publications/_/TT/TT2011_final_web.pdf (November 17, 2011), p. 25. How results are manipulated this way, has been demonstrated by the USA. According to “Transatlantic Trends“ only 34% of the US population would be supportive of a cut of the military budget. A survey carried out by Reuters and also published in 2011, which offered the possibility of prioritizing between various budget cuts, comes up with different results: 51 percent are in favor of cuts in the military budget, and only 28 percent support cuts in Medicare. See Public prefers cutting defense spending: Reuters/Ipsos poll, Reuters, March 09, 2011.
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- 8 Berteau, David et al.: A Healthy, Diversified, Defense Industry Despite Declining European Demand, in: Flanagan et al. 2011, pp. 29-37, p. 36.
- 9 Berteau 2011, p. 35.
- 10 Krisen befeuern das Waffengeschäft, Die Welt, February 28, 2012.
- 11 Cf. Guy Ben-Ari et al.: European Defense Trends: Briefing Update, CSIS, Defense Industrial Initiatives Group, July 29, 2011, p. 21ff.; AeroSpace and Defence Industries Association of Europe (ASD): Fact and Figures 2010, September 2011, p. 7; Beste, Ralf et al.: Krisen sind ihr Geschäft, Der Spiegel 28/2011.
- 12 Cf. Jones 2011, p. 7.
- 13 Seibert, Bjoern H.: Operation Eufor Tchad/RCA and the European Union’s Common Security and Defense Policy, Strategic Studies Institute, Carlisle, October 2010, p. 73.
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- 15 Wikipedia: Dwight D. Eisenhower. The second part of the quote is from the “Chance for Peace speech“ Eisenhower held in 1953.
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