

EU Defence Integration: A Case for a Neo-Functionalist Explanation

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The aim of this paper is to present empirical support for the neo-functionalist theoretical argument with respect to EU defence integration. This is done through an analysis of problem definition within the European Security and Defence Policy (ESDP). Three different phases of problem definition are identified within the framework of the ESDP during 1999-2006. The first phase, appears in relation to the Cologne decision to create an EU military capability. The second is manifested in the European Security Strategy, which took problem definition within this field a step further. The third, more extensive and forward-looking phase of problem definition is related to the establishment of the European Defence Agency (EDA) and the development of a European defence industry market. It is argued that the third phase of problem definition provides a case for explaining EU defence integration by an economic/functionalist dynamic. Defence integration within the EU can thus be said to contain an internal dynamic, seldom recognized in the existing literature dealing with European foreign policy.

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Arita Eriksson¹

1. Introduction

The defence policy area has developed very fast indeed within the European Union (EU) during the last years. Compared to the foreign policy area, its institutionalization have been much more rapid (compare Smith, 2004). This raises questions about the dynamics of defence integration within the EU – what are the driving forces behind this development? Theoretically there are several options when trying to answer this question. The defence dimension within the EU can be seen as a response to external events, as a rational choice of the largest member states in order to increase their influence as well as the influence of the EU in world affairs. It could also be seen as a result of increased institutionalization of this policy field at the European level. One could also argue that the neo-functionalist argument has finally begun to apply (Ojanen, 2006). Indeed, these different explanations are likely to complement each other. This study aims to illuminate the least accepted among them – that of an internal, functionalist dynamic associated with the defence policy area within the EU. It does so with the help of empirical examples.

The purpose of this study is to present empirical support for the neo-functionalist theoretical argument with respect to EU defence integration. This is done through an analysis of problem definition within the European Security and Defence Policy (ESDP). Why employ this approach? Generally, a policy process can be said to consist of three parts; problems, solutions and participants (Kingdon, 1995, Kronsell, 1997, Eriksson, 2006). These parts interact in different ways. Clues as to what the driving forces of a policy process are could thus be found in all these parts – and various theoretical perspectives would emphasize the importance of different parts. Traditionally, driving forces within the area of defence have been closely associated with what is the emphasis of realist thought; *external* threats and national (or alliance) reasons for action formed as a *reaction* to the structure of the international system. These theories thus seem to focus mainly on the part of the policy process that concern problems and to some extent also on an analysis of the reasoning of participants. In this study, an analysis of problem definition is also pursued. Problem definition is politically important (Premfors, 1989: 52, Kingdon, 1995: 110f) and could thus be assumed to be a valuable source of information for factors behind defence integration. The argument developed is, however, quite contrary to the realist one with respect to the starting place of the dynamic behind integration in this area. It is argued that the definition of problems within the ESDP grows increasingly from *internal* political and economic factors associated with the needs of the European defence industry.

¹ This text represents the views of the author. It does not necessarily reflect the views of the Swedish National Defence College.

The method used can be characterized as a text analysis with a focus on content. This raises questions concerning operationalisations. In this study, problems are defined as those issues that the European level express a need for *the EU* to deal with, and that the EU eventually *does deal* with, for example, by ‘putting them on the agenda’. In order to use problem analysis as a clue to finding the defence integration dynamics at play they can also be analysed further. For example, how is the problem defined? In this context, the concept of *framing* may be used. Mörth argues that framing is about how an issue is labelled. This is central for the construction of identities, and it is an essential political instrument in organizing cooperation (Mörth, 2003: 23–24). An issue may be *diagnostic* (characterized by the identification of an issue or problem and its source) or *prognostic* (focusing on solutions and strategies for dealing with the problem). (Mörth, 2003: 23-24) Definitions may also be labeled as *reflective* and *reactive*. Reflective problem definitions are general and comprehensive. Reactive problem definitions react to something, for example, a crisis, the international setting or a policy originating from elsewhere (Kronsell, 1997: 92–93).

This study builds upon parts of the empirical results of another study (Eriksson, 2006) which aimed at analyzing the Europeanization process within the defence policy area during 1999-2004. Drawing on the results of that study, this study focuses explicitly on the European level, stretches over a longer period empirically (up until 2006) and conceptualizes European defence policy in terms of defence integration. The empirical material consists of EU documents from 1999-2006 such as European Council conclusions and various Council documents as well as, since 2004, documents from the European Defence Agency. The empirical focus is on (military) defence policy aspects within the framework of ESDP - that is - issues associated with the creation of an EU military capability. It has unfortunately not been possible to include general CFSP documents and documents related to EU external action, such as Council joint actions associated with EU operations.

In this study, three different phases of problem definition are identified within the framework of the ESDP during 1999-2006. The first phase, nearly invisible, appears in relation to the Cologne decision to create an EU military capability. The second is manifested in the European Security Strategy, which took problem definition within this field a step further. The third, more extensive and forward-looking phase of problem definition is related to the establishment of the European Defence Agency (EDA) and the development of a European defence industry market. The EDA brought together the two policy processes related to the ESDP and the restructuring of the European defence industrial market respectively (Britz & Eriksson, 2005). It is argued that the third phase of problem definition provides a case for arguing that defence integration within the EU can be explained by an economic/functionalist dynamic. Defence integration within the EU can thus be said to contain an internal dynamic, seldom recognized in the existing literature dealing with European foreign policy.

2. Defence Integration in the EU: The Theoretical Argument

Theorists and analysts have so far generally been very skeptical about the prospects of defence integration within the EU. Theories and analytical models were developed mainly to explain integration within what came to be the first pillar, and focused mostly on the formal aspects of integration. This was not surprising, of course, since very little happened within the defence policy area – integration took place, however, within the foreign and security policy field (Smith, 2004). With regard to security and defence, other organizational solutions were considered more appropriate. The EU was seen as having to compete with other solutions (c. f. Wessels, 1997: 275). Neo-functionalists were forced to see limits to the spill-over effect and realists held on to the argument that integration in the field of security and defence was not in the interest of member states. They thus agreed on one assumption: “The main reason why the process of integration would not come to include security and defence was that they formed the core of national sovereignty” (Ojanen, 2006: 58–61, cit p 60). This transtheoretical assumption as Ojanen calls it fitted with the empirical reality until recently. What is required in order to explain the events of the late 1990s and the 2000s is, she argues, only one change; the removal of the assumption that security and defence as policy areas imply something theoretically particular.

Whether or not defence integration is observed empirically and whether or not it is at all considered possible depends on definition and perspective. If formal integration and the handing over of sovereignty is all that counts, the conclusion would be that defence integration does not exist within the EU. With this perspective, the things that have happened since the Maastricht treaty are not taken into account or even observed. Other views are however, possible. Freedman and Menon (1997) found that the EU had made a difference on national defence policy with respect to indirect influence. EU policies in other areas affected defence, in particular financial regulations. Industrial policy was also increasingly related to aspects of the defence policy area.² According to them, new constraints associated with economic conditions and rising costs as well as technological development create a potential for a new role for the EU in national defence policy (Freedman & Menon, 1997: 157ff). By 2007, it seems clear that the empirical reality requests a revised analytical framework if defence integration within the EU is to be understood.

This study will relate to one integration theory in particular, neo-functionalism. Westberg describes the central theoretical component of neo-functionalism, the concept of “spillover”, as consisting of three parts; functional spillover which drives integration in the first place; political spillover – claims for more political integration which are driven by progress in the functional area (made explicit for example by economic/corporate actors); and cultivated spillover which is developed and driven by the political (supranational) centre (Westberg, 2006:72).

Van Staden (1994), Forster (1997) and Ojanen (2006) have analysed the defence policy area in relation to integration theory, including neo-functionalism. Forster found the explanatory value of the neo-functionalist perspective with respect to defence

² For more recent accounts of this see Mörth (2003) and Britz (2004).

problematic (Forster, 1997: 308), whereas Ojanen (2006) – as described above – sees possibilities for the neo-functional theory to explain defence integration. However, this argument does not seem to have been more extensively pursued empirically in the literature.

In this study it is argued that functional and political spillover is present also within the defence policy area.³ The market oriented logic of the first pillar spills over into the second pillar through the European Defence Agency. This will be shown through an analysis of problem definition. But what about cultivated spillover, the effects of the supranational centre? Wessel (1997) argues that the neo-functional view (which according to his interpretation means linear integration) should take into account also the mixed motives of the member states as well as the integration force that spring from their constant interaction. Along this line, it could be argued that cultivated spillover springs from continuous, close cooperation and the embeddedness that is likely to be the result of increased harmonization in capability development.

3. Problem Definition within the ESDP: The Three Phases

This chapter identifies three phases of problem definition within the ESDP process since its beginning in 1999.

3.1 Phase one: Reluctant problem definition

The first phase, stretching from 1999 to 2002, is represented by the first, initial high level establishment of the policy area and the elaboration of a policy aim of the ESDP, to create an EU military capability. This period was characterized by only little explicit problem definition in the official documents related to the ESDP.

During the first years of this first phase traditional security- and defence-related problems were analysed only rarely in the official documentation within the framework of the ESDP. At the British-French St Malo summit in 1998, the problem was defined as *international crises*. This was reiterated at Cologne, which also mentions conflict prevention as a problem for the EU (European Council, 1999a 'Declaration of the European Council on Strengthening the Common European Security and Defence', paragraph 2) The problem of international crises were, however, not elaborated at any length at either St Malo or Cologne. Other concerns, such as the EU's international role, seemed to be behind the policy move according to the official documents (Joint declaration, 1998, paragraphs 1 & 2).

Besides the problem of international crisis and risk, there were also other concerns, such as the adaptation and reform of the European armed forces and the European defence

³ Writing in another context, Teló points out that a supranational form of integration is not necessary for private interests and networks to have an influence on integration, it can also be a characteristic of an intergovernmental system (Teló, 2006: 142). This is an interesting point for an analysis of the forces behind European defence integration as economic forces according to this view may influence integration even if integration is conceived of in more formalist terms, defined as an intergovernmental policy area.

industry and its technology (Joint declaration, 1998, paragraph 4, European Council, 1999a 'Declaration of the European Council on Strengthening the Common European Security and Defence', paragraph 2). These issues are, however, not defined as the primary problems to be dealt with but rather as positive effects that would spring from EU action in this field. They indicate, however, that there was an internal logic behind the decision to create an EU military capability (Eriksson, 2006). Expressions of threat perceptions are more or less absent from the official EU level documentation during the first years of ESDP. Only a vague problem definition seem to have been required to launch the policy process concerning the creation of an EU military capability.

Problems were, however, elaborated during the implementation phase—when the strategic context was developed as part of the further definition of the Headline Goal. At an informal defence ministers' meeting in 2000, a food for thought paper concerning implementation was presented. It states that:

In today's strategic environment, we face new risks such as ethnic and religious conflict, inter-and intra-state competition over scarce resources, environmental damage, population shifts. Europe needs to be able to manage and respond to these, including by intervening to prevent crises escalating into conflicts. This may require operations across the full Petersberg spectrum. . . . While these operations are likely to be smaller than those envisaged during the Cold War, they will often be more demanding in other ways. Rapid deployment at short notice to crisis regions will be essential to deter or contain conflict. Armed forces may have to operate in areas where supporting infrastructure is limited, and sustain concurrent operations for long periods. Operations will frequently be conducted under the constant gaze of the world's media. We can increasingly expect adversaries—armed with sophisticated, commercially available military technology, able to extensively adapt technologies developed for civil application and some with access to weapons of mass destruction—to employ asymmetric approaches to disrupt our capabilities. (Meeting of European Union Defence Ministers, Annex: elaboration of the Headline Goal 'Food for thought', 2000 (in Rutten, 2001 p. 103-104))

The problem of international crisis is here elaborated as are some risks associated with international crisis. It is reasonable to conclude that the risks mentioned above are general problems that were considered relevant to this process, and that they in some way formed a basis for the planning assumptions.

As the ESDP progressed, more problems have been identified. In 2001 the program for the prevention of violent conflicts was adopted and some writings are included on the related problem (European Council, 2001a, Presidency Conclusions, European Union Programme for the Prevention of Violent Conflicts). Here, violent conflict which implies human suffering as well as the destruction of resources are highlighted as problems with which the EU should be concerned. The programme has been followed up continuously as have different measures for problem management (European Council, 2002a 'Presidency Report on the EU programme for the Prevention of Violent Conflict'). Associated with the problem of preventing conflict is civil-military coordination. A practical framework for dealing with this was agreed in the autumn of 2003 (General Affairs and External Relations Council, 2003d).

Problem definitions were not a prominent feature in the first phase of the process aimed at creating an EU military capability. It is therefore difficult to analyze whether problems were reactive or reflective. Even the most important, international crisis, was not elaborated on. Because of its general character, the problem of crisis and prevention of conflict could, however, be called reflective. The lack of reactive language in the official texts, suggests that the process is not driven by an external dynamic, although a study stretching over a longer time period could provide another view (see, e.g., Dover, 2004). The problem of crisis is, however, at this early stage prognostic in that it contributes to the launch of new measures. The evidence from implementation suggests that there existed an understanding of what the problems required in terms of military capability—this analysis, however, were elaborated at the level of military expertise.⁴ Problem definition during the first phase thus seem to suggest that the dynamics of defence integration were not external in a reactive sense, but rather internal as part of an ambition at achieving greater influence on the international stage, through advancing its capacity for external action.

3.2 Phase two: The reaction to terrorism and the elaboration of a strategy

3. 2. 1 The problem of terrorism

With respect to the problem of terrorism the EU is recognized as having a role to play, although the global nature of terrorism is also emphasized (General Affairs Council, 2001, Joint Declaration 2001). Shortly after the tragic events on 11 September 2001 some thoughts on the problem were elaborated:

The fight against terrorism requires of the Union that it play a greater part in the efforts of the international community to prevent and stabilise regional conflicts. [. . .]

It is by developing the Common Foreign and Security Policy (CFSP) and by making the European Security and Defence Policy (ESDP) operational at the earliest opportunity that the Union will be most effective. The fight against the scourge of terrorism will be all the more effective if it is based on an in-depth political dialogue with those countries and regions in the world in which terrorism comes into being.

The integration of all countries into a fair world system of security, prosperity and improved development is the condition for a strong and sustainable community for combating terrorism.

The members of the European Council issue an appeal to the international community to pursue, in all multilateral fora, dialogue and negotiation with a view to building, at home and elsewhere, a world of peace, the rule of law and tolerance. In this respect, the European Council emphasises the need to combat any nationalist, racist and xenophobic drift, just as it rejects any equation of terrorism with the Arab and Muslim world.

The European Union will give special attention to the problem of refugee flows. The European Council asks the Commission to set up urgently an aid programme particularly for Afghan refugees. (European Council, 2001c, section 3)

The text is focused on external measures and offers the view that root causes have to be dealt with, something which would come to characterize much of the EU standpoint on

⁴ This could be seen as a form of de-politicization where the elaboration of an issue is moved from the political level to the bureaucratic arena. Through not being the object of political controversy, it thus facilitates further integration.

this issue. The problem of terrorism received a focus mainly in terms of internal EU measures, many of which come under the first and third pillars. In terms of the military dimension of the ESDP, attention was at first linked to the protection of forces against terrorist attacks (in particular through protection against chemical weapons) (Informal Meeting of Defence Ministers, 2001, 'Summary of intervention by Javier Solana). Later, terrorism using biological and chemical weapons was identified as a problem but little is written about terrorism *as a problem* for the ESDP (Meeting of the Heads of State or Government of the European Union and the President of the Commission, 2001).

In June 2002 a declaration was adopted on the contribution of the CFSP and the ESDP to the fight against terrorism. Terrorism as a problem is described as 'a real challenge for Europe and the world and poses a threat to our security and our stability' (European Council, 2002c Presidency Conclusions, Annex V, paragraph 1). The prospects of using military resources in the EU after a terrorist attack became a possibility in view of the solidarity declaration adopted following the events in Madrid in March 2004. It was taken further as work progressed on a conceptual framework on the ESDP dimension of the fight against terrorism (European Council, 2005a "Presidency report on the ESDP"). Following the London bombings in the summer of 2005 the Council condemned the attacks and stated that the terrorist threat needed to be confronted by necessary measures (General Affairs and External Relations Council, 2005). In December 2005, the European Council adopted the EU counter terrorism strategy (European Council, 2005b "The EU Counter-terrorism strategy").

The problem of terrorism thus retained its place on the EU agenda. In its October 2004 conclusions on terrorism, the Council reiterated the focus on underlying causes that was emphasized in 2001. These underlying causes also direct attentions towards a wider set of problems, such as economic and social conditions. (General Affairs and External Relations Council, 2004 'Terrorism: Council conclusions', paragraph 4) The events in 2005 seem to have produced a reaction towards further measures towards countering the terrorist threat.

3.2.2 The development of strategy

In 2003, the problem definition within security and defence policy was increasingly framed increasingly in relation to strategy. In December, a broad security strategy was adopted but more narrow strategies covering specific fields also appeared on the agenda.⁵

A draft for a European Security Strategy was presented in June 2003. It was followed by discussions at different levels before it was adopted in December 2003. The European Security Strategy meant that for the first time, problems were more thoroughly identified and contextualized. The strategy identifies global challenges associated with, among other tendencies, increased interdependence and flows of different kinds: increased

⁵ For example, in the spring of 2003, focus was directed to the threat of weapons of mass destruction. A declaration was adopted in Thessalonica and later an action plan developed EU policy. The weapons of mass destruction area became more of a CFSP issue and do not seem to have been dealt with as directly relevant to the development of an EU military capability.

vulnerability, violent non-state actors, wars, poverty and diseases. Five key threats are highlighted: terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure and organized crime (European Council, 2003c, 'European Security Strategy'). The analysis of problems is attached to an analysis of how to address the threats:

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. The risks of proliferation grow over time; left alone, terrorist networks will become even more dangerous. State failure and organised crime spread if they are neglected—as we have seen in West Africa. This implies that we should be ready to act before a crisis occurs. Conflict prevention and threat prevention cannot start too early.

In contrast to the massive visible threat in the Cold War, none of the new threats is purely military; nor can any be tackled by purely military means. Each requires a mixture of instruments. Proliferation may be contained through export controls and attacked through political, economic and other pressures while the underlying political causes are also tackled. Dealing with terrorism may require a mixture of intelligence, police, judicial, military and other means. In failed states, military instruments may be needed to restore order, humanitarian means to tackle the immediate crisis. Regional conflicts need political solutions but military assets and effective policing may be needed in the post-conflict phase. Economic instruments serve reconstruction, and civilian crisis management helps restore civil government. The European Union is particularly well equipped to respond to such multi-faceted situations. (European Council, 2003c 'European Security Strategy', section II, paragraph 3&4)

The problems that appeared in the European Security Strategy were to some extent new at the European level, for example state failure, and to some extent elaborations of problems that were already on the agenda, such as regional conflicts. The implementation of the European Security Strategy resulted in various more detailed strategies and initiatives on specific issues. The Headline Goal 2010, adopted in 2004, can be seen as part of the implementation of the European Security Strategy. In the process of developing capabilities towards this requirement goal, five scenarios were developed; separation of parties by force; stabilization, reconstruction and military advice to third countries; conflict prevention; evacuation operation; assistance to humanitarian operations (Meeting of the Foreign Affairs and Defence Ministers, 2006). The European Parliament produced a resolution in 2005 where it stated that “Islamic terrorism represents the greatest challenge to the EU [...]” (European Parliament, 2005, paragraph K) it also commented on the European Security Strategy and the ESDP more generally in late 2006 and emphasized, amongst other issues, traditional defence aspects such as territorial defence (European Parliament, 2006).

Gradually, the connections between the military parts of the ESDP and civil protection and humanitarian aid have been developed. In 2005 and 2006 the ESDP and its military assets became related to EU disaster response capabilities more generally, as work was conducted on using these assets to counter both natural and man-made disasters (European Council, 2005b “Presidency report on the ESDP”, section XVI, Informal Meeting of the Defence Ministers, 2006). Thus, natural and man-man disasters may be added to the list of problems defined in the framework of the ESDP. Other “new threats”,

exemplified by the Avian flu and people trafficking, were emphasized by Solana at this time (Solana, 2006) – although the problems cannot be said to have implications for the military parts of defence policy in the latter cases.

With respect to Security Sector Reform (SSR), which can be seen as a solution to several of the problems identified in the European Security Strategy, both civilian and military instruments are seen to be relevant. Work on SSR concepts were being conducted in 2005 and 2006. The problems to be dealt with in relation to SSR is related to the buildup of good governed, functioning security systems that help make the state concerned meet various security challenges (General Affairs and External Relations Council, 2006). The absence of these systems can thus be seen as the problem to be dealt with.⁶

There are also additional problems/issues that are not traditionally connected with security and defence that have appeared on the agenda as the ESDP process have matured. Related to the work on conflict prevention, initiated in phase one, issues such as human rights, gender, children in armed conflict and transitional justice have been addressed (European Council, 2006, Presidency Report on ESDP, section V). These issues can all be said to relate to ESDP, and in the case of gender mainstreaming this was also made explicit in a more general approach (European Council, 2005b “Presidency report on the ESDP”, section XIV).

To summarize the second stage, terrorism is a *reactive* problem that hits the agenda in 2001 and later it becomes incorporated into the security strategy. The focus with respect to the analysis of the problem is more prognostic than diagnostic, with a clear focus on solutions. However, the EU does emphasize the need for understanding the root causes of terrorism. Terrorism has special problem characteristics because it crosses the boundary between internal and external security. This has the potential of making problem definition controversial. The EU security strategy focuses on the problem of terrorism, weapons of mass destruction, regional conflicts, state failure and organized crime. Its problem definition is reflective as it puts problems into context. It is also both diagnostic and prognostic as it identifies causes and solutions to the problems. During the second phase, problem definition both broadened and deepened.

The dynamics of problem definition during the second phase seem to be both internal and external. The ESDP had been criticized for not having elaborated a strategy (Heisbourg, 2000), which indeed could have contributed to its adoption. The policy process had also reached a stage where some kind of problem definition was needed in order to provide a focus for further work. There was also a need to include the “new” problem of terrorism into the framework of the ESDP as it was different from the familiar “international crisis”. An external event such as the 2003 war in Iraq has been called a focusing event for the development of the European Security Strategy, as it permitted High Representative Solana and the Council Secretariat to bring forward a proposal that would

⁶ Within the framework of the third pillar and the external dimension of the policy area justice and home affairs attention were directed towards organized crime, corruption, illegal immigration and counter terrorism. This partly concerned ESDP missions (European Council, 2006, Presidency Report on ESDP, section IV).

have been difficult to negotiate, had there not existed a general sense of a need to consolidate around the common European project.

3.3 Phase three: A market driven problem definition

Since the setting up of the EDA in 2004, several efforts have been made to support the European defence industrial base. A code of conduct on defence procurement has been agreed that implies that contracts are advertised on the EDA homepage and a joint investment programme concerning force protection has been launched. In 2005, the EDA approved a programme concerning work on a European Defence Equipment Market (EDEM). An EDEM in itself can thus be seen as a problem that the EDA needs to deal with (European Defence Agency, 2005).

The work within the EDA on a Long Term Vision (LTV) was motivated by the need to spell out the future needs (with a 20-year perspective) of the European defence ministries with respect to the development of capabilities (Solana, 2007: 3). The LTV document, entitled “An Initial Long-Term Vision for European Defence Capability and Capacity Needs” was presented to the EDA Steering Board on 3 October 2006. It was endorsed by the Steering Board, but was not described to be a “consensus document” in every detail (European Defence Agency, 2006b). Later, this step was welcomed by the Council, which also encouraged the EDA to focus on long term strategies based on the LTV (Council of the European Union, 2006).

The work on the LTV took unconventional forms, considering the character of the matter. In early 2006, technical specialists and other experts were invited at the EDA website to fill in a questionnaire with suggestions concerning the military capabilities necessary for the ESDP in a long-term perspective. In this way, non-state organized interests—in particular the defence industry—became engaged at the European level in what appears a tripartite policy process (Eriksson, 2006). Furthermore, several European institutions and national defence ministries were involved in the preparation of the document (European Defence Agency, 2006a). The presidency report on ESDP clarifies, however, that the EUMC shall assess the future military environment whereas the EDA shall co-ordinate analyses of the global context and science and technology trends (European Council, 2005b “Presidency report on ESDP” section II, paragraph 36) Following the endorsement of the LTV in the autumn of 2006, a Capability Development Plan (CDP) was agreed in December the same year, which was to build on the LTV. The plan formalised the capability *development* process (European Defence Agency, 2006c).

What was the content of the LTV? With respect to problem definition, it should be said that problems in the LTV are not defined in relation to the EU as clearly as they are in for example the European security strategy. It follows from the long term perspective that it is more of a general problem analysis, but it could of course be argued that those problems identified are in some way or other problems that the EU should have to deal with in the future, although it is not always explicitly spelled out. The analysis is long term, it builds on certain scenarios, intended to be revised regularly. Continued globalization is assumed, leading to a more interdependent but fragmented world in many

senses. Europe's position is challenged, according to the document, by problems related to economy and demography. These two problems are also related to each other as an ageing population affects public finances. European security is thought to be affected by tensions on a global scale, not only a regional one – at the same time as there may be a European reluctance towards the use of military force. Problems are foreseen on the African continent and in the Middle East. These are related to humanitarian disasters, tensions due to hopelessness and migration pressures (European Defence Agency, 2006a, section 1).

Two main challenges for defence are identified; first, the changing roles of military force and the conditions for its use and second, handling the new technologies as well as the risks associated with them. At least two risks are identified in relation to technology; the risk of technology being exploited by unfriendly users and the risks associated with attacks on technological infrastructure (upon which “we” are dependent) (European Defence Agency, 2006a, section 2).

Like the European security strategy, the LTV also provides an analysis of solutions to the problems identified. Actually, a large part of the document discusses the characteristics of future ESDP missions and their implications for national defence planning. The main features of future comprehensive ESDP missions are considered as being multinationality, an expeditionary character and asymmetry. (European Defence Agency, 2006a, section 3-5). If the European security strategy was quite general, concerned with current problems and solutions, the LTV is more specific, concerned with the ESDP – and in particular military aspects – and with a long term perspective. Its strategic content is most clearly visible as elaborations of solutions in terms of future capability requirements (which should be met by more near-term capability development). Four future force features are identified with respect to capability development; synergy with respect to operations, agility with respect to reaction at different levels, selectivity concerning the application of force and sustainable access to the relevant area of operation. These are then translated into specific requirements for different capability domains (European Defence Agency, 2006a, section 4 and Annex).

More specific suggestions with respect to solutions are found under the heading “Key issues for the Defence Planner” (European Defence Agency, 2006a, section 5). Here it is recommended that national defence planners find ways to exploit knowledge technically through network enabled capabilities, but also in some areas through the development of a European approach to doctrine and standards. The ESDP operations of the future also require comprehensive interoperability. The document argues for increased investments – something which is said to require lower operating costs. New technology should be exploited through rapid acquisition in order to evaluate its relevance earlier. Concerning industrial policy, the document argues for one single European defence technological and industrial base which should draw also on civilian and dual-use technology. Still, priorities may have to be done (European Defence Agency, 2006a, section 5).

The problem definition efforts of the third phase are clearly related to concerns in relation to the development of a European defence technological and industrial base (DTIB). In a

speech in early 2007 Solana elaborated on the place of defence within European integration.

Yet defence has been largely excluded from this process of economic integration. Defence was judged too special, too sensitive. And although much has changed in the last 50 years, to this day, Member States continue to have the right to judge their own national security interests. In particular, Member States still decide how much, or how little, defence integration they want. But we are reaching a crossroads. The future health, and maybe even the survival, of Europe's defence industry needs a European approach, and a European strategy. (Solana, 2007: 1)

Solana seems to suggest that economic concerns are becoming part of European defence integration. Indeed, the development of the LTV can be seen as evidence of this and even as an example of a market-driven need for problem definition within the ESDP. The contents of the document clearly illustrates that strategic thinking with respect to solutions is market-driven. In May 2007 the EDA steering board presented its view on a DTIB in a document called "A strategy for the European Defence Technological and Industrial Base" (Steering Board of the EDA, 2007). In this document the European DTIB itself can be interpreted as the problem to be dealt with, the concern of the EU. It becomes the referent object which motivates continuing defence integration.

To summarize, the third phase of problem definition took a more reflective approach in that it aimed at a long term analysis. It brought in problems such as tensions due to despair, humanitarian disasters and migration pressures. It also identified risks associated with the increased use of and dependency on technology. In general, problems in this phase were related to the continued maintenance of a European defence industry, which was in itself also identified as a problem, or as a concern. In relation to this, problem definition was also prognostic, as solutions were identified. Indeed, one of the solutions to the strength of the European DTIB was to generate problem definition which would turn into capability development, such as that provided in the LTV.

4. Analysis and Conclusions: A Case for the Neo-Functionalist Argument

In an earlier study the problem stream within the ESDP process was not found to have much of a life of its own (Eriksson, 2006). Problems and problem definition were generally not a prominent feature of the ESDP policy process studied during 1999 through 2004 – the policy process was much more focused on finding solutions and developing ideas on measures than on analyzing problems.⁷ The problems that existed were quite well controlled, and dependent on what the member states decided to let on the agenda. There were few examples of the ESDP "reacting" to external problems – the exception was terrorism but this problem did, however, not gain very much attention as an ESDP issue at that time, it had only small effects on the work on military capabilities.

⁷ Eriksson (2006) elaborated on possible reasons for this finding. It could have had to do with the sources used (official documents) which problem analysis for various reasons could have been consciously avoided. It could also have had its explanation in the lack of outside actors involved ; such as pressure groups or lobbyists. The lack of an independent problem generating bureaucracy could also have contributed.

The intergovernmental – rational choice model – of integration can thus be said to have had a point in that problem definition seems to have been well “controlled” by member states participating in the process – at least up and until the second phase. Efforts to control problem definition would, however, not have been so apparent in the policy process had there not been an institutionalist dynamic present, threatening to take on its own course of development. Indeed, in the third phase of problem definition this is exactly what happens, as the political and economic forces enter the arena and pursue problem definition. The Council welcomes the efforts but appear to keep some distance towards the result – perhaps not to risk spoiling the achievement.

The findings of this study and the empirical analysis made above suggests that the conclusions drawn based on the period 1999-2004 need to be revised when taking into account the period up until 2006. Since the adoption of the European Security Strategy in 2003, the Headline Goal 2010 in 2004 and the succeeding work on implementing the ESDP in the field through various missions, there have been developments also in problem definition. Both a broadening and a deepening can be identified; with respect to the problem of international crisis there appears to be a development towards a focus on the underlying problems such as the lack of good governance and human rights abuses. In the case of crisis management these problems are addressed through solutions such as for example Security Sector Reform (SSR). Also with respect to terrorism underlying economic and social problems are emphasized. Problems and issues that have been emphasized more strongly in 2004 through 2006 such as human rights, gender and children in armed conflicts affect the whole ESDP process but are perhaps most relevant in relation to actual ESDP missions and in relation to education and training of European soldiers.

In relation to the first and second phases of problem definitions, the third phase is different in several respects. The long term vision document is, with respect to time, the most far reaching strategic reasoning officially available so far within the framework of the ESDP. With such a time perspective, problem definition naturally becomes broader. At the same time the aim is to make the formulation of required capabilities more specific. This is indeed paradoxical, but perhaps a never ending and unavoidable difficulty of long term strategic planning. However, problem definition in the third phase is also different in its purpose; it is motivated mainly by the needs of capability development and defence industries. There is thus a clear economic and functional incentive for problem definition to take place at all. Finally, it is different in that it has allowed for non-state private actors to engage in problem definition in a way never seen before within the framework of the ESDP. Although certain academics were invited to discuss the European Security Strategy before its adoption, the process of problem definition appears to have been much more controlled. This indicates that defence policy issues and problem definition in the framework of the EDA are being transferred from high politics to low politics, as Ojanen (2006) suggested could be the case in the EU.

To summarize the empirical findings; problems are clearly linked to each other and problem definition is evolving continuously. Several main sets may be identified; those associated with international crisis; those associated with terrorism. The main problems

found in the first and second phase of problem definition were: international crisis, conflict prevention to avoid human suffering and the destruction of resources, respect for human rights and gender issues, protection against NBC weapons, terrorism, regional conflicts and state failure. The third phase elaborated on some of the problems associated with conflict prevention; human rights, gender, children in armed conflict and transitional justice. It brought in tensions due to despair, humanitarian disasters and migration pressures. It also identified risks related to the increased use and dependency on technology.

What are the analytical and theoretical implications of these results for an analysis of EU defence integration? Initiatives in the third phase of problem definition shows that the process of EU defence integration has developed an internal dimension which drives integration within the policy area forward. Thus, the assumption common in 'ordinary' policy analysis that problems and policy processes live a life of their own can be applied to the defence policy area as well. It no longer seems as controlled by the member states as it was in its early years beginning in the late 1990s. This development provides a case for the neo-functional explanation. Member states may in a few years find themselves increasingly embedded in a process of defence integration that is more and more complex, which they can no longer fully control and from which it is more and more difficult to stand aside. The different aspects of the defence policy process; problem definition and solutions (such as capability requirements and capability developments)become closer knit to each other. Once a track for future capability development have been set it is likely to continue its journey (although, it has to be admitted, large defence industry projects seem in the past to have experienced both ups and downs during their decade-long lifetime). Smaller member states may experience difficulties in not accepting the whole package, as few alternatives may exist given the complexities of modern weapon technology. This imply that Europeanization – the relationship between the national and the European level - within the defence policy area need to be analysed further in the future.

Defence integration in the third phase of problem definition moves closer to the dynamics of the first pillar through the establishment of the EDA. It becomes the object of political and economic spillover as suggested by neo-functionalists. There are both opportunities and risks related to such a development, depending on the perspective chosen. Opportunities could be the possibilities for increased effectiveness, through increased coordination, within European defence. Given that the institutional problems related to cooperation between the first and second pillar of the EU would be solved, a much needed coherence, coordination and development of the EU's foreign policy tools could be enhanced. This would increase the credibility of the EU as a strategic actor and may reopen the debate on the creation of a European defence. From a realist perspective, first pillar influence over defence integration could be seen as negative for member states, as they would risk their influence of the defence policy area. The consequences for NATO and the organization of European security would also have to be taken into account. However, a realist could also recognize gains associated by consolidating European power in this area. A more supranational European defence would also create some

practical problems as the European strategic culture is still diverse. The democratic legitimacy might be questioned, in particular in relation to strategic decisions.

Defence integration in the third phase of problem definition seems to be depoliticized within the framework of the EDA. As has been illustrated, this opens up for new actors to become involved in and influence the defence policy process at the European level. This also provides support for the case for a neo-functionalist explanation of EU defence integration.⁸ This development may both reduce and increase the costs associated with defence policy. European cooperation instead of national self-made solutions may save money but if defence industries are allowed to be too free in developing their ideas the end results may be unnecessary expensive. Neglecting the political and strategic aspects of the initial phase of problem definition may have negative consequences in the future. Military strategic options may become limited and the political and economic costs of correcting previous mistakes may be high. Depoliticization may, however, increase the likelihood of further integration.

From the analysis of the three phases of problem definition identified in this study it is clear that there has been great development within the ESDP. Only recently, however, can the economic driving forces of the process be identified. What does this observation mean for the future of defence integration? Ojanen (2006) raised the question if ESDP (defence policy) may be a driving force of CFSP (foreign and security policy). The results of this study strengthen this idea. A strengthened ESDP may form and contribute to a strengthened CFSP. When EU defence integration has matured and the CFSP becomes more active also in the field of military capabilities it may start to provide input into the ESDP based on experiences of external action.

Analysis of documents related to EU external action might give a broader picture and allow for the detection of more reactive problem definitions. A study of problem definitions expressed in relation to each ESDP mission could be compared to the general problem definitions identified in this study and possibly give more detailed insight into what problems engages the EU. It is indeed likely that the third phase identified in this study is, since 2003 when the EU became operational, paralleled by a continuous problem definition process based on individual ESDP missions (Eriksson, forthcoming). Whether or not these problem definitions reach into and affect work on the EU capabilities remains an empirical question, but it can certainly be possible that both internal and external forces in parallel drive problem definition.

A revision of the European Security Strategy and future work in relation to the Long Term Vision and EDA during the autumn of 2007 will need to be analysed in order to evaluate the future of problem definition within the ESDP and the continued relevance of the results of this study.

⁸ The question remains if defence policy and the issue of defence integration is being desecuritized in this process or if the process and/or objects of securitization are just transferred from the national to the European level. Would the creation of a supranational defence be a sign of defence policy characterized in terms of high politics or low politics?

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