The EU’s Permanent Structured Cooperation in defence: Keeping Sleeping Beauty from snoozing

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Abstract
In December 2017 the EU established Permanent Structured Cooperation (PESCO). Previously an unused instrument in the Treaty on European Union, PESCO enables able and willing EU member states to develop their defence capabilities and improve the deployability of their forces through common projects. This article argues that PESCO has the potential to become a game changer for EU defence cooperation and could help the Union to achieve strategic autonomy, but only if (1) the participating member states do more than the minimum required to fulfil their binding PESCO commitments, (2) the implementation of PESCO is monitored rigorously at the national and EU levels and (3) there are consequences for those member states that fail to meet their commitments. Otherwise, PESCO will become—like the Battlegroups before it—another oversold EU security and defence initiative that failed to meet the expectations placed on it.

Keywords
PESCO, CSDP, Capabilities, Security, Defence, Strategic autonomy

Introduction
On 11 December 2017 the EU established Permanent Structured Cooperation (PESCO), a previously unused provision in the Treaty on European Union (TEU). European Commission President Jean-Claude Juncker has described PESCO as the ‘Sleeping Beauty of the Lisbon Treaty’ because it had not been used since its incorporation into the EU’s toolbox in 2009, despite its perceived potential to make the EU’s Common Security and Defence Policy (CSDP) more effective (Juncker 2017). It provides a binding
framework for able and willing EU member states to work more closely in the area of security and defence through common projects that are designed to develop their capabilities and improve the deployability of their forces.

The establishment of PESCO is part of a broader move towards a European Security and Defence Union which has also delivered the European Defence Fund, the Coordinated Annual Review on Defence (CARD), the Military Planning and Conduct Capability, and new common funding guarantees for the Battlegroups (Fiott et al. 2017, 45–7; Howorth 2017, 5–7). Its establishment was preceded by significant fanfare. Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission (HR/VP), referred to PESCO’s establishment as ‘a historic moment in European defence’ (EEAS 2017). European Council President Donald Tusk noted that ‘PESCO is not only good news for us, but it is also good news for our allies’ and ‘bad news for our enemies’ (Council of the EU 2017d). Such hype stems from the expectation that PESCO will become a game changer for EU defence cooperation by boosting the Union’s capabilities, and helping it to achieve the goal of ‘strategic autonomy’ set by the 2016 EU Global Strategy (EU 2016, 9).

This article argues that PESCO can become a game changer for EU defence cooperation, but only if (1) the participating member states do more than the minimum required to fulfil their PESCO commitments, (2) PESCO’s implementation is monitored rigorously at the national and EU levels and (3) there are consequences for those member states that fail to meet their commitments. Otherwise, PESCO will end up—as another oversold EU security and defence initiative that failed to meet the expectations placed on it. In other words, now that Sleeping Beauty has awoken, she should not be allowed to snooze.

The awakening

PESCO’s roots go back to the ideas of ‘flexibility’, and ‘closer’ and ‘enhanced’ cooperation in EU policymaking that arose between the 1992 Maastricht Treaty and the 2001 Nice Treaty. It took shape during the 2001–3 Convention on the Future of Europe, which drafted the EU’s Constitutional Treaty (Fiott et al. 2017, 16–17). The Draft Constitution outlines PESCO in Article I-41(6), Article III-312 and a dedicated protocol. Following the rejection of the Constitutional Treaty by French and Dutch voters in summer 2005, PESCO was salvaged from the wreckage and incorporated largely unchanged into the 2007 Lisbon Treaty, which entered into force in 2009. It is now governed by Articles 42(6), 46 and Protocol 10 of the TEU.

According to Article 42(6) of the TEU, PESCO is to be established by those EU member states ‘whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions’. The objectives of PESCO are laid out in Article 1 of Protocol 10, which states that the participating member states undertake to (1) develop their defence capacities
through the development of their national contributions and participation, where appropriate, in multinational forces, in the main European equipment programmes and in the activity of the European Defence Agency (EDA); and (2) have the capacity to supply targeted combat units for the missions planned, structured at a tactical level as a battle group. Given that EU Battlegroups have been operational—albeit never used—since 2005, the second objective has already been achieved without PESCO. This means that the establishment of PESCO in December 2017 is fundamentally about capability development.

PESCO is not—as some have argued—‘a big step toward creating an eventual EU Army’ to undermine NATO, or ‘towards the EU wrestling more control of security matters away from individual member states’ (Kochis 2017). The reasons for this are three-fold. First, PESCO is voluntary and does not change existing TEU provisions on security and defence cooperation. Article 42(4), which states that ‘[d]ecisions relating to the common security and defence policy, including those initiating a mission as referred to in this Article, shall be adopted by the Council acting unanimously’, remains untouched. Thus, no sovereignty is being wrestled away. Second, decisions within PESCO itself will be taken by unanimity, with the exception of decisions on admitting new members to it or suspending the participation of existing members, which will be taken by a qualified majority. Third, each member state has only one armed force, which it uses for national, EU, NATO, UN and other purposes. Thus, any capability improvements that PESCO might deliver will also benefit the European pillar within NATO and improve transatlantic burden sharing. NATO Secretary General Jens Stoltenberg himself has welcomed PESCO because it should ‘strengthen European defence which is good for Europe but also good for NATO’ (Stoltenberg 2017).

For years there have been calls for the EU to utilise its existing instruments, some of which—like PESCO—have remained unused until recently. The Global Strategy, for example, called for enhanced cooperation between the member states in security and defence, which ‘might lead to a more structured form of cooperation, making full use of the Lisbon Treaty’s potential’ (EU 2016, 48). However, three direct reasons can be identified for PESCO’s establishment now. First, the UK—traditionally the main obstacle to deeper EU defence cooperation and the EU’s most Atlanticist member state—is expected to leave the Union by March 2019. Following its June 2016 Brexit referendum, the UK no longer has the political capital to block initiatives it opposes. Second, the election of Donald Trump as the forty-fifth president of the US in November 2016 has convinced Europeans of the need to take more responsibility for their own security. During his campaign Trump questioned America’s defence commitments to its allies, calling NATO ‘obsolete’ and suggesting that allies failing to meet their spending targets would ‘have to get out’ (Parker 2016). Third, recent crises in the EU’s neighbourhood have made it clear—again—that most member states lack many of the necessary capabilities. NATO’s 2011 Libya operation, for example, showed that Europeans continue to rely on American capabilities in areas such as air-to-air refuelling and smart munitions (DeYoung and Jaffe 2011).
Participants and projects

In November 2017, 23 EU member states—that is, all except Denmark, Ireland, Malta, Portugal and the UK—notified HR/VP Mogherini and the Council of their intention to participate in PESCO (Council of the EU 2017c). After clearing domestic hurdles, Ireland and Portugal joined this group before PESCO was formally established in December, meaning that only Denmark, Malta and the UK have stayed out. Denmark has remained out because it has had an opt-out from EU defence cooperation since 1992; Malta is concerned that certain aspects of PESCO might be in breach of the neutrality clause of its constitution; and the UK is expected to leave the Union in 2019. However, Malta has indicated that it might revise its position once it sees how PESCO is implemented in practice (Times of Malta 2017).

More than 50 PESCO projects were initially proposed by EU member states. In the end, national defence policy directors and the EDA cut the number down to 17 (Barigazzi 2017). The final list of collaborative PESCO projects includes things such as a European Medical Command, increased cross-border military mobility within Europe, a deployable military disaster-relief package, cyber-defence rapid-response teams and mutual assistance in cybersecurity, a strategic command and control system for EU operations, and a crisis response operation core (Council of the EU 2017b).

Additional projects may later be added to this list, such as the European intervention initiative called for by French President Emmanuel Macron, although Macron’s aim seems to be to create it outside of PESCO and the EU (Biscop 2018). The process for adding new projects is described in Article 5(2) of the Council Decision establishing PESCO. Those participating EU member states wishing to propose a new project ‘shall inform the other participating Member States in due time before presenting their proposal, in order to gather support and give them the opportunity to join in collectively submitting the proposal’ (Council of the EU 2017a). The members of the new project ‘shall be the participating Member States which submitted the proposal’ for it (Council of the EU 2017a).

Ensuring success

PESCO’s ability to improve the participating EU member states’ capabilities and enhance the deployability of their forces will depend on their ability to keep the freshly awoken Sleeping Beauty from snoozing. More specifically, a successful PESCO requires that (1) the participating member states do more than the minimum required to fulfil their binding commitments, (2) PESCO’s implementation is monitored rigorously at the national and EU levels and (3) the Council is willing to suspend the participation of member states that systematically fail to meet their commitments.

More than the bare minimum

The participating EU member states agreed to a list of 20 commitments in the framework of PESCO, which is annexed to the Council Decision establishing it (Council of the EU
Some of them are relatively specific, such as making strategically deployable formations available, developing a database on the participating member states’ available and rapidly deployable capabilities, and simplifying and standardising cross-border military transport in Europe.

Other commitments, however, are formulated vaguely, using language that leaves significant room for interpretation. The list includes playing a ‘substantial role’ in capability development within the EU, supporting CARD ‘to the maximum extent possible’, ‘considering’ the joint use of existing capabilities, ‘aiming for’ faster political commitment at the national level for EU interventions, ‘providing substantial support within means and capabilities’ to EU operations, and ‘substantially contributing’ to EU Battlegroups (Council of the EU 2017a). This type of wording is highly subjective.

The problem with subjective language is that any EU member state participating in PESCO can argue that it is playing a substantial role in capability development or providing substantial support for EU operations, regardless of what its partners might think—efforts that might be considered as minor by some might genuinely be seen as substantial by others. This means that the minimum threshold for fulfilling many PESCO commitments will inevitably be low. Thus, whether PESCO succeeds or fails will depend on the participating member states’ political will to do more than the minimum required from them to fulfil their commitments. In concrete terms, this will often mean higher defence spending, especially in research and development. To encourage this, positive peer pressure will be essential.

**Rigorous monitoring**

At the national level, Article 3(2) of the Council Decision (Council of the EU 2017a) notes that the ‘participating Member States shall review annually, and shall update as appropriate, their National Implementation Plans [NIPs], in which they are to outline how they will meet the more binding commitments, specifying how they will fulfil the more precise objectives that are to be set at each phase’. Rigorous monitoring requires that the participating member states formulate their NIPs as precisely as possible. Furthermore, NIPs should be standardised and put through a voluntary peer review to enhance the monitoring process. This could be done through CARD, which is currently undergoing a trial run until autumn 2019. CARD, a voluntary process with a secretariat in the EDA and supported by the European External Action Service (EEAS), is designed to synchronise EU member states’ defence planning cycles and capability development practices to enhance strategic convergence and facilitate defence cooperation. A voluntary standardisation and peer-review process for the NIPs would support CARD’s aims and be in line with its overall voluntary nature. Using CARD would also eliminate the need to create an extra level of bureaucracy.

At the EU level, Article 6 of the Council Decision (Council of the EU 2017a) notes that the Council ‘shall ensure the unity, consistency and effectiveness of PESCO’ with
the help of the HR/VP. More specifically, the HR/VP ‘shall present an annual report on PESCO to the Council’ based on contributions by the EDA and the EEAS (Council of the EU 2017a, art. 6). This report ‘shall describe the status of PESCO implementation, including the fulfilment, by each participating Member State, of its commitments’ in accordance with its NIP (Council of the EU 2017a, art. 6). To ensure effective implementation, the HR/VP’s PESCO report needs to be as explicit and specific as possible. In particular, it should single out those member states that are failing to meet their commitments. This will be crucial for positive peer pressure to work. The report should also be made publicly available so that experts, academics and policymakers working on the CSDP can scrutinise the implementation of PESCO.

**Compliance enforcement**

A successful PESCO also requires consequences for those participants that systematically fail to meet their commitments. The problem, however, is that PESCO has no compliance enforcement mechanism beyond the threat of membership suspension. Article 6(3) of the Council Decision (Council of the EU 2017a) notes that once a year the Council must review whether the participating member states are fulfilling their commitments on the basis of the HR/VP’s annual PESCO report. If a member state systematically fails to meet its commitments, its membership of PESCO should be suspended. According to Article 6(4), a suspension decision will be taken only after the member state in question ‘has been given a clearly defined timeframe for individual consultation and reaction measures’ (Council of the EU 2017a).

The reaction measures should be presented as a list of steps that the participating EU member state in question has to take to remain in PESCO. These steps should be formulated clearly and explicitly, and their fulfilment should be monitored via CARD. The clearly defined time frame should take the form of an explicit deadline by which the member state in question has to demonstrate that it has taken the required steps to fulfil its PESCO commitments. In the event that it fails or is unwilling to do so, the Council should not hesitate to suspend that member state’s participation in PESCO, regardless of how ‘diplomatically unfriendly’ such an act might be (Blockmans 2017, 3). Although inclusiveness is important, PESCO should not become a club from which those who violate the club’s rules cannot be kicked out—membership suspension needs to be a genuine possibility to deter free-riders.

**Conclusion**

PESCO has the potential to become a game changer for EU defence cooperation and could help the Union to achieve strategic autonomy, but only if (1) the participating member states do more than the minimum required to fulfil their commitments, (2) the implementation of PESCO is monitored rigorously at the national and EU levels, and (3) there are consequences for those member states that fail to meet their commitments. Otherwise PESCO will end up—like the Battlegroups—as another oversold EU security and defence initiative that failed to meet the expectations placed on it.
The European People’s Party (EPP) and the EPP Group in the European Parliament, which pushed hard for the establishment of PESCO, should not turn their attention away from it now that it is a reality. To ensure that it has a smooth take-off and starts to meet the expectations placed on it, PESCO will require constant attention from the EPP and the EPP Group. More specifically, EPP Group members in the Parliament’s Committee on Foreign Affairs and Subcommittee on Security and Defence should periodically review the implementation of PESCO, ask questions about the progress achieved and prepare opinions to ensure it remains on the EU’s agenda, because the current level of political interest in it will not be sustained forever. EPP heads of state and government, foreign ministers and defence ministers also need to ensure that their member states implement PESCO effectively and maintain interest in it. In the end, whether this Sleeping Beauty stays awake or snoozes depends entirely on political will.

A final note on strategic autonomy. To achieve it, the EU needs to address both supply- and demand-side problems. By seeking to develop the participating member states’ capabilities and by making their forces more deployable, PESCO is a solution to a supply-side problem: that of capability shortfalls that have prevented the EU from reliably taking care of security problems within its own borders, in its immediate neighbourhood, and further away. However, PESCO does nothing to address the main demand-side problem of CSDP: most member states’ unwillingness to use their capabilities in action. Since the deployment of EU operations began in 2003, the story of CSDP has been one of endless caveats and never-ending force-generation conferences, which have often made it cumbersome for the Union to act even in relatively low-intensity crises (Nováky 2018). Given that the deployment of operations requires unanimity among the member states, this problem can only be addressed if they become more ready and willing to use force in crisis situations.

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