"We need to work on a stronger Europe when it comes to security and defence matters. Yes, Europe is chiefly a ‘soft power’. But even the strongest soft powers cannot make do in the long run without at least some integrated defence capacities. The Treaty of Lisbon provides for the possibility that those Member States who wish to pool their defence capabilities in the form of a permanent structured cooperation. More cooperation in defence procurement is the call of the day, and if only for fiscal reasons."

European Commission, President Jean-Claude Juncker, Political Guidelines, 15 July 2014

Attempts to move towards common defence have been part of the European project since its inception. Yet, decades after the failed Pleven Plan of 1950, a genuine defence Union has still not materialised. A Europe that defends clearly corresponds with European citizens’ expectations, with security as one of the top concerns of Europeans in almost all countries. There is also an overwhelming economic case for greater cooperation on defence spending – which is doubly important as pressure on national budgets remains high. Combine this with a worsening security situation in Europe’s neighbourhood and it is clear that it is time for Europe to take its defence and security into its own hands.

A SCATTERGUN APPROACH TO DEFENCE

There are 178 different weapon systems in the EU, compared to 30 in the U.S. There are more helicopter producers in Europe than there are governments able to buy them. And despite the EU spending half as much as the United States on defence, we are not even half as efficient. This all points to big duplications in European defence spending.

<table>
<thead>
<tr>
<th>Defence Expenditure</th>
<th>EU</th>
<th>UNITED STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount</td>
<td>€ 227 billion</td>
<td>€ 545 billion</td>
</tr>
<tr>
<td>% of GDP</td>
<td>1.34</td>
<td>3.3</td>
</tr>
<tr>
<td>Investment per Soldier</td>
<td>€ 27,639</td>
<td>€ 108,322</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Duplication of Systems in Use</th>
<th>EU</th>
<th>UNITED STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of types of weapon systems*</td>
<td>178</td>
<td>30</td>
</tr>
<tr>
<td>Main battle tanks</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Destroyers/frigates</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Fighter planes</td>
<td>20</td>
<td>6</td>
</tr>
</tbody>
</table>

* Number of types of weapon systems for selected weapon systems categories

THE BUSINESS CASE FOR COOPERATION

The lack of cooperation between Member States in the field of defence and security is estimated to cost annually between €25 billion and €100 billion. This is because of inefficiencies, lack of competition and lack of economies of scale for industry and production.

In 2015, the US invested more than twice as much as the total spending of EU Member States on defence. China has increased its defence budget by 150% over the past decade.

Since 2010, less than €200 million has been spent each year on collaborative European research & technology in the field of defence. From 2021, we will more than triple this figure to over €600 million.

The EU budget cannot replace Member States’ on defence. But EU countries working together to develop and acquire key defence equipment will ensure value for money.

Delivering on EU Security and Defence

More Europe in defence will have a positive spill-over effect on the European economy. The European defence industry generates a total turnover of €100 billion per year and 1.4 million highly skilled people directly or indirectly employed in Europe.

Each euro invested in defence generates a return of 1.6, in particular in skilled employment, research and technology and exports.

Less than 3% of European troops (40,000) are deployed due to lack of interoperability and shortages in equipment. This compares to 200,000 deployed US troops overseas.

Permanent Structured Cooperation (PESCO)

The EU already has the means at its disposal to move away from the current patchwork of bilateral and multilateral military cooperation to more efficient forms of defence integration. Article 42(6) of the Treaty on European Union provides the possibility for a group of like-minded Member States to take European defence to the next level. In his 2016 State of the Union Address, European Commission President Jean-Claude Juncker said “I think the time to make use of this possibility is now.” No Member State can or will ever be pushed into such a structured cooperation. Participation will always remain voluntary. It will be for the participating Member States themselves to decide on the pace and areas of progress.
COMPLEMENTING NOT COMPETING WITH NATO

Europe’s partnership with NATO remains absolutely essential to its future. 21 EU Member States are also members of NATO. The Joint Declaration signed by Presidents of the European Commission, Jean-Claude Juncker and the European Council, Donald Tusk and NATO Secretary General Jens Stoltenberg in Warsaw on 8 July 2016 will strengthen and deepen EU-NATO cooperation. Europe is committed to working with NATO in areas such as countering hybrid threats, defence capabilities and research, cyber security, or capacity building efforts in our neighbourhood.

President Juncker makes a stronger Europe in security and defence one of his Commission’s 10 priorities

July 2014

EU-NATO sign Joint Declaration on cooperation in Warsaw

July 2016

Bratislava summit: Leaders agree to give new impetus to security and defence

September 2016

• Member States agree implementation plan on security and defence
• Commission proposes European Defence Action Plan to increase research and capabilities

November 2016

• EU and NATO endorse common set of proposals for implementation of Warsaw Declaration
• European Council endorses implementation of Defence Action Plan, Global Strategy and Warsaw Declaration

December 2016

Rome Declaration: Leaders agree to create a more competitive and integrated defence industry

March 2017

• Commission to present proposals for a European Defence Fund
• Commission to present a Reflection paper on the future of European Defence by 2025
• Prague high-level European conference on defence and security

June 2017