

CONTINENTAL BREAKFASTS

The LSE Continental breakfasts are one element of a wider academic programme that aims to understand and inform the process of agreeing Britain's future relationship with the rest of Europe. The breakfasts are private, off-the-record meetings for a select group of distinguished individuals from around the world. They bring together LSE's most renowned academic experts with a diverse group of insightful and influential people to explore key issues shaping the European political landscape.

Meetings are held under Chatham House rules, so that opinions expressed may be reported but not attributed. These seminar-style events typically open with short presentations from two experts, one of which is usually a member of the LSE faculty, followed by open discussion among the group.

In these write-ups, issues raised in the discussions are collected into an essay including references to relevant research and exploring some questions in more depth. The authors are encouraged to elaborate and reflect, so they should not be read as an unvarnished record of the discussion.



Can Brexit Only Mean Exit?

European foreign policy and security coordination after Brexit



Paris, 28 March 2018

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In the past few years, the EU has ramped up its efforts to coordinate European defence and security operations under the auspices of its Common Security and Defence Policy. Meanwhile, both the UK and the EU have realised that Brexit will mean that the UK – one of Europe's major players in foreign and security policy – will soon be absent from the club. An urgent question for both sides, then, is what the future relationship between the UK and the EU in this area will be.

A recent discussion in Paris between leading thinkers in the fields of international relations and European politics, with contributions from policy makers and civil servants, revealed several possible ways forward for UK-EU partnerships in these areas – and the potential pitfalls along the way. Continued deep ties in defence and security have clear advantages to both sides. But while well-established relationships like the Anglo-French alliance may be easier to maintain whatever the outcome of Brexit, finding a place for the UK in the EU's more ambitious security and defence integration plans may depend on the overall tenor and

outcome of the negotiations in the other, more politically contentious, issue domains like trade and the Irish border. In short, it seems that future arrangements in foreign policy and security cooperation are subject to the same rule governing all of the Brexit negotiations: *nothing is agreed until everything is agreed*.

This report draws out some of the implications of possible future defence and foreign policy arrangements between the UK and the EU in the context of how the broader Article 50 negotiations, increasing EU-level defence cooperation, and the changing geopolitical situation may affect these outcomes.

What the UK wants

Unlike in other areas of the negotiations, the UK's bargaining hand in the area of security and defence is quite strong. The EU has good reason not to want to break ties with a permanent member of the UN Security Council¹ – nor to lose access to the UK's considerable defence capabilities and expertise – not to mention its contributions to European defence spending. Furthermore, in contrast to other areas of the Article 50 talks, the UK government has managed to clearly outline what it is looking for from a future UK-EU security relationship.²

In last year's Florence speech, Theresa May proposed this arrangement take the form of a treaty between the UK and the EU that could provide 'a comprehensive framework for future security, law enforcement and criminal justice co-operation' (May, 2017). The goal of such a treaty would be to maintain, as closely as possible, the 'deep and special partnership' between the two in a way that would go beyond

¹ See the Commission's notes outlining its basic considerations in discussions about the future relationship in Security, Defence and Foreign Policy. Amongst other things, it hopes to maintain a 'specific dialogue and consultation mechanism with the UK', considering its permanent member status (p. 8).

² In particular, the government's <u>September 2017 discussion paper</u> entitled 'Foreign policy, defence and development: a future partnership paper' has laid out how the UK is an instrumental and indispensable security partner and why the UK and the EU should 'to continue to work together to meet the challenges of the day' post-Brexit. In addition to appealing to new and continuing threats, these statements often invoke a shared set of 'European' values that the UK is committed to uphold.

the EU's agreements with other external partners (May, 2018). Whether the future relationship ultimately takes the form of a treaty or some other combination of arrangements, the UK government has signalled its willingness to continue to play an active part in EU defence initiatives and institutions. In its <u>recent whitepaper</u> on future collaboration in foreign policy and defence, it stressed that it was considering ways to participate in the Commission's European Defence Fund and to collaborate in European Defence Agency projects (DExEU, p. 20). The EU, for its part, has not shut the door to UK participation in its programmes, though at this stage the EU has largely signalled its intention to treat the UK as a 'third-country', rather than imagining a special status for it during the negotiations (European Commission, 2018).

The UK is wary of putting too much distance between itself and its European partners, despite the argument that defence remains largely an intergovernmental domain – supported by agreements between governments and other transnational alliances like NATO – which lessens the potential impact of Brexit. However, it is also true that, in Europe, this intergovernmental framework is increasingly taking place in the context of the EU. For this reason – and its peripheral implications for, for example, the UK defence industry – the UK is keen not to become too detached from EU developments after Brexit.

There is the potential for new complementarities to emerge from a new arrangement. Indeed, there are some signs that Brexit may resolve some of the dysfunctional aspects of the UK-EU defence relationship. With its most sceptical partner heading for the door, the EU has managed to jumpstart its more ambitious defence integration plans, which had been languishing for years. Likewise, with the prospect of being at a safe distance from future developments within the bloc, the UK's attitude towards European defence collaboration has turned markedly less dubious. If agreement over the future relationship can be reached, the UK's new role as an ad-hoc partner may suit both sides.

Since the referendum, the UK has abandoned some of its past obstructionist rhetoric and action. Indeed, in recent speeches and publications, its tone has been

remarkably warm and enthusiastic, and these changes are not purely rhetorical. Under David Cameron's premiership, for example, the UK government had resisted setting up a European Defence Fund – the same European Defence Fund that it is willing to make contributions to even after it leaves the EU. Likewise, in a vote that took place just a few months after the Brexit vote, the UK declined to veto an increase in the European Defence Agency's budget for the first time since 2010 (Mogherini, 2016). This change in the UK's stance is important for showing its goodwill and makes it more likely the two sides will not fall out.

European Defence Arrangements

In short, negotiations so far have made it clear that there is a willingness on both sides for a post-Brexit relationship in defence and security. What is to be worked out is what this relationship might look like. Defence and foreign policy partnerships in Europe are characterised by a number of different, and sometimes overlapping, coordination mechanisms: bilateralism, mini-lateralism, as well as enhanced cooperation efforts under the EU's Common Security and Defence Policy (CSDP). While recent trends have shown a clear push for greater integration of Member State competences, the EU also maintains strong relationships with external allies, including Canada, Norway, and the US (Bond, 2018).

All of these existing mechanisms and relationships provide templates for what forms future cooperation between the UK and the EU might take. For now, however, the EU seems keen to engage with the UK in a way that conforms to its general rules for third-country involvement (European Commission, 2018). In other words, the UK cannot be treated as either a member of the club nor a privileged external partner, though this does not rule out agreement on a bespoke arrangement which preserves some of the benefits of the existing alliance. However, EU defence policy is developing quickly without British involvement, and the EU is seeking to 'protect its decision-making autonomy on defence operations and missions' (Besch, 2018). This makes fitting the UK in to future arrangements somewhat more complicated.

Since the Brexit vote – and spurred by the UK's impending departure – European defence plans have been accelerating quickly. Some projects, after lying dormant for several years, are finally coming to fruition. The European Union is making strides towards greater structural integration of its defence forces through the Permanent Structured Cooperation (PESCO) programme, part of the EU's new comprehensive approach to defence coordination. PESCO aims to set up binding commitments between Member States to jointly develop military capacities through an ambitious programme of collaborative projects spanning training, logistics, infrastructure, and cyber security. PESCO was activated in September 2017, with 25 of the current 28 EU Member States signing on. Of the three non-participating Member States, Denmark has a permanent opt-out from EU common defence policy, Malta is currently relying on its constitutional neutrality clause, and the UK, heading for the exit door, will not be eligible to participate once it loses its Member State status at this stage.

PESCO is currently under active development, but it has already established 17 initial collaborative projects in the areas of 'training, capability development and operational readiness' (Council, 2018b), each with participating Member States attached in various capacities. While this seems to leave the UK on the side lines completely, the EU is currently deciding on the conditions under which 'third countries', including the UK, may be able to participate in individual projects (Council, 2018a). For now, EU guidance on the matter suggests that they are open to UK participation in PESCO projects, but only by invitation and subject to the general conditions of third-country participation, which are yet to be fully decided (European Commission, 2018).

PESCO is just one of the programmes recently initiated under a broader push for common security and defence integration, along with the European Defence Fund and an annual defence review. Despite the general Brexit rhetoric about not wanting to be a rule-taker, the UK would likely be willing to agree to a consultative arrangement in this area if it helped them get a comprehensive security arrangement with the EU. While this would mean that the UK would not have a

seat around the table, it could provide it with some leverage to have a say in any operations that it would be a part of.

The Anglo-French Alliance

Another way that the UK can maintain links with Europe is through bilateral relationships. With the UK heading for the door, France has seen an opportunity to take a stronger lead in European defence policy, while at the same time not abandoning its old ally across the channel. As both Europe's only other nuclear power and, along with Britain, a country with one of the largest defence industries in Europe, France is slated to be the pre-eminent engine of European security post-Brexit. Emmanuel Macron's recent trip to Washington also signals France's role as an important interlocutor with the United States.

Macron has already made overtures towards inhabiting these new roles, having outlined his plans for a 'European Intervention Initiative' (EII), which would establish a common European intervention force, a common defence fund, and a common security doctrine (Pothier, 2017). It is not clear exactly how this would sit alongside other European programmes like PESCO³, but, at the military summit at Sandhurst earlier this year, Macron made it clear that the UK would be a valued partner. This suggests that the EII would sit outside of the EU framework, despite being planned as a collaboration between Europe's major defence powers, and possibly in competition with the EU's own plans.

In the same speech, Macron underlined the importance of the Franco-British defence relationship. In 2010, the UK and France signed the Lancaster House Treaties, which commit them to decades of nuclear co-operation, initiated joint operations between the two armies, and set up long-term collaborative projects between their defence industries. Work continues on a $\[\in \] 2$ billion Anglo-French contract to develop an unmanned air combat system to be ready for testing in the

³ Some have suggested that the EII 'risks relegating [...] PESCO to a sideshow' (Besch, 2018), making it all the more important that the EU finds a way to keep the UK integrated into its own projects (including PESCO).

early 2020s (Ricketts, 2018). This raises the question of what the impact of Brexit will be on the UK defence industry. While bilateral programmes like those it shares with France are lucrative, UK defence contractors are wary of losing access to the full range of contracts that will be up for grabs under EDF-funded projects. It is not clear that bilateral programmes will be enough to sustain the UK defence industry, and it remains to be seen if the UK will be able to negotiate access to projects set up under other of the EU's new programmes, including PESCO.

Politics and Geopolitics

European defence has been revived in recent years thanks not only to Brexit, but also to two main developments on the world stage: an increasingly unpredictable ally in the United States, and increased tensions with Russia. Both trends may also have the effect of reinforcing the UK's defence relationship with the EU.

When the UK invokes 'shared values' with its European partners, this is partly a reference to common adversaries. In this sense, increased geopolitical tensions may help keep the security partnership between the UK and the EU together regardless of other Brexit tensions. The expulsion of Russian diplomats in late-March – by the UK and 16 other EU Member States – in response to the suspected involvement of the Russian government in the poisoning of Sergei and Yulia Skirpal, was considered a diplomatic victory and showed an ongoing solidarity between the UK and its allies in the EU. Likewise, an increasingly 'assertive' Russia has provided impetus for a bolstered European common front (Mills, 2018). Meanwhile, the US under President Trump has made the transatlantic partnership look somewhat less stable. The Trump administration's 'America-first' policy in the area of foreign policy, as well as its volatile posturing towards NATO, may push the UK closer to the EU pillar of the alliance.

In short, the EU and the UK have many foreign policy and defence complementarities that both sides are keen to maintain in some form, as well as exogenous factors that encourage their continued close collaboration. Furthermore, there seems to be more goodwill and less tension in this area than

there has been around more politically contentious issue areas like free movement (immigration) and the divorce bill. However, this does not exempt this area of negotiations from potential spill overs from these other aspects of the Article 50 negotiations.

In the event of a souring of talks over, for example, a future trade arrangement or citizens' rights, there is potential for collateral damage in future security arrangements. Perhaps the most potentially fraught question remains the Irish border, about which talks remains at an impasse. The Commission's September 2017 guidance on the EU's position on the Irish Question, as well as the joint UK-EU statement on the first phase of negotiations, have made it clear that any eventual arrangements must not compromise any part of the Good Friday Agreement. The EU has been unequivocal that it does not want to see any hardening of the border between Northern Ireland and the Republic of Ireland. But Theresa May's choices here are heavily constrained by the trade-offs involved (Springford, 2018). In short, any conflicts arising in the economic and political deal have the potential to scupper at least the more ambitious plans for a comprehensive security arrangement that the UK – and indeed the EU – is currently seeking. As Barnier and Davis saw fit to underline in their December joint statement: nothing is agreed until everything is agreed.

Attendees

Introductory Remarks:
Professor Christian Lequesne, CERI, Sciences Po
Professor Kevin Featherstone, European Institute, LSE
Professor Michael Cox, Director of LSE IDEAS
Dr Ben Martil, Post-Doctoral Fellow, Dahrendorf Programme, LSE IDEAS
Tom McKane, Visiting Senior Fellow at LSE IDEAS

Manuel Lafont Rapnouil, ECFR
Caroline Gondaud, French MFA
Océane Thierot, French MFA
Jaya Jain, Sciences Po
Christian Lequesne, Sciences Po
Michael Porte, Sciences Po
Elvire Fabry, Institut Jacques Delors
Barbara Kunz, IFRI
Edouard Bourcieu, EU Commission Office in France

Yves Doutriaux, Conseil d'Etat Pawel Zerka, ECFR Maxime Lefebvre, MFA

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