

# UNITED KINGDOM AND EUROPEAN DEFENSE CAPABILITY AND DEFENSE INDUSTRIAL RELATIONS POST – BREXIT

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## **Introduction**

The political leadership of the United Kingdom (UK) has announced intentions to leave the European Union (EU) on 29 March 2019 - BREXIT. [1] In doing so, it would be remapping its own, EU and NATO security arrangements. Security is a very broad term that includes social security and welfare just as much as domestic and external security for policing and defense of the state and its citizens. [2] It is in nobody's interests, not even the UK's, to walk away from the broad nature of all such security cooperation in Europe, especially not defense capability and defense industrial cooperation.

Internal security / policing arrangements would need substantial readjustment to cope without the UK being part of organizational framework for example EUROPOL and EUROJUST and intelligence sharing. New arrangements to suit all could be implemented bilaterally. There is no pure security substantial capability required as human and computing resources predominate. [3]

In the external security and defense realm the EU and the UK don't face an immediate existential external defense threat or to the geography and borders of their states. So initial readjustment by new bilateral arrangements to cope without the UK being part of an EU defense framework could be achieved to suit all; with longer term multilateral arrangements being considered and negotiated.

For this, in both bilateral and multi-lateral arrangements the important issues that needs to be addressed in addition to human resources are defense capability and defense industrial cooperation. Here there is potential for a crisis. It is not just the current deployment capability and defense industrial cooperation of the EU without the UK post-BREXIT but also the future of any new projects. A crisis could emerge for both the UK and other EU states.

Both deployment capability and defense industrial relations are best suited within a multi-lateral framework that is provided by being a member of an entity such as the EU. Enshrined in the Treaty of the Functioning of the European Union is the EU's economic harmonization with free movement across borders of people, goods and services that enables technology transfer, harmonization in R&D

and patent laws and regulations, no tariffs on components from member countries and multiple production lines as if they were in one state, common export approvals outside of the EU, collective spare part storage and provision etc. [4]

Being outside of this multi-lateral framework would immediately result in increased costs and competition. Clearly, at risk with BREXIT is the future of both the UK's and the EU's defense capability, defense industrial relations and specific collaborative weapons acquisitions and procurement.

### **The expected immediate capability shortfall after BREXIT**

The UK involvement in EU cooperation is not just for the immediate geographical defense of the British Isles but also for the forward projection of power and deterrence worldwide, that also includes humanitarian tasks. The defense establishment in the UK will no doubt still wish to and even need to undertake such missions for it is in the UK's interest. It is also in the EU's interest to continue to undertake such missions. Both the EU and the UK wouldn't have the capability to be able to undertake all such missions on their own, without increasing their human resources and equipment for them, at a financial cost if not more. The UK has been a substantial partner in EU missions.

The benefit of being a member of a multinational environment such as the EU is not just operational but also the participation in long-term decision making. Missions are the product of the process. For example the UK post-BREXIT would not be part of the EU Common Security and Defense Policy (CSDP) multinational framework and structure and mission cooperation or even be permitted to be part of the decision deliberations. [5]

There is nothing to prevent the UK from reaching bilateral agreements to cooperate with the EU in a bilateral framework for example to deploy to specific CSDP missions in an emergency. The UK and EU could determine where their interests coalesce and reach agreement on how and what and for how long the UK could contribute specifically to specific EU missions and likewise the EU specifically to the UK's defense and deterrence should it be threatened. Pragmatic solutions and policies could be found to support a strong security and defense partnership. This is the definition of bilateral and of cooperation to suit one's own interests.

However in the defense realm bilateral is not the same as multinational. Multinational is a common or even single structure that constantly evolves and improves. That structure is both on the operational level and on the decision-making level. Constant training is important on the tactical level and any mission requires political agreement that confers with military echelons. Here there is no clear indication of how the political echelons in the UK and the EU could apply the rules of the UK not being an EU member with the UK still having a say on matters other than the operation or mission itself. Political decision making and implementation forum with the UK as a guest seems an option but would this be BREXIT-without-a-BREXIT and could lead to political or even public outcry.

This leaves the EU and the UK armed forces in a quagmire and a conundrum. The ability and capability of the EU to act without the UK defense force contribution is an important issue in the debate about EU strategic autonomy in the context of BREXIT. The UK as a member of the EU has been a substantial contributor to the EU's framework for multinational cooperation since most the defense problems demand multinational action. Leaving the EU is leaving that.

It is not just the future of the Galileo satellite project that is an indication of discord about BREXIT. [6] There are also possible capability shortfalls for current EU missions for example EU peace-enforcement mission in the South Caucasus, [7] EU stabilization and support to capacity-building mission in the Horn of Africa, [8] conflict prevention and counter-piracy mission in the Red Sea and Indian Ocean, [9] support to humanitarian assistance mission in Bangladesh [10] and rescue and evacuation missions in Southern Africa if need be. These current missions and these types of operations would be in immediate and long-term jeopardy.

At a stretch and with assistance maybe from NATO (the United States and Canada predominately) if they were willing, and this is yet to be ascertained and confirmed, the EU missions currently on the ground could probably still operate and have strategic autonomy on the lower end of the operational spectrum without the UK as being a participating EU member state. [11] If so, then BREXIT might therefore make it even more necessary to find a constructive transatlantic engagement and more NATO and less EU. Such an option shows the absurdity that is often apparent from United Nations (UN), NATO and EU missions. The color of the beret worn by the soldier determines the nature of the political decision and framework to determine how a mission is deployed, but it is still the same soldier!

The EU doesn't always have the same motives and objectives as the UN and NATO and so without these, and without the UK, the number of future EU simultaneous tasks and missions could be severely reduced as the force requirement might not be met and aging equipment would increasingly become a problem. That means a choice would have to be made between peace enforcement, conflict prevention, stabilization and support to capacity-building. And a choice of where these could be undertaken. Specifically in the naval domain the EU will have a capability shortfall without the UK for all tasks and missions.

### **Defense industrial relations after BREXIT**

The potential crisis is not just about mission capability. It goes deeper and wider as BREXIT questions the UK involvement in EU defense industrial arrangements. That entails employment and financial issues and patents and regulations as much as military deployment considerations. On purely military considerations strong defense industries, their output in the operational environment and procurement collaboration including research and development, production and even export multiply the deterrent effect of armed forces.

National industries in most EU countries cannot offer the full range of supplies needed by their armed forces. The European wide defense technological industrial base built up since 1962 has become a strategic asset that represents a core element of European defense and deterrence and for each of its member states. The UK has been an instrumental founder, contributor and partner in this and has benefited and profited substantially. BREXIT will entail carefully avoiding dire ramifications to both the EU and the UK.

It was British aviation technology and manufacturing experience that was instrumental in spearheading European wide collaboration in weapon systems research, development and manufacture. Indeed to a certain degree the UK used this as part of its entry ticket to the join the European scheme of things in the 1960s that led to its membership of the European Community in 1973. The 1962 Anglo-French Supersonic Concorde aircraft agreement (that used the military TSR.2 aircraft's engine), followed by the 1965 UK-French Jaguar aircraft deal, the 1968 UK-German-Italian TORNADO aircraft, and the

current UK-German-Italian-Spanish EUROFIGHTER / Typhoon aircraft are examples that eventually also bound together the European aviation industry through the formation of AIRBUS, with both civil and military projects. More EU states were progressively included in each project that enabled them to develop their own and joint R&D, industries and even economies. [12]

With such a legacy it is not surprising that the UK defense industry is intimately entwined with that of other EU states and they require and function within EU laws and regulations. The UK's share of defense related turnover among European companies is almost 40%. On the one hand without the UK after BREXIT, the EU could lose 20% of its military and 40% of its defense industrial capabilities. On the other hand for the UK is the fact that the European Commission has expended a great deal of effort in using defense as a way of stimulating research and technology investment and manufacturing activity. [13]

At immediate risk are defense industrial component contributions in many multinational projects. This is no different a situation than the whole UK industry is facing across the board, with potential tariffs and export/import duties. Post-BREXIT the entire UK industry may face unemployment, and become uncompetitive losing subsidiaries, partners and parent companies in Europe and further afield. EU companies may seek cheaper alternatives.

Also some defense projects in risk are: 1) in R&D of future combat aircraft technology in key systems, such as radar, propulsion, avionics, sensors and weapons, 2) in development of a next-generation main battle tank and applicable technologies at the component and subsystem levels such as armor and armament R&D, and laser weapons, 3) in the air defense arena the use of laser weapons for ship self-defense, and the use of naval vessels for ballistic-missile defense, and 4) in the space domain the next-generation of communication satellite requirements, and wider collaboration on geospatial intelligence. [14]

Even should all of these be resolved on the corporate and industrial level post-BREXIT the UK government will also need to find ways to incorporate European standards in its domestic legislation in real-time, so as not to create frictions in security of supply across Europe. Further there is currently no indication of how an agreement could be reached on the nature of a 'third-state' position as applied to the UK post-BREXIT, ensuring the goals of all are met in the European Defense Agency (EDA), the European Defense Fund (EDF) and Permanent Structured Cooperation (PESCO).

## **Conclusion**

Clearly, at stake with BREXIT and without new arrangements is the future of both the UK's and the EU's defense capability, defense industrial relations and collaborative weapons acquisitions and procurement. The United Kingdom has expressed interest in a strong EU-UK security partnership after BREXIT because it is a necessity. It is also a necessity for other European states and the EU. But for this to happen the UK and the EU will have to consider how to come through with bilateral agreements and eventually a multilateral framework without the UK being a member of the EU.

One option on the table is that the UK's commitment to NATO will be even stronger after BREXIT. For this to be mutually beneficial for the UK and the EU it will require considering and maybe restructuring the inter-organizational EU-NATO cooperation. This would be more probable for existential threats. There is uncertainty what this might mean for non-existential EU missions should

NATO not wish to contribute to them and should EU states not wish to be more dependent upon NATO. This situation turns the clock back to the 1990s where the debate was for a two-track approach: strengthening Europe within NATO and strengthening Europe independent of NATO. [15]

Then as now the debate would be over the complementary nature of the EU and NATO. A debate both about financial matters as well as capability and personnel would most likely see military agreement, with the bottom line depending upon a political decision. Then as now defense technology and industries would enter the fray as a stumbling block as they have traditionally been a trans-Atlantic dispute. Procurement options of buying off-the-shelf from another country, multi-national collaboration to achieve economies of scale, export markets and state subsidies all lead to challenging competition and indeed threaten alliance inter-interopability. Political leaders tend to favor sovereignty over collaboration as the later could lead to dependency.

BREXIT is rapidly approaching on 29 March 2019 and without an agreement on defense capability and defense industrial cooperation the security of the UK and the EU are in jeopardy. The UK and EU should work toward as close a common understanding as possible to safeguard mission capability and a sustainable, innovative and competitive European-wide defense industry as it is in the strategic interests of all partners. They should strive to avoid decisions that would shut out the UK from future participation in EU defense policies and projects and even support arrangements to include the UK in defense technology and defense industrial cooperation with the European Commission, EU institutions and EU governments across all domains.

## Notes

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