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POSSIBLE DYNAMICS OF UK-EU DEFENCE RELATIONS AFTER BREXIT

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EXECUTIVE SUMMARY

With Brexit, the European Union (EU) lost one of its most military capable Member States. Despite the signing of the Trade and Cooperation Agreement (TCA), a significant void was left on the topic of defence cooperation. As a result, many questions and interrogations ensued on what shape this relationship might take, should it develop. The aim of this study is thus to explore possible defence dynamics between the UK and the EU post-Brexit. This paper goes beyond the traditionally proposed scenarios of a future defence relation, namely a no-deal, ad hoc or exhaustive approach, by bringing about a realistic vision of how to reach, in the long run, an EU-UK defence agreement.

- **State of play.** A no-deal agreement on defence cooperation is the *status quo*. Scenarios developed at the times of Brexit negotiations lapsed with the signing of the TCA. The UK government has not expressed interest in participating in EU defence initiatives. Despite the ongoing Russian war in Ukraine and the demonstrated strategic value and potential of the European Union to act, the situation on defence cooperation between the UK and the EU remains mostly unchanged. On the EU side, a lull seems to have settled on the question with the EU focusing on more urgent crises and internal matters. However, the invitation of the UK's Foreign Secretary to the EU's emergency Foreign Affairs Council meeting on March 4th was the most recent sign of the bloc's willingness to cooperate with the UK.
- **Contrasting views.** The UK is opposed to having an exhaustive defence agreement with the EU for several reasons and notably because it does not see the Union as a mature, legitimate defence actor. It further distrusts the EU and focus on delivering its Global Britain agenda. In contrast, despite high levels of distrust, the EU and its Member States are open to (and sometimes openly in favour of) an exhaustive defence agreement with the UK, similar to the Security Partnership presented in March 2020. The challenge thus lies in moving beyond this opposition by progressively building a constructive relationship, keeping in mind that the development of a true defence relationship will be a long-term achievement.
- **A combined approach.** To bring about this future relationship, **a combined approach resting on restoring trust, deepening cooperation in non-core defence areas, and capitalising on EU defence initiatives gaining in maturity** should be sought. These initiatives should be thought of as mutually reinforcing. This combined approach will require significant political impulse and drive from both sides.
 - **Restoring trust.** Accepting Brexit and its consequences, along with a shift in mindsets must take place if an agreement on defence issues is ever to be reached. Without trust, no cooperation can happen, especially in a field as sensitive as defence. As a consequence, Britain should abandon any principled rejection of the EU as a defence player and the EU should be careful not to alienate its neighbour out of spite or hurt feelings. Restoring trust

mostly rests on confidence-building measures and existing formats. A crucial **confidence-building measure** lies in settling the main disputes related to the implementation of the TCA. **Bilateral relations** between the UK and EU Member States should also be used as a sideways approach to rebuild trust and discuss defence matters pertaining to both the UK and EU Member States and ultimately to the EU body itself. The **EU-NATO cooperation** could offer a format to restore trust and bring the UK and Europeans closer on defence and security matters.

- **Deepening cooperation in non-core defence areas.** Simple engagements on topics not directly related to defence could also help build confidence between the two actors. The EU could thus seek to deepen cooperation in areas where the UK sees it as a valued, credible partner, notably in foreign policy, maritime cooperation, space, cyber and hybrid threats. In the longer run, these areas of cooperation can serve as an entryway to enable discussions and cooperation on the more defence aspect of these issues.
- **Capitalising on EU defence initiatives gaining maturity.** A fundamental problem is the UK's lack of belief in the EU as a defence actor. Seeing how the UK is willing to cooperate with the EU in the areas in which it is seen as a credible partner, the success of recently launched initiatives (EDF, PESCO) is thus a key factor to ensure a meaningful and mutually beneficial relationship on core defence issues. Such a relationship could develop, as a first step, by associating the UK to less visible and more "procedural" initiatives such as CARD, enabling a meaningful and structured dialogue on defence issues.
- **A timeline.** In the **immediate future**, the EU and the UK are looking at a no-deal on defence cooperation. In the **short to medium-term** confidence-building measures, the reinforcement of bilateral agreements and closer EU-NATO cooperation can serve as sideways approaches to discussing and agreeing on eventual defence cooperation. In the **medium to long run**, the search for any potential full and structured agreement lies on an intermediary approach based on ad hoc cooperation and shared interests. Deepening cooperation in non-core defence areas and capitalising on EU mature defence initiatives could notably enable ad hoc cooperation to take place and give way to an institutional structure on defence.

With Brexit, the European Union (EU) lost one of its most military capable Member States. Indeed, despite a strong lack of enthusiasm of the United Kingdom (UK) for so-called EU defence projects and its relatively low interests in the Common Security and Defence Policy (CSDP – as illustrated by the forces made available for its missions and operations), the UK is and will remain a major player for the security of the European continent. This commitment has been restated in the Integrated Review, which sets out the Global Britain Agenda in the field of defence: *“Our commitment to European security is unequivocal”*. Recent commitments and actions of the UK in the context of the Russian war in Ukraine have confirmed this engagement.

At the same time, the European Union has considerably developed its policies related to defence: activation of the Permanent Structured Cooperation (PESCO), creation of the European Defence Fund (EDF), launch of an EU white book definition process (Strategic Compass), etc. The EU now aspires to be a more strategically autonomous actor on the global stage in the defence and security field.

Given the relative closeness between their security interests, defence cooperation between the EU and the UK would appear as the logical continuation of the long history of cooperation between the UK and EU Member States. Besides, the political declaration setting out the framework for the future relationship between the EU and the UK included the development of such cooperation. But the final EU-UK Trade and Cooperation Agreement (TCA) ignored this area. Ever since its entry into force, the UK has consistently refused to discuss the perspective of defence cooperation with the EU.

The objective of this paper is to explore the possible dynamics of EU-UK potential cooperation on defence issues. To do so, it will offer a synthesis of the current literature on possible scenarios (terms and conditions) for the development of such cooperation. In light of these scenarios, the study discusses and assesses the current situation and argues that the EU-UK defence relationship is likely to stick to the status quo in the short-run. Taking into account the causes of the current lack of cooperation and the obstacles to the development of such cooperation, the final section proposes a phased approach for the establishment of a progressive partnership in the field of defence.

EU-UK DEFENCE COOPERATION: THREE POTENTIAL SCENARIOS FOR THE FUTURE

Currently, despite the political declaration on the future between the UK and the EU, defence relations remain beyond the scope of current formal agreements, namely the Trade and Cooperation Agreement (TCA). Hypothetically, there are several paths to building a relationship between the UK and the European Union in the field of defence and security.

More precisely, a consensus exists within the analyst's community on three potential cooperation scenarios:

1. **A minimalist scenario (*status quo*)**, under which no formal EU-UK defence relationship is developed.
2. **An intermediary scenario (*ad hoc* cooperation)**, under which specialised cooperation in various formats may be developed by the EU and the UK on items of common interest.
3. **A maximalist scenario (full defence partnership)**, according to which a legally binding and far-reaching (or exhaustive) defence agreement is signed between the EU and the UK.

A minimalist scenario: the status quo

These scenarios vary from being formally institutionalised and maximal, to less formal and minimalist. These three alternatives do not pretend to precisely describe the future.

As it stands the no-deal agreement on defence cooperation is the status quo as the Trade and Cooperation Agreement (TCA) does not include (at the request of the UK government) any clause on cooperation in the field of defence and security. According to a minimalist scenario, the defence relationship between the EU and the UK does not rely on any form of negotiated agreement and remains, therefore, at best an embryo. The UK has the same rights as any third country, no less no more. Under the status quo, there are furthermore no *ad hoc* defence agreements with the EU.

As a third country, the UK has no or very limited access to EU defence initiatives. It does not take part in any PESCO projects nor in any EDA projects or initiatives (no administrative agreement between the UK and EDA is therefore necessary). It does not participate either in any CSDP missions and operations. Regarding the European Defence Fund (EDF), UK-based companies can theoretically take part in the EDF through cooperation with companies based in the EU or associated countries. However, such cooperation would mean no access to EDF

funds and classified information, nor would the UK and its companies retain control of research and development actions¹. All of these constraints are strict limitations for UK companies to take part in the EDF. Under such a scenario, UK participation in EU defence initiatives would remain – at best – marginal and negligible. This scenario would be consistent with **the UK’s Defence and Security Industrial Strategy which explicitly outlined the UK government’s objective to ‘Think NATO’ when it comes to research, capability and industrial initiatives**. As a reminder, the research, capability and industrial competence of NATO remain relatively limited despite recent initiatives such as the Defence Innovation Accelerator for the North Atlantic (DIANA)² or the NATO innovation fund³.

As a consequence, the UK’s relationship with Europe is mostly channelled through frameworks other than the EU. In particular, the UK’s vision is based on the belief that NATO is the backbone of European defence and security, supported by a network of strong multilateral and bilateral alliances and partnerships of which the UK is a participant. Under such a status quo, the UK keeps developing bilateral cooperation, with London deepening and strengthening its existing bilateral relationships and reaching out to forge new ones, such as with AUKUS or with the UK-Japan cooperation on next-generation fighter engines and air-to-air missile. While in all three scenarios bilateral defence ties with EU states are key, a stronger emphasis would most likely be put on developing on strengthening these, especially with France and Germany, as well as with the US.

The UK is thus pursuing defence cooperation through other multilateral alliances with EU Member States but not the EU itself, an important distinction is therefore made between EU countries and the EU body of institutions. An emphasis is also put on other alliances such as the Joint Expeditionary Force (which includes EU member states Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, and Sweden, as well as non-EU state Norway) and the Combined Joint Expeditionary Force with France. Other formats, which are currently much discussed, include the E3 format of France, the UK, and Germany; the Quad with Germany, France, the UK and the US; the European Intervention Initiative (EI2), along with the G7.

However, a certain degree of coordination could exist between the UK and the EU mainly through indirect channels. Firstly, increased EU-NATO cooperation could be a means of

¹ [EDF Regulation](#), Article 9.6.

² DIANA will connect innovation ecosystems on both sides of the Atlantic, as well as funding, by using the accelerators and test centres already existing in NATO countries.

³ The NATO Innovation Fund will finance dual-use technologies promising for the defence sector. They can either come from DIANA or from countries participating in the Fund. Belgium, Czech Republic, Estonia, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and the United Kingdom are taking part in the NATO innovation Fund.

ensuring coordination with the EU on issues that matter to the UK, such as military mobility, as well as cyber and hybrid threats. This could potentially lead to indirect and minimal cooperation with the EU. Secondly, cooperation in fields that are 'dual' (such as space or cyber) could lead to a certain level of coordination with the EU. Thirdly, from a more operational point of view, the introduction of a higher degree of flexibility in CSDP, following the final adoption of the Strategic Compass, could lead to a certain degree of indirect cooperation on the field thanks to participation mechanisms like Coordinated Maritime Presence.

An intermediary scenario: negotiating ad hoc agreements

This scenario rests on various targeted, *ad hoc* agreements with the EU. This framework would thus rely on using the existing frameworks for non-EU member states to participate in EU initiatives. It would therefore be a more institutionalised (even though not a consolidated one) relationship between the EU and the UK in fields with direct implications for defence and security. Such ad hoc cooperation agreements could range from participating in one or more PESCO projects to taking part in Community programmes such as the European Defence Fund or the Galileo PRS signal through sectoral agreements. The current Norway-EU security and defence model of cooperation could epitomise the most developed version of such a scenario (please refer to the information box below).

On the industry and capability development side, this would mainly mean participating in European Defence Agency (EDA) activities, PESCO and EDF projects. Numerous in the field of defence, ad hoc agreements could include:

- An **Administrative Arrangement**, a pre-requisite for third parties to take part in EDA projects and programmes, would be an important step toward allowing the UK to participate in the Agency's capability planning activities.
- An **agreement in specific PESCO projects** on a case-by-case basis. The rights and obligations of a third state participating in a specific PESCO project would be set down in an administrative agreement with the EU. While the UK within a specific PESCO project may have decision-making powers, it would not, however, have decision-making powers in relation to the overall governance of PESCO, including the future direction of the initiative⁴.

⁴ EU Permanent Structured Cooperation (PESCO): a future role for UK defence?, Claire Mills, 2021.

- A special **EDF Agreement** on the UK's participation in the Fund. An agreement that could allow the UK associated-country privileges, including access to EU funding and classified information, as well as making use of the intellectual property resulting from EDF-financed projects. The framework of Norway's participation in the EDF, but through an *ad hoc* agreement and not through an associated-country status, could be a possible way for the UK to join the EDF, should it decide it wants to do so.

On the political and operational side, the UK could directly take part in flexible formats (such as a Coordinated Maritime Presences (CMP) mechanism) but with institutionalised links with the EU not only EU member States and, potentially, CSDP missions and operations. A **framework participation agreement** to participate in CSDP operations and missions could also be envisioned.

Focus: the Norway-EU defence cooperation model

Norway and the European Union have a close security and defence relationship. While this relationship is based on a flexible and ad hoc basis, Norway and the EU have, nonetheless, several agreements in place-shaping their relationship.

European Economic Area Agreement

Through the EEA Agreement, signed in 1995, a political dialogue takes place on foreign policy issues twice a year between Norway's Foreign Minister and the Foreign Minister of the EU's rotating presidency. Through this format, Norway holds regular meetings with the EEAS on issues of mutual interest with other EEA states. In addition, Norway's Foreign Minister holds regular meetings with the EU High Representative, and every six months the Secretary-General of the Norwegian Foreign Ministry meets with the EEAS Secretary-General.

The EEA Agreement enables Norway to participate in the European Defence Fund as an 'associated-country'. Oslo can thus benefit from EU funding, access classified information and make use of the intellectual property resulting from EDF-financed projects. While Norway does not have voting rights in the program committees/expert groups thus retaining an observer status, Norwegians will, however, still participate in the program committee, an important channel for expressing Norwegian views on the Fund. Norway will contribute 2.5 per cent of the EDF budget.

Framework Participation Agreement

The Framework Participation Agreement, signed in 2004, allows Norway to take part in the EU's civilian and military crisis management operations. Norway has participated in three military and nine civilian operations and has contributed to the Nordic Battlegroup, one of the EU Battlegroups.

Administrative Arrangement

Norway and the European Defence Agency (EDA) concluded in 2006 an agreement enabling the country to take part in EDA projects and programmes.

PESCO

Upon request, Norway has been granted permission by participating Member States to take part in the PESCO project on military mobility.

EU Programmes, Information Sharing & Sanctions

Norway participates in several EU programmes aimed at reducing shared vulnerabilities and building resilience in several sectors, including Horizon Europe, the Galileo space programmes and Copernicus. Norway also has concluded an agreement to exchange classified information with the EU. Regarding EU political declarations and sanctions against states and/or individuals, Oslo has often supported and aligned its position to that of the EU.

Limits to the Norway Model

Limits to this partnership include Norway's very restricted influence in decision-making. Indeed, contributions of third countries, including Norway, to CSDP operations are generally without prejudice to the decision-making autonomy of the EU. Opportunities for more informal decision-shaping are furthermore limited. Concerning the planning process of a mission, third countries are often brought in at an advanced stage of the planning and are only granted full access to EU-issued documents once their participation has been approved by the Political and Security Committee. In addition, under the current setting, Norway cannot take part in the two main EU defence processes to identify capability gaps and opportunities for Member States to co-operate in acquiring them: the Coordinated Annual Review of Defence led by the EDA, and its Capability Development Plan.

A maximalist scenario: an exhaustive deal

This approach would rest on a legally binding agreement on defence cooperation between the UK and the EU. Such an agreement could encompass all areas of security and defence cooperation, ranging from sanctions to operations, foreign policy coordination, as well as participation in defence industrial initiatives, EDA's Capability Development Plan and the Coordinated Annual Review of Defence. This scenario entails that the UK would be granted a higher degree of access compared to other non-EU partners, including Norway. The UK could thus gain greater privileges to the EU's defence initiatives, such as to the European Defence Fund, in regard to funding and ownership of products, for example. While a formal agreement would bind the EU and UK to one another, the UK would still retain a certain scope of influence

in specific areas, such as sanctions, without having to automatically align itself on EU statements or other actions, or have to contribute to all CSDP missions and operations. This approach, however, lies on a significant amount of political will and trust among the negotiating actors. There is no formal precedent for such a scenario. It would therefore reflect the specificity of the UK contribution to the security of the European continent and the EU-UK relationship.

A formal, institutionalised defence cooperation agreement has been the preferred vision of the EU in order to ensure predictability and stability in this aspect of its relationship with the UK. In March 2020, the European Commission's Task Force for Relations with the United Kingdom presented the "Foreign Policy, Security and Defence part of the Draft text of the Agreement on the New Partnership with the United Kingdom", in which it outlined its vision of a security partnership with the UK. Through such a framework, the EU sees a wide-ranging agreement as the only way to allow the UK greater access and influence compared to other third-country partners. A formal agreement, is, furthermore, a way for the EU to avoid receiving demands from other partners to have a similar level of access. However, even such an exhaustive agreement could not result in calling into question the decision-making autonomy of the European Union, i.e. the UK could not be granted similar rights to Member States and could not take part in the various EU decision-making processes (*'Brexit means Brexit'*). **This last point is a serious issue as being part of these processes has been one of the core demands of the UK.**

ASSESSMENT OF THE CURRENT SITUATION

The UK Position under the Johnson Government

As previously stated, the current relationship between the EU and the UK in the field of defence and security matches the first scenario, i.e. the absence of cooperation on core defence matters. An exhaustive agreement appears unlikely considering both parties' insistence on safeguarding their decision-making autonomy. A key question is thus how to move from the lack of cooperation to an ad hoc relationship, if not an exhaustive deal. A quick look at the various governments since the Brexit vote demonstrates that going from one scenario to another will often depend on the party and leader in place. While there is consistency on the EU side for an exhaustive deal⁵, this consistency is harder to find on the British side.

Indeed, although the May government seemed committed to the signature of an exhaustive agreement (scenario 3)⁶, this scenario seems highly incompatible with the current vision of the Johnson government. In summer 2019, Britain's permanent representative to the EU informed the secretary-general of the Council that British officials would limit their participation to meetings where the UK had "*significant national interest.*"⁷ The current UK government position is the result of two assumptions that underpin post-Brexit British government policy⁸, namely that the UK is fully sovereign in its decision-making and that its interlocutors are major nation-states including EU member-states, and not the EU body itself. In addition, from the UK's perspective, the EU is mostly seen as a 'soft power' actor, focusing on crisis prevention, crisis management and post-conflict stabilisation⁹. This belief hinders the UK's will and ambition to join the EU's defence initiatives and is probably set to structure the UK's position beyond the Johnson Government.

Such a position is consistent with the cautious attitude developed by successive governments in their approach to greater European defence integration while the UK was still an EU Member State. Indeed, the UK has historically been opposed to efforts to establish a military

⁵ The current draft of the Strategic Compass states that the EU "*remain[s] open to a broad and ambitious security and defence engagement with the United Kingdom*".

⁶ See, for instance, the political declaration setting out the framework for the future relationship between the European Union and the United Kingdom (2019).

⁷ Sir Tim Barrow, Letter to Jeppe Tranholm-Mikkelsen, August 20, 2019,

⁸ Post-Brexit foreign, security and defence co-operation, Ian Bond, 2020.

⁹ Brexit and UK defence: an explainer, Claire Mills, 2020.

planning capability for EU operations that is independent of NATO.¹⁰ This stance will most likely shape the extent to which the UK wants to take part in EU defence initiatives.

Assessing the current situation

There is a broad consensus that there is currently a lot of toxicity hindering the relationships between the UK and the EU on the one hand and the UK and EU Member States on the other. While the EU is open to the development of defence cooperation, across the Channel it is too much too soon. The *status quo* ultimately seems to be the most credible scenario for the short term.

During Brexit negotiations, the EU presented a united front with Germany putting a very strong focus on keeping EU unity vis-à-vis the UK. However, since the Johnson government backed out of any agreement on defence with the EU, while EU unity remains on the fact that having an institutionalised agreement with the UK on defence matters is the preferred option, EU Member States have different views on how the EU should proceed.

Indeed, Italy, which is strongly pro-UK, believes that the EU should open the door to a strategic dialogue with its neighbour and actively engage in talks on defence cooperation. Holding a softer position during Brexit negotiations, Rome advocates for opening EU defence initiatives, such as the EDF and PESCO, to the UK. This position stands somewhat in contrast to the German one, which does not believe in granting the UK a 'premium', more flexible status. It holds the position that the UK should be treated as any other partnering third country (such as Norway), an offer the UK has refused. While Italy and Germany have stayed quite consistent on their position regarding the UK, the French one has undergone various stages since Brexit. Indeed, following Brexit, France actively encouraged the UK to establish an institutionalised relationship with the EU. However, with trust breaking down between the two countries and a lack of enthusiasm on the British side, Paris is now more reluctant and investing less time in trying to get the UK back to the negotiating table. On the question of UK participation in EU defence initiatives, France is quite strict, joining the German position.

These views demonstrate that there is a debate among EU Member States on how the EU should engage with the UK on defence matters, as well as the degree to which the UK should be treated as a third country, with some advocating for more leniency and others holding a tougher stance.

On the UK side, the Government is currently not engaged on the issue of defence cooperation with the EU. This is not in its view a priority and the Government has little intention of dealing

¹⁰ Ibid.

with defence in the immediate future. The general belief among the Johnson government (and probably beyond) is that no institutional structure is needed with the EU when it comes to defence as NATO and bilateral relations are enough. Collaboration on a bilateral and multilateral basis are being reinforced, along with cooperation with small groups such as with the Northern countries and the Joint Expeditionary Force (JEF). Through these means, the UK is seeking to fulfil its Global Britain vision.

A continuation of the status quo when it comes to defence can notably be explained by three key reasons: a strong sense of distrust, other issues taking precedence over defence, as well as a lack of maturity and credibility of EU initiatives reflected in the UK Global Britain agenda.

Distrust on both sides. The UK's decision to leave the EU put a considerable strain on its relationship with the EU. This was not aided by the fact that negotiations were long and complex with an overall unsatisfying result. The UK government's unwillingness to significantly discuss with the EU matters such as defence and its proposal to change the Northern Ireland Protocol have furthermore fed into this political distrust. In addition to this political toxicity, the UK is promoting a 'superior' behaviour, showcasing that it can circumvent the EU altogether. Examples include the adoption of sanctions on Belarus following the forced landing of Ryanair flight FR4978 in May 2021, sending British military support to Poland amid the Belarus border crisis and the UK's decision to send weapons to Ukraine. In all three cases, the UK argued how easy it was for it to make swift decisions with Brexit allowing it to be more flexible in its decision-making, not having to consult with 27 countries. This behaviour is only serving to create more animosity between the UK and EU, as well as increase EU distrust for the UK. On the British side, distrust mostly stems from the EU's insistence on treating it like any other partner, a stance Britain has refused to accept.

To various degrees, Brexit also put a substantial strain on relations between certain EU Member States and the UK. While the level of distrust is not that high between Germany and the UK, caution was expressed by Chancellor Merkel who was afraid the UK would use strengthening its bilateral relationships against the EU. Putting the EU first in every aspect, Germany finally signed a joint declaration on foreign policy with the UK in June 2021, knowing that the TCA had been signed and Brexit formally concluded. In comparison, Franco-British relations have taken a toll. This in part can be explained by problematic issues pertaining to both countries including the question of fisheries and migration, as well as the trilateral security pact for the Indo-Pacific region, AUKUS, which came as a deep shock and further broke down the little trust that was left between France and the UK. Although the AUKUS effect was not felt as deeply in other EU Member States, this did further negatively impact

relations with the EU. This lack of confidence is making it impossible to substantively discuss delicate matters such as defence.

The issue of unresolved topics. When Brexit was being negotiated, the UK and EU concluded a Trade and Cooperation Agreement (TCA). Although both actors were successful in reaching such a deal, a handful of issues remain sore points between the two. Indeed, the topics of migration and the Northern Ireland Protocol remain unresolved issues¹¹, creating tensions between the UK and the EU, but also to some extent between the UK and some EU Member States, such as with France. Even though there are no formal preconditions for the development of such a defence relationship, on the British side, there is a strong consensus that these issues take precedence on possible defence cooperation with the EU, meaning that until fixed solutions are found to deal with migration and the Northern Ireland Protocol, defence will remain on the back burner. So, it is key for these issues to be addressed if any progress is to be made on defence cooperation. In the short and medium-term, there will thus most likely be a stronger drive to solve these issues from the UK side and no engagement on the defence topic, while it can be expected that the EU will try to engage on these sore topics, while also trying to get discussions started on defence cooperation. Given the current political climate and British government, it is highly suspected that the UK will not engage in EU efforts on a defence agreement.

The case for a partnership with the EU is not an obvious one. It is important to note that even should the issues of migration and the Northern Ireland Protocol be resolved, it is more likely that a UK-EU rapprochement will take place on economic issues rather than on defence matters. This mostly has to do with how the UK perceives the EU when it comes to defence. **Firstly**, when the UK was a member of the EU, it mostly thought of the EU as an economic player and to some extent as a possible security one. When it came to foreign policy, the UK supported the EU in its crisis management activities, however, it never considered the EU to be a defence actor, nor did it particularly want it to become one. Therefore, when the UK left the EU, it took with it its beliefs that the EU is an economic and up to a certain extent a security actor, but not a defence one. Such a belief stems from the fact that the UK sees NATO as the only legitimate international organisation dealing with the defence of Europe. The UK, where EU defence initiatives are often presented as steps towards an EU army, does not see the EU as a credible defence actor. **Secondly**, the UK is currently focused on delivering the Global Britain agenda. The EU was only very lightly referred to in the Integrated Review¹², even

¹¹ Disputes about fisheries and fishing rights have been practically entirely settled.

¹² " *We will work with the EU where our interests coincide - for example, in supporting the stability and security of our continent and in cooperating on climate action and biodiversity*".

though cooperation on defence was not excluded by principle. As such, it is not clear where the current EU defence efforts fit into it. It appears that there is a need for consolidation, at the UK level, of national interests in every policy field.

However, while the current British government is not interested in fostering defence relations with the EU, European security questions remain of crucial importance to Britain. Indeed, the UK remains focused on security concerns touching its 'doorstep' (borders), 'backyard' (Russia, High North, North Africa), and further afield (such as the Indo-pacific). Overall, the UK does not see the added value of having a defence cooperation agreement with the EU, hence its strategy of reinforcing bilateral and multilateral defence cooperation, as seen with AUKUS for example. In the immediate and near future, as stated in the Integrated Review, the UK's commitment to European security will thus take place through NATO, the Joint Expeditionary Force and strong bilateral relations.

The Importance of the EU Market

Another important dimension is the links between the UK DTIB and the EU internal market and industry. Indeed, Europe remains a strategic market for the UK, a fact that the Government and UK industry will not be able to ignore in the long run.

Exports & imports. Between 2011 and 2020, 15% of UK defence exports went to Europe, making it the third most important market for the UK. However, in 2020, Europe accounted for 43% of defence exports from the UK, becoming the largest export market for the UK's security industry.¹³ This change can be linked to the UK government's pause in granting licences for the export of some defence items to Saudi Arabia between June 2019 and July 2020, as well as the export of Typhoon Aircraft to Germany. In addition, 23% of UK arms imports originated from the EU between 2000 and 2016.¹⁴ These figures highlight the necessity for the EU and the UK to have a good *terrain d'entente* in order to ensure defence export and imports and preserve the 133.000 direct jobs in the UK defence industry¹⁵.

R&D. With Brexit, the UK public R&D loses a major source of funding (€1.1bn, or £798m, in 2015).¹⁶ In addition, and as stated above, the UK has no access to EDF funding. Facing such a funding gap could hamper the competitiveness of the UK DTIB.

¹³ *UK defence and security export statistics: 2020*, October 2021.

¹⁴ B. Giegerich and C. Mölling, *The United Kingdom's contribution to European security and defence*, IISS – DGAP, February 2018.

¹⁵ Source : ASD, *UK Aerospace Industry Facts & Figures 2021*, 2021.

¹⁶ B. Giegerich and C. Mölling, op. cit.

Skilled labour. Another consequence of Brexit is the limits set by the UK to the free movement of workers – which has been a core argument in the Brexit referendum. But the UK has a certain dependency on highly skilled labour from the EU as well as on other labour (as illustrated by the shortage of lorry drivers). Indeed, EU citizens occupy 17% of research and teaching posts at UK universities¹⁷. Although the percentage is probably not as high in the defence industry due to security clearances and high sensitivity issues, restriction for European engineers to access the UK labour market will most likely have an impact on scientific and innovation progress in the UK.

Despite these links and the potential importance for the UK industry to access both European industry and markets, there is no pressure (for now at least) from the British industry on reaching an agreement with the EU on these matters. The UK government has not, at the time of writing, pursued an Administrative Agreement with the EDA, nor has it expressed interest in participating in CARD or PESCO projects (unlike, the US, Canada or Norway). And accessing the European Defence Fund does not appear as a major concern for the UK DTIB. Doubts regarding the development of EU Defence initiatives are certainly one of the factors explaining this perceived lack of interest. A change of stance could certainly happen by 2025 (beginning of the negotiations of the future EU Multiannual Financial Framework) if EDF succeeds in providing concrete results.

A challenge: moving from the status quo to a more structured approach

While a no-deal is the current state of play and the likelihood of it staying the same is quite high, wiggle room to move to an *ad hoc* relationship in the medium-long term does seem possible on certain matters, notably in the realm of security. For example, an Exchange of Classified Information Agreement, signed on December 24th, 2020, is an encouraging and good starting point as this agreement will enable coordination on matters such as sanctions.

Such a panorama confirms that, despite current difficulties that should not be underestimated, some room exists for the development of increased cooperation on defence and security-related matters. In the context of the Russian war in Ukraine, the participation of Liz Truss, UK's foreign secretary, as a guest at an emergency EU Foreign Affairs Council meeting in Brussels on March 4th could be a first step towards a strategic rapprochement between the UK and the EU, even though the UK Prime Minister does not seem to wish for such a rapprochement for now.

¹⁷ *Brexit fears may see 15% of UK university staff leave, group warns*, The Guardian, 25 September 2016.

The path towards such a relationship will probably be built cautiously, taking into account elements as fundamental and complex as difficulties in implementing the TCA, the current political environment on both sides of the Channel, but also fundamental security interests of both actors in a context where both the EU (with the EU strategic autonomy or sovereignty agenda) and the UK (with the Global Britain agenda) are developing their own approach in matters of defence.

A POSITIVE AGENDA FOR THE FUTURE EU-UK RELATIONSHIP: PROPOSAL FOR A PHASED APPROACH

Developing an EU-UK defence partnership will take time and requires a phased approach aiming at strengthening ties between two partners which are drifting apart. Such an approach could be developed through the following initiatives:

1. Restoring trust through confidence-building measures and existing formats
2. Deepening cooperation in non-core defence areas
3. With EU defence initiatives gaining in maturity, developing a defence partnership

Of course, such a phased approach requires from the UK, the EU and its Member States, if not political willingness, at least the abandonment of all animosity and good faith.

Another important point to bear in mind is that those phases although thought of as a progression are not necessarily consecutive steps and could overlap.

Restoring trust through confidence-building measures and existing formats

The first step towards a defence partnership necessarily entails rebuilding a high level of trust between partners. To do so, the very first step should be to restore trust among potential partners. This requires adopting confidence-building measures and exploiting existing formats (mainly bilateral relations and NATO) to the maximum of their capacity.

Restoring trust through confidence-building measures. In order to restore trust, it appears that it is highly needed to settle the main disputes related to the implementation of the TCA and to stop using them for politically motivated purposes. Even though it is never presented as a precondition to the development of an EU-UK defence partnership, it is not realistic from a political point of view to consider that it is possible to proceed with a defence agreement if substantial issues (not to say existential ones) subsist.

Confidence-building measures need to go both ways. Even though the EU and most of its Member States seem to still be in demand of a defence partnership with the UK, it is clear it will not seek it at any cost. Indeed, while Italy has one of the most pro-UK stances amid the EU community, Rome would oppose any British demand that sought or could damage EU defence initiatives. A request to be part of the decision-making process of procurement, EDF or PESCO would be too big of a concession and rejected by Italy for example. A fine balance must thus be struck to develop a diplomatic and operational partnership to facilitate an

economic and industrial EU-UK relationship without threatening the acceleration of the EU integration process in the defence field.

On the EU side, with the various EU defence initiatives taking on their full significance, it could certainly be useful to remain open when it comes to the participation of the UK and not to keep referring the UK to its third country status. On the UK side, it would be a positive step if the implementation of the Global Britain agenda and the clarification of the UK positions on several issues it implies did not lead to a rejection in principle of any cooperation with the EU.

The importance of bilateral relationships. The UK has made it clear in its Global Britain Strategy that it is seeking to enhance and strengthen its relationship not with the EU body but with EU Member States. Through bilateral means, in the short to medium-term, European states can incentivise the UK in formalising its relationship with the EU. On the UK side, it seems important to restore some key bilateral relationships that have been damaged in recent months.

The case of France, in this respect, is particularly important after the blow AUKUS inflicted on the Franco-British bilateral relationship. Indeed, the special relationship France and the UK have developed throughout history reflects a commonality of visions on defence. While the UK enjoys a close relationship with other EU Member States, it does not share the same strategic considerations as it does with France. For example, cooperation between the United Kingdom and Germany has mostly been driven by convenience and accidental alignment than by a strategically shared vision.¹⁸ France is thus probably one of the best-positioned out of the EU Community to push Britain through bilateral relations and harness the UK to European defence initiatives as part of this special relationship.

This does not, however, exclude Germany from playing a role by incentivising the UK in institutionalising a defence relationship with the EU by keeping the UK within the broader European security dialogue through the E3 format or the G7. On the contrary, France and Germany can adopt a push and pull strategy. This will not be easy as attempts are mostly perceived across the Channel as politically driven by France. Restoring the Franco-British bilateral relationship thus appears as an unavoidable first step.

Sharing very strong bilateral relations, Italy can also play a crucial role in drawing the UK closer to the EU. This could notably be done through the air force and navy as both countries share close ties, as well as through joint procurement projects including Tempest, helicopters,

¹⁸ UK-Germany defence cooperation, Sophia Becker, Christian Mölling, Torben Schütz, 2020.

electronics and industrial cooperation with Leonardo and MBDA, which are two companies with activities both in Italy and the UK.

Generally speaking, with time helping, EU Member States will increase cooperation through the EU in the defence sector. There will come a point where the UK will have to develop relations with the EU if it wants to keep on cooperating with its European partners in a significant manner.

EU-UK-NATO. The UK has emphasised the key role NATO plays in its European security and defence strategy, notably in the Integrated Review. EU Member States which are also members of NATO could certainly use this framework as a vector for the development of a mutual understanding with the EU. In this regard, Italy has an important role to play. Sharing a like-minded perception of NATO and putting a strong emphasis on having an Atlanticist perception in the EU, Rome can use this format to reach out to London on issues of joint interest. In addition, the German MoD, which is more NATO and transatlantic in its outlook than the German Federal Foreign Office, should seek initiatives to encourage coordination with the UK.

The agenda to strengthen the EU-NATO partnership could offer such an opportunity in the medium term. This movement could be led by both Italy and Germany who are strong advocates of closer EU-NATO relations. By increasing synergies between the two organisations, the UK will ultimately be drawn into cooperating with the EU as it is a key member of NATO. The seven areas identified for closer EU-NATO cooperation, namely 1. countering hybrid threats, 2. operational cooperation including at sea and on migration, 3. cyber security and defence, 4. defence capabilities, 5. defence industry and research, 6. exercises, and 7. supporting eastern and southern partners' capacity-building efforts, are good starting points for bringing the UK closer to the EU through EU-NATO cooperation. These are furthermore areas on which EU-UK cooperation has begun taking place (see the below section).

In the short term, NATO as an entryway to help institutionalise a defence relationship between the EU and the UK may seem, however, a bit stretched. Indeed, recent NATO initiatives led by the UK, such as DIANA, have been perceived in the EU as initiatives to undermine and compete with EU defence initiatives. In the medium run, with the EDF and NATO initiatives gaining in maturity, NATO could then become a genuine means for fostering a defence relationship between the EU and the UK.

Deepening cooperation in non-core defence areas

As a second step, non-core defence issues would appear as the most promising areas to intensify EU-UK cooperation in areas related to defence and the security interests of the UK, the EU and its Member States. Indeed, while defence cooperation seems complicated, if not impossible, at the moment, it is useful to have a look at the bigger picture and explore some of the ongoing cooperation between the EU and the UK, especially in areas of interest for defence and security interests of both potential partners. With time, these collaborations will help increase trust between the UK and the EU and move to issues more directly related to defence.

Foreign policy. When it comes to foreign policy, cooperation can be noted on country issues including Iran and Ukraine. Foreign policy discussions are also taking place on the topic of African policies and the Balkans. On the question of the Balkans, the UK sees the EU as a more relevant actor compared to NATO due to the various instruments it has in place in the region, namely the Stabilisation and Association Process, as well as the Instrument for Pre-accession Assistance. In addition, growing Russian and Chinese influence in Africa and the Balkans could be a trigger for increased cooperation. These discussions on foreign policy issues could eventually lead to discussions pertaining to security and defence in the Sahel and the Balkans.

Security. While security is not the main focus of the TCA, security elements do figure in the Agreement. Indeed, cooperation with Europol is established to support and strengthen mutual cooperation in preventing and combating serious crime, terrorism and forms of crime that affect common interest. This provision includes the exchange of information; general situation reports; results of strategic analysis; information on criminal investigation procedures; information on crime prevention methods; participation in training activities; and the provision of advice and support in individual investigations as well as operational cooperation. This is a prime example demonstrating that despite current animosity between the EU and UK, cooperation can still run deep and is thus possible.

Cyber. Cooperation can be seen on cyber issues, notably in terms of cyber management. This cooperation mostly stems from the realisation that the UK will only be as safe as its neighbours, hence the necessity to share similar standards with the EU. The TCA contains a section on cyber security, notably covering dialogue and cooperation on cyber issues. There are furthermore provisions on UK cooperation with the EU Agency for Cybersecurity (ENISA) and the Computer Emergency Response Team – European Union.

Maritime cooperation. This is an area that could lead to increased cooperation. During its time as an EU Member State, the UK played an important part in the creation of Operation

Atalanta, demonstrating the importance of having access to safe maritime routes. In recent years, the EU has, furthermore, strengthened its role in the maritime domain, notably with its Coordinated Maritime Presences concept, which is gaining increased importance as seen in the Strategic Compass drafts. This new role the EU is acquiring in the maritime domain could lead to the UK seeking a partnership on this very issue. Cooperation initiatives could also be seen between UKMTO and the Maritime Information Cooperation and Awareness Centre, located in Brest. Through bilateral cooperation, this could lead to greater, institutionalised relations with the EU.

Space. In the space domain, the EU has a lot to offer especially with its flagship space components Galileo/EGNOS and Copernicus. The UK is building up its national competence to become a useful international partner. However, it could not afford to be alone in building up space capabilities. In its Integrated Review, the UK stated that it intends to continue its participation in the EU's Copernicus Earth observation programme.

Horizon Europe. This is an interesting avenue for increased cooperation, especially as the UK-EU deal further calls for continued collaboration between researchers and scientists notably through Horizon Europe. As this EU programme could lead to dual-use purpose technologies with an important budget of €95.5 and Britain places a lot of importance on R&D, Horizon Europe is thus a way of drawing the UK into partly institutionalising its relationship with the EU.

Overall, cooperation with the European Union has continued in the areas where the UK sees the EU as a valued, credible partner. In the short to medium term, cooperation could emerge (or be reinforced) on these non-core-defence issues. Other domains as non-hard-core defence issues, including artificial intelligence and hybrid threats, could be explored for cooperation. Simple engagements on topics not directly related to defence but with implications for defence will help build confidence between the two actors and discussions on different issues, including migration¹⁹, can go on simultaneously and not to the detriment of one another. This is something the EU should capitalise on. In other words, the areas where it has sufficient maturity should be used as a way of getting the UK to the negotiation table. While these ongoing collaborations are not on the topic of defence, they are not estranged from it either. Therefore, making the security partnership a core pillar of the future relationship between the UK and the EU could be an entryway to discussing defence. For the **time being**, it is thus highly recommended that both the EU and the UK support joint action on wider security issues. In the **medium term**, the EU and UK should furthermore pursue cooperation on coordination

¹⁹ The quasi-settlement of disputes on fisheries has been a noticeable step in this direction.

initiatives with no major visibility aspects, such as CARD rather than PESCO or EDF. With time, the EU will hopefully gain maturity in the defence initiatives it has recently put in place, making them more attractive to the UK and ultimately making the EU a more credible defence partner in the eyes of Britain.

Capitalising on EU defence initiatives that gain in maturity

Eventually, the third phase would consist of the progressive development of *ad hoc* cooperation in areas directly related to defence issues. As stated above, the maturity of the EU approach on an issue appears to be a major argument for the UK to engage with the EU as a player. Such a phase could therefore only happen when and where EU defence initiatives will have proven their effectiveness.

Given the political sensitivity in the UK (for now at least) on the development of a defence relationship with the EU, a first step could be to involve the UK in 'low-key' initiatives, i.e. mostly at the technical level. Taking part in the CARD process, for instance, has not the same political and symbolical weight as taking part in EDF or PESCO, which are often represented in the UK media as the embryo of an EU army (a nightmare for the UK).

In the end, an important issue (if not the main one) will be the possible participation of the UK industry in the European Defence Fund. As stated above, for now, this cooperation is practically impossible. The case for a reform of eligibility rules should be very carefully studied and weighed as it could potentially lead to the weakening of the only EU instrument funding defence R&D. Such an assessment implies that the EDF reach a certain maturity and so cannot be envisioned in the next two or three years at least.

CONCLUSION

It is clear that on both sides of the Channel, nothing substantive is expected before late 2022. The French presidential and legislative elections (together with the French presidency of the EU Council) on the one hand and the perceived precarity of the current UK government, on the other, are not seen as factors for improving the Franco-British relationship. On the German side, with the election of the new Chancellor Olaf Scholtz, Brexit does not seem to be the most pressing issue, nor does the UK seem to be Germany's most important partner as seen with the first trips taken by the Chancellor. The current Russian war in Ukraine, although it proved some UK commentators the strategic value and potential of the European Union, did not really change the global situation between the UK and the EU.

Overall, in the **immediate future**, the EU and the UK are looking at a no-deal on defence cooperation with COVID-19 and the French presidential elections serving to delay such discussions. In the **medium-term** confidence-building measures, the reinforcement of bilateral agreements and closer EU-NATO cooperation can serve as sideways approaches to discussing and agreeing on eventual defence cooperation. These initiatives could notably enable ad hoc cooperation to take place in the near future and in the **long-term** give way to an institutional structure on defence.

But one should be very clear on the fact that the development of a substantial relationship between the UK and the EU in the field of defence will not happen by itself. On the contrary, it will require significant political impulse and drive. On the UK side, a change of mindset towards the EU and its Member States is needed. A more constructive approach (and the abandonment of any principled rejection of the EU as a defence player) would be a precondition. The UK should, furthermore, be careful not to overestimate its importance for EU partners. But, on the EU side too, a shift of approach is required. Indeed, the EU should tread a careful line and not seek to alienate the UK as seen in the Strategic Compass drafts which adopted very careful wording on the UK and placed it after Canada and Norway, mirroring the same way the UK referred to the EU in its Integrated Review. Such behaviour will not help mend relations. The search for a full and structured agreement must give way to an approach based on ad hoc cooperation and shared interests.

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