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Summary

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The current COVID-19 pandemic will change the world, like the fall of the Berlin Wall and the 9/11 terror attacks. For the foreseeable future, EU governments will be preoccupied with dealing with the pandemic's immediate socio-economic consequences. However, other policy areas will be affected as well. With regard to the EU's security and defence policy, COVID-19 is likely to extinguish the unprecedented dynamism that has characterised its development since 2016. Its most immediate impact is likely to be decreased funding for several new initiatives such as the European Defence Fund. The pandemic is also likely to reduce the EU's readiness to address crises in its neighbourhood and may hasten the Union's relative decline as a global power if its recovery is slow and wrought by prolonged disputes between the member states over the appropriate economic response to the crisis. Yet, the EU should not completely abandon its pre-COVID-19 security and defence agenda. Both during and after the pandemic, the Union will continue to face familiar challenges such as cyber-attacks, disinformation campaigns and instability in its neighbourhood.

Keywords Coronavirus – COVID-19 – Security – Defence – Global Strategy – Geopolitics



Introduction

The novel coronavirus (COVID-19) has hit the EU hard and unexpectedly. The Union has become the epicentre of a pandemic that began to spread from Asia in late 2019, although that epicentre is now moving westwards across the Atlantic as cases in the US are surging. The most devastated European countries—and the ones in most immediate need of solidarity—are Italy and Spain, which have recorded the highest death rates.¹ However, no European country will escape COVID-19 unharmed as the pandemic will have devastating implications both immediately and in the long term.

The world is likely to look very different once the pandemic is eventually beaten and the global recovery process begins in earnest. For the moment, it is too early to say exactly what a post-COVID-19 world will look like as we do not yet know what the full implications of the pandemic will be, much as we did not know at the time what the full implications of the fall of the Berlin Wall in 1989 or those of the 9/11 terror attacks in 2001 would be. What is clear, however, is that the pandemic will cause enormous damage to the global economy, as normal economic life in countries hit by COVID-19 has ground to a halt due to the various lockdown and quarantine measures announced by national governments.

The pandemic will also shape the EU as an organisation. The Union will have to reassess the feasibility of its pre-COVID-19 strategic agenda in light of the havoc that the pandemic will wreak in Europe. This means that the EU may need to abandon certain priorities if the pandemic has made them outdated or unfeasible, adjust existing ones where relevant and set completely new ones if necessary. This reassessment also needs to extend to the EU's security and defence policy, the development of which has been characterised by unprecedented dynamism since 2016. This paper will discuss the likely implications of the pandemic on the EU's security and defence policy, and propose measures that the EU could take to move its agenda forward in this area in the post-COVID-19 world. It will also discuss how the pandemic might affect the global balance of power in the coming years.

¹ S. Bernard et al., 'Coronavirus Tracked: The Latest Figures as the Pandemic Spreads', *Financial Times*, accessed at <https://www.ft.com/coronavirus-latest?shareType=nongift> on 31 March 2020.



Budgets and funding

Europe's eventual recovery from COVID-19 will require unprecedented levels of financial stimulus, budget adjustments and debt. The availability of resources for various previously planned projects and initiatives that will not directly support the recovery process of European countries is hence likely to diminish. In the area of security and defence, national defence budgets will almost certainly decrease in the coming years as defence will be seen as a lesser priority. This means that the trend in Europe towards higher defence spending, which in 2019 reached its pre-2008 financial crisis level for the first time,² is therefore likely to reverse. Thus, even though NATO Secretary General Jens Stoltenberg has urged the allies to maintain their defence spending despite COVID-19,³ this will almost certainly not happen. In the short term, however, the number of countries meeting the Alliance's 2% of gross domestic product (GDP) defence spending target might paradoxically increase.⁴ This is because a country's defence expenditure will rise relative to its GDP if its overall economy shrinks but defence expenditure remains at its current levels or shrinks more slowly. It has been estimated that, due to COVID-19, Germany's defence expenditure relative to GDP could rise to close to 1.7% from its existing level of 1.35%.⁵ Yet, this does not mean that NATO allies will be spending more on defence in absolute terms.

When it comes to EU defence cooperation, the initiatives in most immediate danger are the European Defence Fund (EDF), the European Peace Facility (EPF) and military mobility. The reason for this is that the member states have not yet reached an agreement on the levels at which they should be funded during the EU's 2021–7 financial period. This issue will be decided during the Multiannual Financial Framework (MFF) negotiations, which stalled when the

² IISS, 'Exercise Defender 20: Reinforcing What, Exactly?', *Military Balance* blog, 27 March 2020, accessed at <https://www.iiss.org/blogs/military-balance/2020/03/exercise-defender-20-coronavirus> on 31 March 2020.

³ A. Brzozowski, 'NATO Expects Allies to Maintain Defence Spending Despite Virus', *Euractiv*, 19 March 2020, accessed at <https://www.euractiv.com/section/all/news/nato-expects-allies-to-maintain-defence-spending-despite-virus/> on 1 April 2020.

⁴ In 2019, nine NATO countries met the Alliance's 2% of GDP defence spending target: Bulgaria, Estonia, Greece, Latvia, Lithuania, Poland, Romania, the UK and the US. For more, see NATO, *The Secretary General's Annual Report 2019*, NATO Public Diplomacy Division (2020), accessed at https://www.nato.int/nato_static_fl2014/assets/pdf/2020/3/pdf_publications/sgar19-en.pdf on 2 April 2020.

⁵ R. Emmott and S. Siebold, 'Economic Shock of Coronavirus Casts Pall on NATO Spending Goals', *Reuters*, 2 April 2020, accessed at <https://www.reuters.com/article/us-health-coronavirus-nato-spending/economic-shock-of-coronavirus-casts-pall-on-nato-spending-goals-idUSKBN21K1W8> on 5 April 2020.



European Council failed to come to an agreement during a marathon summit in February. Once the negotiations resume, the MFF that will eventually be agreed on will look drastically different from anything that was proposed before COVID-19: European Commission President Ursula von der Leyen has already called for the EU's next budget to be turned into a 'Marshall Plan for Europe' to help revive the Union's economy after the lockdowns.⁶ The funding levels for the EDF, EPF and military mobility are therefore likely to decrease from previously discussed levels. Some member states were already questioning the value of these initiatives and refusing to finance them at the levels proposed by the European Commission before the COVID-19 outbreak. The number of such countries is likely to increase as a result of the pandemic, and it is conceivable that some EU defence initiatives might not receive any funding at all. After all, a technical compromise proposal made by the European Commission during the February European Council has already reduced the planned funding for military mobility to zero.⁷

Operational readiness

The high cost of dealing with the socio-economic damage caused by COVID-19 is also likely to reduce the EU's willingness to deal with crises in its neighbourhood. European crisis-management activities will not cease completely, of course, as demonstrated by the EU's recent decision to launch Operation IRINI to enforce the UN arms embargo in Libya.⁸ However, European countries' willingness to contribute troops and experts to various civilian and military crisis-management operations is likely to decrease. This also means that Europe will be less prepared to deal with additional flare-ups in Libya, Syria and Ukraine—all countries that continue to host active conflicts on their territories. This creates a risk that the conflicts in these countries might intensify at a time when Europe is becoming increasingly inward looking. The consequence of this would be additional human suffering in societies

⁶ European Commission, 'How Our Europe Will Regain Its Strength: Op-Ed by Ursula von der Leyen, President of the European Commission', 4 April 2020, accessed at https://ec.europa.eu/commission/presscorner/detail/en/ac_20_602 on 6 April 2020.

⁷ A. Brzozowski, 'Europe's Military Mobility: Latest Casualty of EU Budget Battle', *Euractiv*, 25 February 2020, accessed at <https://www.euractiv.com/section/global-europe/news/europes-military-mobility-latest-casualty-of-eu-budget-battle/> on 31 March 2020.

⁸ Council of the EU, 'EU Launches Operation IRINI to Enforce Libya Arms Embargo', Press release, 31 March 2020, accessed at <https://www.consilium.europa.eu/en/press/press-releases/2020/03/31/eu-launches-operation-irini-to-enforce-libya-arms-embargo/> on 2 April 2020.



that have already been engaged in brutal civil wars for years. Europe must also be prepared for the possibility that the spread of COVID-19 in these and other countries might cause social tensions and civil unrest, which might spill over into Europe itself.

The necessity of dealing with the socio-economic consequences of COVID-19 at home, together with the decreased willingness to handle crises in its neighbourhood means that the EU is entering an unprecedented period of vulnerability. If not handled effectively, conflicts in the Union's neighbourhood could rapidly spill over into the EU itself through negative externalities such as uncontrolled population movements. These could quickly translate into increased political polarisation within European societies, which would further complicate the continent's recovery from the lockdowns. Additionally, Europe needs to be prepared for the possibility that some hostile state and non-state actors may seek to take advantage of the continent's current vulnerability. They may seek to do so through terror attacks, cyber-attacks or disinformation campaigns—some of which we have already experienced during the pandemic.⁹ The aim of such activities is to sow fear, confusion, distrust and anger within European societies in order to weaken the EU as a collective actor. It is therefore crucial that the Union does not let its guard down during the pandemic and that it maintains the operational readiness of its armed forces, law-enforcement agencies and emergency responders at a high level.

Institutional issues

Since 2016, the development of the EU's security and defence policy has been characterised by unprecedented dynamism. This has been due to the worst of the global financial and eurozone sovereign debt crises having passed, the Union's inability handle conflicts in its southern and eastern neighbourhoods on its own, the outcome of the UK's 2016 Brexit referendum and the election of Donald J. Trump as US president. These developments convinced policymakers in Brussels and in many other European capitals that the EU needs to take more responsibility for its own security and strive for 'strategic autonomy', an ill-defined ambition laid out in the 2016 EU Global

⁹ See, for example, EUvsDisINFO, 'EEAS Special Report Update: Short Assessment of Narratives and Disinformation Around the Covid-19 Pandemic', 1 April 2020, accessed at <https://euvsdisinfo.eu/eeas-special-report-update-short-assessment-of-narratives-and-disinformation-around-the-covid-19-pandemic/> on 6 April 2020.



Strategy (EUGS).¹⁰ The result has been that the EU has launched many new defence cooperation initiatives, particularly in the area of defence-industry cooperation, over the past years. These include a revised Capability Development Plan, Permanent Structured Cooperation, the Coordinated Annual Review on Defence and the EDF.

However, COVID-19 is likely to slow down the development of EU defence cooperation for the same reason that European defence budgets are likely to shrink in the coming years. As the member states find themselves preoccupied with dealing with the socio-economic consequences of COVID-19, there will be little appetite or desire at the highest levels of government to discuss additional EU defence initiatives—particularly if those initiatives do not directly support the recovery process. EU defence cooperation has undergone noticeable slowdown periods in the past too. For instance, the Lisbon Treaty entered into force in 2009, at a time when European countries were dealing with the fallout from the global economic crisis and the eurozone debt crisis. This resulted in the European Council not holding its first discussion on security and defence issues until December 2013—four years later.

However, the development of EU defence cooperation must not grind to a complete halt. The pandemic should encourage the Union to rationalise and fine tune the various existing structures that it has created since the development of CSDP began in the late 1990s. Many of the structures and initiatives that have emerged over the past years have proven their effectiveness and worth in action. However, there are also some that have failed to deliver on their promises, most notably the EU's battlegroups, which have never been used since the first was put on standby in 2005. Such initiatives should either be reformed appropriately to increase their usability or scrapped entirely—the EU cannot afford to sustain broken, unusable instruments in its toolbox, especially after COVID-19.

One area where new proposals should be considered is the providing of support based on solidarity. To improve this in the early stages of possible future viral outbreaks, the member states should create a new European Medical Response Force (EMRF). The Lisbon Treaty does not give the EU any powers in the area of health policy, and it also mandates that any operational CSDP activities should take place outside the EU's borders. However, a group of willing member states could create an EMRF outside the EU framework,

¹⁰ EU, *Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union’s Foreign and Security Policy* (June 2016), accessed at https://eeas.europa.eu/sites/eeas/files/eugs_review_web_0.pdf on 2 April 2020.



much like the multinational European Corps, without a treaty change. The purpose of the EMRF would be to respond to viral outbreaks and other medical emergencies with cross-border implications for Europe. It could, for example, provide medical support to national authorities, set up emergency field hospitals, provide emergency medical evacuation services and so on. The EMRF should be a standing structure that could be dispatched at short notice. It could be developed in the framework of Permanent Structured Cooperation, which already features two projects focused on improving the EU's military medical capabilities.¹¹

In addition, the COVID-19 pandemic underscores the necessity of revising the 2016 EUGS. Germany has already called for a new 'strategic compass' to guide the implementation of the security and defence aspects of the EUGS.¹² However, given that the pandemic will transform global political and strategic realities, a set of new implementation guidelines for the existing EUGS will not suffice. The EUGS was written in a completely different time period: the EU's economic outlook was beginning to look positive again, the UK had not yet voted to leave and Hillary Clinton was the favourite to win the 2016 US presidential elections. Once the dust from COVID-19 eventually settles, the world will look even more drastically different from the world of 2016 than it already did. When that time comes, the European Council should task the High Representative with launching a thorough and complete review of the international environment to make sense of the new strategic reality. Nothing less will suffice.

The balance of power

It is too early to say anything with much certainty about how COVID-19 will affect the international balance of power. Much will depend on how effective the great powers are in dealing with the pandemic in the coming weeks and months, and how quickly they recover from its economic fallout. This is why the desire of leaders such as US President Trump and Chinese President Xi Jinping to reopen their respective countries for business as

¹¹ These are the Polish-led Special Operations Forces Medical Training Centre project launched in November 2019, and the German-led European Medical Command project launched in March 2018.

¹² U. E. Franke, 'Two People Separated by a Common Idea: Why Macron and AKK Agree', *Note from Berlin*, European Council on Foreign Relations, 12 November 2019, accessed at https://www.ecfr.eu/article/commentary_two_people_separated_by_a_common_idea_why_macron_and_akk_agree on 2 April 2020.



soon as possible also has a geopolitical dimension: countries that recover more quickly than others can gain power relative to those that take longer to recover. This also happened following the 2008 global financial crisis. China recovered from the crisis more quickly than the US and especially Europe, which enabled Beijing to narrow the power gap between itself and Washington unprecedentedly quickly.

The EU's recovery from COVID-19 is likely to be the slowest of all the major international centres of power. The reasons for this are twofold. First, as unitary actors, the US and China in particular are able to mobilise resources to protect their economies significantly more effectively than Europe is. The US has already signed into law a historic \$2 trillion stimulus package to prop up the American economy.¹³ China is expected to follow suit, although Beijing's COVID-19 stimulus measures have so far been cautious and modest.¹⁴ Second, COVID-19 is likely to destabilise the eurozone, as already heavily indebted countries such as Italy and Greece will need to borrow even more to fight the socio-economic problems caused by the pandemic. The EU's budget discipline guidelines will therefore be thrown out of the window for the coming years. Eventually, this is likely to lead to balance of payment problems, which the EU will then have to address with politically toxic bailout packages if the eurozone is to survive. The likelihood that the EU will have to deal with prolonged eurozone instability so soon after the 2010–12 sovereign debt crisis will further decrease the Union's power relative to other actors.

COVID-19 may also weaken the unity of the EU as an international actor. The Union was unprepared for the pandemic, even though working 'for more effective prevention, detection and responses to global pandemics' was highlighted as a priority in documents such as the 2016 EUGS.¹⁵ As a result, the Union's initial response to COVID-19 left much to be desired: borders between the member states were closed in an uncoordinated way, the solidarity that was provided to the hardest-hit countries was insufficient and the EU as an actor seemed absent. Although the EU has only limited powers in the area of health policy, many people, especially in Italy, were left feeling that they had been left on their own. Since then, however, the EU

¹³ L. Fedor, 'Donald Trump Signs \$2tn Coronavirus Stimulus into Law', *Financial Times*, 25 March 2020, accessed at <https://www.ft.com/content/2c70c1d5-b14e-4584-bd32-bb674dde3d9a> on 2 April 2020.

¹⁴ Bloomberg, 'Traders Get Reality Check with China's Cautious Stimulus Measures', 1 April 2020, accessed at <https://www.bloomberg.com/news/articles/2020-04-01/no-shock-and-little-awe-china-s-stimulus-underwhelms-traders> on 6 April 2020.

¹⁵ EU, *Shared Vision, Common Action*, 43.



has significantly stepped up its response to COVID-19.¹⁶ Yet, disinformation campaigns are seeking to perpetuate the narrative that the EU has failed to deal with the pandemic and that European countries will not show solidarity towards each other.¹⁷ Russia and China have also provided a number of European countries with generous-looking aid and assistance to make the point that they can be relied upon to handle the COVID-19 crisis, whereas the EU cannot. This has led Josep Borrell, the EU's foreign policy chief, to warn Europeans against the 'politics of generosity' that some countries have begun to practice to increase their influence in Europe.¹⁸ The challenge the EU is facing is that, although the Union as a whole has stepped up its efforts to fight COVID-19, the Russian and Chinese efforts have been extremely visible, much more so than the EU's own efforts. As a result, Italians especially continue to feel that the EU is not helping them.¹⁹ If such attitudes persist, forging common EU positions on major international challenges will become even more challenging than it is already. EU foreign policy is, after all, based on solidarity.

Conclusion

COVID-19 is likely to transform global economic and political realities. Its most immediate consequences will be socio-economic in character as a large number of people will lose their jobs and businesses will close due to the various quarantine and lockdown measures adopted. To deal with these consequences, national governments will have to adopt large stimulus packages, adjust their budgets and increase their national debt. However, the pandemic will also impact other policy areas, including the EU's security and defence policy.

The unprecedented dynamism that has characterised the development of this policy area since 2016 is likely to vanish. The member states are

¹⁶ See, for example, European Commission, 'Coronavirus: European Solidarity in Action', 2 April 2020, accessed at https://ec.europa.eu/commission/presscorner/api/files/attachment/863781/Covid19_factsheet_EuropeanSolidarity_0304_en.pdf.pdf on 6 April 2020.

¹⁷ EUvsDISINFO, 'EEAS Special Report Update'.

¹⁸ EEAS, 'EU HRVP Josep Borrell: The Coronavirus Pandemic and the New World It Is Creating', Statement by the HR/VP, 200324_4 (24 March 2020), accessed at https://eeas.europa.eu/delegations/china/76401/eu-hrvp-josep-borrell-coronavirus-pandemic-and-new-world-it-creating_en on 6 April 2020.

¹⁹ A. Dickson, 'People in Spain, Italy and France Overwhelmingly Back Lockdowns: Poll', *Politico*, 25 March 2020, accessed at <https://www.politico.eu/article/coronavirus-lockdown-spain-italy-france-public-backing/> on 7 March 2020.



unlikely to have any interest in additional EU defence initiatives unless they directly support their recovery from the fallout of the pandemic. The level of ambition of many existing or previously planned initiatives is likely to be reduced as the member states will redirect most of their available resources to dealing with the pandemic's immediate consequences at the national level. The initiatives in most immediate danger at the EU level are the EDF, the EPF and military mobility, as their funding levels have not yet been agreed. Even before the pandemic, there was no consensus among the member states on the utility and value of these initiatives, as evidenced by the fact that during the February 2020 European Council meeting on the 2021–7 MFF, the proposed budget for military mobility was dropped to zero in one technical compromise proposal. The EU will therefore have to fulfil its previously laid out ambitions in the area of security and defence with fewer resources than many had hoped, or will have to downscale the ambition of those initiatives.

However, the EU must not completely abandon its pre-COVID-19 security and defence agenda. Although the Union and its member states now need to focus on addressing the pandemic's immediate socio-economic consequences, they should not lose sight of the fact that Europe will continue to face other challenges both during and after the pandemic. These include ongoing conflicts in the EU's southern and eastern neighbourhoods, uncontrolled population movements, cyber-attacks and disinformation campaigns—some of which we have continued to experience during the pandemic. These and other challenges will continue to require the EU's attention after COVID-19, which is why the Union needs to ensure that it has the capabilities and readiness to address them once the dust has settled. It is likely that the EU will experience another unexpected 'black swan' event in the coming years, which, like COVID-19 or Russia's annexation of Crimea in 2014, will force the Union to revise its policy agenda. In times of global turmoil, strategic flexibility and the ability to adapt will be crucial for national governments, but also for the EU as a whole.



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