

New cycle of 'FOOD FOR THOUGHT' Seminars
'Europe: exploring future challenges for better decisions today'
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A4
**'Geopolitical consequences of Brexit:
Security and Defence, External relations and the EU's place in the world'**

Chair

Paulo RANGEL MEP, Vice-Chairman of the EPP Group in the European Parliament responsible for the European Ideas Network and Future of Europe

Guest Speaker

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Moderator

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- *BREXIT* will definitely have a significant impact in terms of European security and defence, not only in terms of military and security in general, but also in the field of defence economics. *BREXIT* will mean a decrease in European population, defence budget, and defence personnel.
- Recent data on defence expenditures shows that European members of NATO are spending an average of 1,45% of GDP. However, while some of the poorest countries of the Union (e.g. Romania), spend more than 2%, some of the richest (e.g. Luxembourg) spend less than 1%. This shows that this is not only a budgetary matter.
- There are two sovereignty parcels that are very difficult for countries to abandon: currency and defence. Most Member States already gave up on the first. Now, they should do the same on defence sovereignty.
- The goal of 2% GDP expenditure is a quantitative proof of our willingness to do more, a proof of compromise. However, acting together as an European Defence and Security Union would enable us to reach a qualitative military effort while allocating only approximately 1,5% GDP for defence and security purposes. Moreover, important to consider a broad understanding of military expenditure, having in mind the fact that along with its budget, the European Union spend two times more money on non-military foreign aid in than the US.
- *BREXIT* does not only bring challenges, but also opportunities, as the UK was often in opposition with the other European countries, vetoing common efforts in this area, and favouring NATO and USA. This last 10 months have shown that without UK there has been better cooperation in procurement and research issues.
- UK needs to cooperate with the EU as they share the same security interests within Europe, since they cannot defend themselves alone without the European Union. As a member of NATO, they also have the same obligations as other member countries. Therefore, security and defence shall not be a reason of advantage for the UK during the upcoming negotiations.
- Nowadays, we cannot say that we have an European Defence Technological and Industrial Base (EDTIB), but an addition of national ones. This fragmented DTIB reality means: too large defence products manufacturers, with the majority of the production concentrated in six countries (France, Germany, Italy, Spain, Sweden and UK). It is important to give the opportunity to other countries that want to have a place in the logistical chains of supply. There is also an overcapacity, causing diseconomies of scale, because the production series are far too short to be able to compete with the US. Efficiency and effectiveness are the keywords.
- If we had genuine EDTIB, we would be able to be far more efficient, decreasing the gap between the US and Europe on this matter. However, there is a problem of national protectionism we need to address.
- Five scenarios presented by Junker's White paper on the Future of Europe and defence: we should try to go further in the third scenario, having Europe with different efforts with a core of countries that are willing to do more in security issues.
- European countries should harmonize requirements and replacement calendars of military equipment and promote joint acquisition of equipment, which would maybe enable us to partially pool parts of the acquisition budgets with willing partners.
- Economic means allocated to defence are very important, but the most important is the political will and commitment to make hard decisions in order to strengthen our defence and security landscape. A strong and integrated defence system in Europe will also strengthen NATO.