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**REPORT FOR THE PRESIDENT OF THE
FRENCH REPUBLIC ON THE
CONSEQUENCES OF FRANCE'S
RETURN TO NATO'S INTEGRATED
MILITARY COMMAND,
ON THE FUTURE OF TRANSATLANTIC
RELATIONS, AND THE OUTLOOK FOR
THE EUROPE OF DEFENCE**

14 novembre 2012

Mr Hubert Védrine would like to thank Mr Marc Abensour, former Deputy Permanent Representative of France on the North Atlantic Council and Navy Captain Yannick Rest of the Ministry of Defence Delegation for Strategic Affairs, for the precious assistance they provided for the preparation and drafting of this report. The positions and proposals therein commit only the author.

I. EVALUATION

1. HISTORY OF RELATIONS BETWEEN FRANCE AND NATO

- A. The Atlantic Alliance was created in Washington on 4 April 1949, with the signature of the “North Atlantic Treaty”. The signature came after the Truman administration managed to persuade the American Senate, which was reluctant to make a binding commitment unlike any other in the history of the United States. This commitment was the one contained in Article 5 of the Treaty:

“The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.”

In the post-war period, France had worked to bind the United States to Western Europe in a permanent alliance, so as to avoid a repeat of the experience in the nineteen-twenties, to protect Western Europe from the Soviet threat and, without actually saying so, deal with the German question. Naturally, France was one of the twelve founding members of the Alliance, as well as one of the most active.

The Treaty Organisation per se, which is the “O” in NATO, was not set up until two years later, in April 1951, in response to the traumatic surprise Chinese and Soviet attack on Korea in June 1950. The purpose was to organise the Allies’ military forces in Western Europe in peacetime so that they could respond promptly to any Soviet attack, as if they were already in wartime. This gave rise to integration and Pentagon control of planning and the chain of command. The United States imposed these changes without encountering any protest and the Supreme Allied Commander Europe (SACEUR) has always been an American. General Eisenhower served briefly as the first SACEUR, before being elected President of the United States in 1952. The Supreme Headquarters of the Allied Powers in Europe (SHAPE) was set up at Rocquencourt. After the French Parliament’s vote on 30 August 1954 rejected the European Defence Community (EDC), which was an unsuccessful European and American ploy to get French politicians to accept German rearmament, West Germany was admitted to NATO in May 1955. The members at the time, in addition to the United States, were Belgium, Canada, Denmark, France, Italy, Iceland, Luxembourg, Norway, the Netherlands, Portugal, the United Kingdom, Greece and Turkey (since 1952), and now Germany.

- B. General de Gaulle’s decision to leave the integrated military command.

On 17 September 1958, General de Gaulle, who was France’s President of the Council (Prime Minister) at the time, sent a Memorandum to President Eisenhower and Prime Minister Macmillan calling for a tripartite directorate of the Alliance, made up of the United States, the United Kingdom and France, and a global, rather than an Atlantic, vision of their security. Despite three-party discussions lasting for three years after this move, neither J. F. Kennedy, who had actually spoken of a “European pillar” of the

Alliance, much less L. B. Johnson, did anything to change the decision-making procedures and subordination links in the Alliance. The Commander in Chief of the NATO forces was even prohibited from revealing to national authorities, including the French President, which bases in their own countries housed the Alliance's nuclear weapons.

Furthermore, General de Gaulle wanted France to have a strictly *deterrent* nuclear strategy. Therefore, he was opposed to the "flexible response" strategy sought by Secretary of Defence Mac Namara, who was later able to impose this strategy on the Alliance in place of the "Dulles" doctrine of massive retaliation. This change protected the United States at the risk of a limited nuclear war in Europe, before triggering America's strategic deterrence. General de Gaulle was also concerned about potential escalation in Vietnam, leading him to give the warning contained in his famous speech at Phnom-Penh on 1 September 1966. Finally, after eight years of vain efforts and a few decisions with limited impact (withdrawal of France's Mediterranean and Atlantic fleets from the Integrated Military Command in 1959 and 1962), General de Gaulle sent a handwritten letter to President Johnson on 7 March 1966 to announce that, "France is determined to regain on her whole territory the full exercise of her sovereignty", "to cease her participation in the integrated commands", and "no longer to place her forces at the disposal of NATO". The opposition, on the left and in the centre at the time, strongly attacked this decision. However, France was still a member of the Alliance and "ready to reach an agreement with her Allies as to the military facilities to be accorded mutually in the event of a conflict". The NATO headquarters were transferred from Rocquencourt, near Versailles, to Evere, near Brussels.

- C. This decision was never reconsidered by Presidents Pompidou, Giscard d'Estaing or even Mitterrand. Over time, a degree of consensus took root in France about the political and diplomatic advantages that France gained from this original situation and backed up by some practical arrangements. After 1990, when the USSR was falling apart, President Mitterrand agreed to have France take part in four-party discussions within NATO on the future of the Organisation and French participation, on a case-by-case basis, in certain integrated military bodies (e.g. the Military Committee for peace-keeping operations in Bosnia).

At the end of 1991, the American President G. H. Bush and his Secretary of State, James Baker, easily managed to maintain NATO after the disappearance of the Soviet threats that gave rise to its inception. They did so because all of the Allies, and the countries of Central and Eastern Europe, which had recently been liberated from the Soviet yoke and were applying for NATO membership, asked them to do so.

In 1993, when President Mitterrand had to cohabit with a right-wing Prime Minister (Edouard Balladur) for the second time, the head of the French military delegation in Evere was allowed to sit on the Military Committee to monitor the crisis in Yugoslavia. In January 1994, at the NATO Summit, France backed the American initiative for a "Partnership for Peace" with the countries of the former Soviet Union and agreed to the principle of enlarging NATO proposed by the United States. In 1994, France's Defence White Paper called for the French Minister of Defence to sit on the Atlantic Council and for the Chief of Staff to sit on the Military Committee. In May 1995, when Jacques Chirac was elected President, the first NATO exercise on French territory since 1965 was held.

In December 1995, following the Allied intervention in Bosnia, President Chirac decided to resume full integration in NATO. The Minister of Foreign Affairs stated: "France is prepared to play its full part in the process to renovate NATO." He announced that France's Minister of Defence would sit on the Council, that France would sit on the Military Committee, take part in the NATO Defence College and improve its working relationship with SHAPE. However, this attempt to return to the integrated command failed for

two reasons: the failed implementation of a dual chain of command system within NATO, which would theoretically have allowed the deputy to SACEUR to activate the European chain of command if the United States decided not to take action, and the American refusal to grant France the NATO Southern Command in Naples, which is the base of the American Sixth Fleet.

- D. When he was elected President of the French Republic in May 2007, Nicolas Sarkozy was determined to make a break with the “de Gaulle-Mitterrand” legacy, and more especially, the Chirac legacy, with regard to foreign and defence policy, even though Jacques Chirac did try to return France to NATO's integrated military command.

The newly-elected President argued that, since France is one of the leading contributors, she should have a real say in planning and carrying out operations, and, furthermore, by returning to the integrated military command, France would mitigate her Allies' mistrust concerning its Europe of Defence initiatives. But this decision is also explicitly in line with a determination to achieve rapprochement with the administration of President G. W. Bush, following Jacques Chirac's justifiable opposition to the American war in Iraq in 2003 and to see France become a member of the “western family” once again. Nicolas Sarkozy reaffirmed his intentions when speaking to the United States Congress on 7 November 2007: *“the more successful we are in establishing a European defense, the more France will be resolved to resume its full role in NATO. I would like France, a founding member of our Alliance and already one of its largest contributors, to assume its full role in the effort to renew NATO's instruments and means of action and, in this context, that it should allow its relations with the Alliance to evolve, just as European defense should grow and evolve.”*

On 17 June 2008, he went further: “Today, the White Paper Commission (...) found that there is nothing to stop us from participating in NATO military structures, since, to my mind, there can be no progress on France's integration into NATO unless there is *first* progress on the Europe of Defence.”

- E. On 19 March 2009, he sent a letter to the Heads of State and Government of the Atlantic Alliance to confirm his intentions. France's return to the integrated military command was announced at the NATO Summit in Strasbourg/Kehl on 3 and 4 April 2009.

President Sarkozy let it be known that he did not ask for anything in return, since, in his view, the return was in France's best interest, did not undermine her sovereignty and was not a sacrifice requiring compensation. But he asked that France return to its “rightful place” – one of the top places – in NATO. The “new prospects” for the Europe of Defence that he was hoping for could be found more in military, industrial and technological capabilities, rather than in institutional capabilities. President Sarkozy also thought that France obtained some guarantees under Article 20 of the 2009 NATO Summit Declaration: *“NATO recognises the importance of a stronger and more capable European defence, and welcomes the EU's efforts to strengthen its capabilities and its capacity to address common security challenges that both NATO and the EU face today.”*

The French White Paper “on defence and national security” released in June 2008 set three conditions for France's full participation in NATO structures: full freedom to assess France's contribution to NATO operations; continued nuclear independence (in 2009, France also rightly confirmed its decision not to join the Nuclear Planning Group (NPG) and this should not be changed); no French forces to be placed under the permanent command of NATO in peacetime.

This decision was what the military wished for and it was approved by the majority of the time, but it was criticised by the opposition of the time (left and greens), as well as some members of the UMP¹ government's majority, who were sceptical about the expected benefits of such a move.

2. EVALUATING THE CONSEQUENCES OF THE RETURN

There is not much history to look at: five years after the decision to return was made and only three years after it was implemented, we can make only a provisional evaluation. This evaluation should consider France's influence within NATO (positions filled, operations, strategy and industrial interests), the impact on Europe and on France's diplomatic image.

A. FRANCE'S INFLUENCE WITHIN NATO

a) The easiest indicator to analyse is the *positions* filled by French citizens: NATO has *two* "supreme" commands reporting to the Secretary General: the new Allied Command Transformation in Norfolk, USA, which was set up in 2003, and the Allied Command Operations, occupied by an American and located at SHAPE in Mons, Belgium, which is decisive in military terms. In 2009, France was granted the position of Supreme Allied Commander Transformation (SACT). This command is responsible for developing the Alliance's concepts and doctrines, training its forces and preparing its military capabilities. In this capacity, it is responsible for promoting and implementing Smart Defence (see below).

The first non-American general officer to be appointed to this position, the French General Abrial, served as the SACT from 2009 to 2012, when he was replaced by General Palomeros. One hundred and thirty French soldiers will ultimately be assigned to SACT. This command has enabled France to participate in discussions about the future of the Alliance, and in the definition of the new strategic concept of 2010.

Following the return to the integrated military structures of the Alliance, the number of French troops in NATO has gone from a total of 242 to a "target" of 925, but this is a smaller figure than the initially planned 1,250. The reduction is a result of the reform and rationalisation process at NATO.

b) Influence over NATO reform

France has played a driving role since 2009 in setting priorities, recasting procedures, reducing the number of agencies from 14 to 3 (with expected savings of 20%), streamlining the command structure (cutting personnel by 35% in 2013) reducing staff divisions from 11 to 7, thus achieving savings, and preparing for the move into the new headquarters in 2016.

c) Influence over strategy

At the November 2010 Lisbon Summit, France obtained a reaffirmation that the Alliance's strategy is still based on the nuclear deterrent, despite Germany's demands and thanks to American arbitration. The Strategic Concept adopted at the Summit states that, "As long as nuclear weapons exist, NATO will remain a nuclear alliance." At the Lisbon Summit, France also agreed that NATO should develop a

¹ *Union pour un mouvement populaire* (UMP), a French political party.

ballistic missile defence capability to protect territory and populations by extending the scope of the Active Layered Theatre Ballistic Missile Defence (ALTBMD) programme.

At the Chicago Summit in April 2012, the Heads of State and Government decided to implement an "interim" ballistic missile defence capability. This capability is called "interim" because it relies primarily on American resources, meaning AEGIS BMD ships as part of Phase 1 of the European Phased Adaptive Approach (EPAA), which is the American contribution to the Alliance's system. The Allies, including France, approved the political and operational principles for implementation of this capability, where only the command and control (C2) system now being developed by NATO will be financed through common funding.

France plans to acquire a detection and early warning capability that is interoperable with her Allies' resources. The national radar and satellite early warning system is intended to track ballistic missiles, determine the launch location and facilitate warnings to populations.

President Hollande, speaking at the NATO Summit in Chicago, outlined the principles that France upholds with regard to ballistic missile defence: the complementary nature, rather than the substitutability, of missile defence and nuclear deterrence; adapting the system to the threat; political control by the Allies; cost control; the need to preserve the European Defence Technological and Industrial Base (EDTIB); and, finally, cooperation with Russia.

In the end, all of the Allies at the Chicago Summit in April 2012 validated the notion that missile defence is a complement to deterrence and not an alternative. The Summit Declaration (paragraph 59) explained that, "Missile defence can complement the role of nuclear weapons in deterrence; it cannot substitute for them. This capability is purely defensive."

However, this leaves the following questions unanswered:

- How far can missile defence be developed and still be a complement to deterrence, and when does it start undermining the credibility of deterrence?
- Given the massive investments of the American industry of nearly 10 billion dollars per year over the last ten years, what share of the elements for this nascent defence system will be manufactured by European industry?
- Can Europeans have a uniform position on strategy and on their industrial interests?
- This system is now being presented as a defence against a ballistic missile threat from Iran; what will justify such a system if this risk is brought under control?
- Paragraph 62 of the Chicago Summit Declaration states: "NATO missile defence is not directed against Russia and will not undermine Russia's strategic deterrence capabilities." Is this believable? The Russians are not convinced. They say, perhaps sincerely or perhaps to gain a bargaining chip, that completion of this programme (Phases 3 and 4 of the EPAA) would disrupt the strategic balance. Whether or not you approve of it, this policy hinders the Alliance's Russian policy, and that of each of the Allies. France's policy towards Russia, like that of other countries, must not stem from any inevitable escalation; it must be defined on its own terms.

Even though she has re-joined NATO, France has barely managed to maintain nuclear deterrence on paper, without influencing, slowing or changing a major project that the American military-industrial

complex has pushed since the Reagan years, which has now been partially installed in Japan, Israel and in the Gulf and has the potential to create strategic disruption.

d) Influence over operations

In Afghanistan, France did not influence NATO's strategy, which was actually the United States' strategy. But she was able to set its own timetable for withdrawing its troops, first under Nicolas Sarkozy and then under François Hollande. The case of Libya will be discussed below.

B. ECONOMIC AND FISCAL CONSEQUENCES

Acting at the request of the Finance Commission (a. 58-2), Court of Audit found that the full cost of France's participation in NATO came to 325.86 million euros in 2011, whereas it would have been only 264.86 million euros without the decision to re-join the integrated military command in 2009. The total cost of France's participation in NATO has increased a great deal since 2007, especially as a result of operations in Afghanistan. The added cost of re-joining the integrated military command per se was 61 million euros in 2011, instead of the 79 million euros budgeted. The savings resulted from the reform of NATO. However, the assessment only goes back to 2009, and the effects first made themselves felt from 2006 on, with the added expenditures related to operations in Afghanistan.

However, the Court of Audit cautioned that the final extra cost of full participation in the NATO Security Investment Program (NSIP), which is increasing gradually and currently estimated at 75 million euros per year, can only be fully assessed from 2020 on.

Barring any new major external operations, the natural development of NATO should produce some modest savings on operating costs.

France is in a good position to garner the industrial benefits, but this is not directly related to re-joining the integrated military command.

The projects that are financed through common funding under the NATO Security Investment Program offer the potential of access to a significant market, where expenditures reach some 700 million euros per year. Our former selective involvement meant that French companies were unable to take part in some projects. An analysis of the period from 2000 to 2009 shows that France, based on her quota of some 11%, took part in approximately 60% of the projects worth 4.2 million euros.

The most important programmes for French industry are the Air Command and Control System (ACCS) and the theatre missile defence system (lower layer), worth a total of 1.6 billion euros. This capability is being developed by TRS (THALES Raytheon Systems, a 50-50 joint venture owned by the French and American companies). Since re-joining the integrated military command (2010 to 2014), 14 "capability packages" have been approved, worth a total of 0.7 billion euros.

In brief, France's return to the integrated military command of the Alliance in 2009 enhanced market opportunities for French industry, but has not yet led to a marked increase in the contracts won.

Furthermore, in addition to the "capability packages", the countries in the Alliance are currently using the NSIP to finance some 200 million euros per year in urgent operating needs, which represent potential contracts. Even though it may not be directly related to the decision made in 2009, it should be noted that the initial contract won by THALES in 2006 for the communications and information systems for the International Security Assistance Force (ISAF) in Afghanistan, has been renewed and amended several times since then.

C. DIPLOMATIC EFFECTS

Whether they said so or not, for many countries in the world, starting with the BRICS, as well as other emerging countries, Arab countries and African countries, France's non-participation in NATO's integrated military command symbolised the fact that France was an *ally* of the United States, but was not *aligned* with it, as the saying goes. This held out the promise of a potentially independent French line in foreign policy with regard to that of the United States. So is France aligned or not? In the eyes of the non-Western world, the question is still up in the air. There are early signs of the persistence of a capacity for independent thinking, but the answer will depend on future events.

D. EFFECTS FOR THE EUROPE OF DEFENCE

Has France's return given the Europe of Defence a new lease on life?

Except for an acknowledgement of the principle in the NATO Summit declarations, there was no progress either before or during France's return. There are several reasons why the Europe of Defence has stalled. France's lack of action since 2009, which has enabled the Commission and the technostucture in Brussels, amongst others, to claim that, now that France is back in NATO, she has lost interest in the Europe of Defence, whereas she had been its sole advocate. But there are other reasons: a clear lack of any desire of the Member States to take on new responsibilities, meaning risks, related to defence; and budget cuts precipitated by the "crisis". In 2012, only three European countries had defence budgets that were greater than 2% of GDP, four stood at 1.8% to 2%, thirteen others had defence budgets that were between 1% and 1.5% of GDP, and five were less than 1%. The overall trend is still declining.

On the other hand, it could be argued that France's return has improved the climate for bilateral and multilateral cooperation with other Europeans: the Lancaster House Treaty between France and the United Kingdom, which was signed on 2 November 2010, would have been almost inconceivable without France's return, according to the British. But, it is a bilateral treaty and, for the moment, it is the only one of its kind.

3. CONCLUSION OF PART I, (EVALUATION)

The consequences of France's return are mixed therefore and difficult to assess this close to the events. Admittedly, a pragmatic rapprochement process had been started far in advance, but without compromising what had become a political symbol. President Sarkozy seems to have made his decision for empirical reasons, which were always being stressed by the military, as well as for ideological reasons, stemming from his conception of the "Western family". After three years, the effects cannot be assessed with certainty: greater presence; real or weak influence, depending on the topic; smaller than expected extra cost; economic and industrial opportunities that may or may not be linked to France's return, as well as many risks; difficult and recurring questions about the Alliance's strategy, role and operating procedures.

In any case, a new situation has been created. Strategic and global contexts and conditions in America and Europe are nothing like they were in the period from 1958 to 1966. The world is no longer facing the Soviet threat. Instead it is dealing with more diffuse threats, that are mostly non-military threats or threats that do not concern the Atlantic area specifically. In a multipolar competition, the United States is

still in first place, but it is not abusing its superiority. President Obama is not President Johnson. With its 28 members and 40 external partners, the Alliance is not at all like it was in the nineteen-fifties.

France's (re)exit from the integrated military command is not an option. Nobody would understand it in the United States or in Europe and it would not give France any new leverage, quite the contrary in fact. It would ruin any possibility France has for action or influence with any other European partner in any area whatsoever. Furthermore, from 1966 to 2008, or in more than 40 years, not a single European country took up France's autonomous line.

In 2012, it is pointless to ask the simplistic, black-and-white questions of whether we should be for or against NATO or for or against the Europe of Defence, and pointless to draw lines between the various bodies. The real question is how France can best defend her fundamental security and defence interests today and tomorrow, along with her independence, autonomous decision-making. Consequently, in addition to reducing her debt and maintaining her economic competitiveness, France must take charge of her own destiny, *both* in the Alliance and in the European Union, working with some of her European partners on a case-by-case basis. Ultimately, it must do so at the national level as well, since these actions are merely different facets of the same policy applied in different forums. This redefined ambition must be based on a realistic assessment of the current state of play.

II. ALLIANCE, NATO AND THE EUROPE OF DEFENCE: STATE OF PLAY IN 2012

1. A DYNAMIC AND ACTIVE ALLIANCE

A. STATE OF THE ALLIANCE

Twenty years after the USSR disappeared, the Alliance and NATO have not disappeared, quite the contrary.

In 2012, 63 years after it was created, the Alliance now has 28 member countries, with a combined population of 910 million. Following the twelve founding members² in 1949, Greece and Turkey joined in 1952, West Germany in 1955, Spain in 1982. Then, a massive expansion of NATO took place after the disappearance of the USSR with the arrival of the Czech Republic, Hungary and Poland in 1999, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in 2004, and Albania and Croatia in 2009. On the other hand, the Administration of President George W. Bush had to drop its plan to bring Ukraine into the Alliance. It should be noted that Austria, Cyprus, Finland, Ireland, Malta and Sweden are members of the European Union, but not NATO. Except for Cyprus, these countries are partners with NATO in the Partnership for Peace that NATO developed. Some of them are quite active, such as Sweden and Finland, which contribute to the ISAF in Afghanistan, and Austria, which contributes to the KFOR (Kosovo Force). Since 1992, NATO has entered into nearly 40 external partnerships with countries from the former USSR, the Gulf and the Mediterranean.

² Belgium, Canada, Denmark, France, Italy, Iceland, Luxembourg, Netherlands, Norway, Portugal, the United Kingdom and the United States

In 2011, its total common-funded budget, excluding operations and missions, stood at 2,419 million euros, with 1,334 million for the military budget, 875 million for the NATO Security Investment Programme, and 209 million for the civil budget. The top five contributors are the United States (22.2% or 582 million euros), Germany (around 14.9% or 416 million euros), the United Kingdom (reduced to 11.2% approximately, or 249.1 million euros), France (reduced to approximately 11.2%, or 247.3 million euros), and Italy (around 8%, or 208.1 million euros).

With the exception of two naval groups (Standing NATO Maritime Group and Standing NATO Mine Countermeasures Group) where the countries supply the ships, 17 AWACS aircraft (NATO Airborne Early Warning and Control Force), and, eventually, the AGS (Allied Ground Surveillance, with 5 Global Hawks drones), NATO does not have its own troops at its command on a permanent basis. The units that take part in NATO missions are deployed voluntarily by the countries for limited time and a specific mission. The countries contributing to the Alliance's operations retain the right to oversee the use of the forces that they place under the orders of the SACEUR.

As for *intervention*, in the last twenty years, NATO was not called upon to intervene in Kuwait in 1991 or in Iraq in 2003, when an ad hoc coalition was formed. On the other hand, NATO was used by the Western countries in the Contact Group in Kosovo in 1999, with the agreement of the other Allies and the other Europeans, despite a shaky legal basis, and in Bosnia. After the attacks on 11 September 2001, an operation under the terms of Article 5 was launched for the first time in NATO's history. Operation "Active Endeavour" was implemented to protect civil shipping in the Mediterranean from terrorist threats. NATO was called on to contribute in Afghanistan, as part of the ISAF mandated by the Security Council in December 2001, and again in Libya in 2011. There was also the NATO Training Mission Iraq from 2004 to 2011 and Operation "Ocean Shield" launched in 2009 to fight piracy in the Indian Ocean.

NATO's strategy

At its 22nd Summit in Lisbon in November 2010, NATO adopted a "Strategic Concept" produced by a working group chaired by Madeleine Albright and presented as "the most important since 1949". It is organised around "three core tasks": collective defence of Member States under the terms of Article 5; crisis management, to address "the full spectrum of crises"; and cooperative security (partnerships, arms control, disarmament and non-proliferation) through the development of external partnerships.

At the urging of the United States, NATO adopted a ballistic missile defence system to protect territory and populations as a *complement* to the nuclear deterrent. This is a major issue and could cause a controversy in the future. The Summit declared its good intentions, stating that, "the European Union is a unique and essential partner for NATO", and acknowledging, "the importance of a stronger and capable Europe of Defence", thus reaffirming its 2009 position. The Summit decided on sweeping reform and renovation of the organisation. It also started preparations for the transition in Afghanistan and expressed its desire to improve relations between NATO and Russia, even though these relations were strained by missile defence project.

The current discussion of a "comprehensive" Alliance, meaning an Alliance that is political, and even civil, as well as military, to address the various new threats, is more actively promoted by the NATO Secretary General,

Anders Fogh Rasmussen,³ and his staff in Brussels, than by Washington, even though the United States (and the United Kingdom) would like to see wider use of Article 4: *“The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.”*

The arguments invoked for the launch of Smart Defence by NATO at the Chicago Summit in May 2012 included budget cuts and growing American reluctance to make up for European lack of capabilities in the name of "burden sharing". Smart Defence means making better use of limited resources by rationalising use through multinational capability cooperation initiatives between Allies tailored to each task so that the Alliance can maintain its military strength. Of the 150 Smart Defence projects listed in order of maturity, 24 have been launched since the Chicago Summit. France has participated in 14 of these projects. French industry has identified 27 of the 150 Smart Defence projects where it would like to see a greater involvement for France because of the economic implications. Some of the projects could set standards for the future and become a vector for American equipment to break into the European market.

Multinational capability solutions may produce savings, improve operational effectiveness and enhance interoperability, but this approach could also reinforce the centralising power of NATO and may require more integration, such as common funding and making capabilities available to NATO.

The other two initial aspects of Smart Defence are specialisation and prioritisation. They have not had any practical consequences yet, precisely because they could jeopardise the sovereignty of the member countries.

Some European and French leaders stress that the Smart Defence initiative is a response to the comparable European "Pooling and Sharing" initiative launched by the European Union a few weeks earlier and implemented by the European Defence Agency.

The division of projects between the European Union and NATO in strategic matters is now a prominent issue.

Discussions are also under way at NATO on greater use of "common funding for capability programmes".

³ In recent years the Secretaries General of NATO have been Spanish, with Javier Solana from December 1995 to October 1999; British, with Georges Robertson from October 1999 to December 2003; Dutch, with Jaap de Hoop Scheffer from January 2004 to August 2009; and Danish, with Anders Fogh Rasmussen, since August 2009.

B. EUROPEAN VISIONS OF THE ALLIANCE

The European Union's official conception of security per se is that of complementarity with the Alliance. In reality, Europeans are deeply attached to the Alliance, starting with the countries that France thinks of first, each time that she attempts to revive the Europe of Defence, namely the United Kingdom and Germany. For Poland and the Baltic countries, the obligations of the United States under Article 5 are still the only serious guarantee against any resurgence of the Russian threat. All of the Allies approved of or called for the enlargement of the Alliance and agreed to or urged the development of a ballistic missile defence. They agreed to external interventions (except for Germany in the case of Libya), but did not go so far as to respond favourably to the Americans' calls for better burden sharing and increased capabilities, since they were actually cutting their defence budgets. Just because they may also be "acting French" in calling for a fairer division of responsibilities, it does not mean that are really seeking one. It just means that domestic political, economic and social priorities are much more compelling and they hope that the United States will remain under an obligation to ensure the security of the European continent. They do not see any contradiction between maintaining their slavish or passive positions at NATO and paying lip service to developing a Europe of Defence, which is an abstract goal that they support as long as it does not entail any risk of redundancy with NATO's action. This attitude is consistent with the vision in which the European Union, which does not need to become a world power, will manage to set the pace or protect its interests on the strength of its soft power and its normative power.

C. AMERICAN VISION OF THE ALLIANCE'S FUTURE

First of all, the Americans are once again looking at the world in strategic terms, much more than they did during their triumphant years as a hyperpower in the nineteen-nineties.

Not one American leader or expert has ever questioned the Washington Treaty, yet. The commitment of the Allies, starting with the United States, to the 1949 Atlantic Alliance Treaty is reaffirmed at each Summit. Before the Chicago Summit, President Obama declared: "*With no other group of nations do we have such a close alignment of values, capabilities and goals. NATO is not simply the foundation of our trans-Atlantic relationships, it is the cornerstone of American engagement with the world.*"

The American government also denies that the repositioning of its forces to Asia, the "pivot to Asia", where one third of the US Navy ships will be concentrated as of 2020, as Hillary Clinton explained in her article entitled "*America's Pacific Century*", and that the withdrawal of two of the four combat brigades stationed in Europe (7,000 troops out of 81,000) signal the abandonment of Europe, which would be unthinkable anyway for the world's leading power, if it wants to maintain its global role. It cannot be denied that the European theatre is not a priority for the United States, that there is no direct military threat to Europe, nor any specific threat at this time, except the economic crisis, that capabilities in Europe are steadily diminishing, that there is little desire to take military risks, and that the Americans do not see their European partner as indispensable at the global level, even though it may be invaluable in certain theatres of action. However, NATO is still seen as helpful for enhancing American influence, since it is the only European organisation that has the United States as a member.

But what Americans really think was probably said best on 10 June 2011 by Robert Gates, George W. Bush's Secretary of Defence, who agreed to keep his post until 2011 under President Obama. Noting that Europeans' defence spending had declined by 15% since 11 September 2001; that only three

countries (the United States, France and the United Kingdom) had defence budgets (Greece's being insignificant) in 2011 that exceeded the 2% minimum that the Allies had committed to at the request of the United States in 2006; that the three hundred billion dollars per year that Europeans spent did not provide them with a serious collective military capability; and that, in 2011, the United States accounted for 75% of NATO expenditure (including missions and operations) as opposed to 50% during the cold war, Gates foresaw that "future U.S. political leaders (...) may not consider the return on America's investment in NATO worth the cost." The Americans fear that joint operations may become impossible in five to ten years.

All of this means that, at this point, there is a certain willingness or desire on the part of the Americans for the Europeans to play a greater role in the Alliance. Those around President Obama in Washington see the way the operation in Libya was launched and carried through as a potential model for the future to be applied on a case-by-case basis, if the American President so decides. Therefore, in 2012, the Americans see France as a reliable European partner in view of the visible reduction in the United Kingdom's military capabilities, Germany's political inhibitions, and other Allies' waning capabilities. Their ardent hope is that France will not reduce its capabilities any further. This American "willingness", which is real at the White House, especially since Americans are suffering from "expeditionary fatigue", will still depend on Europeans' military capabilities, and their political determination.

It should also be noted that the Americans do not systematically call for the use of NATO far outside the trans-Atlantic area. The use of NATO in Afghanistan was not a convincing military success in their eyes. Furthermore, their position on the controversy surrounding operations "outside" the Atlantic area has changed frequently over time, as has France's. The issue of operations in the Arctic⁴ and in Africa may arise some day. That being said, the Americans' foreseeable priorities are still China, and the wider Asia-Pacific region, the Middle East and the Arc of Crisis.

2- THE EUROPE OF DEFENCE

A. LIMITED AND FRAGILE PROGRESS, AND DASHED HOPES, DESPITE TWENTY-FIVE YEARS OF EFFORT

Words must be used properly. "Europe of Defence", even in the mouths of its most ardent advocates, does not mean the military defence of Europe from military threats, since only the Alliance, with American resources, would be capable of mounting such a defence should Europe ever have the misfortune to be attacked. The combination of current national defence capabilities and a Europe of Defence alone will not be able to defend Europe's territory in the foreseeable future, unless, of course, the French and British deterrents come into play beforehand. This is not the purpose of the Europe of Defence. It was not designed for that. The words "Europe of Defence" must be used only for the Union's external military or civil and military initiatives or actions, or for cooperation in the defence industry. Otherwise, these words may raise unrealistic hopes and, thus, lead to disappointment, or misguided fears for our Allies.

Then, there are the actual results achieved from the efforts made over twenty-five years, especially by France, which are ultimately very disappointing. French and German initiatives under Mitterrand and Kohl, such as the French-German brigade, which became the Eurocorps, were never anything more than symbolic. The notion of the "Common Foreign and SECURITY Policy" (CFSP) was enshrined

⁴ The North Atlantic Treaty defines the Tropic of Cancer as the southern boundary of the trans-Atlantic area, but sets no northern boundary.

under Title V of the Maastricht Treaty of 7 February 1992. This was a first for a Union Treaty. Article 24 defines the objectives of the CFSP. Later on, the Cologne European Council in June 1992 added the notion of “Foreign, Security and DEFENCE Policy”. France and the United Kingdom reached an important compromise for the European Union in Saint Malo on 4 December 1998. France agreed that a Europe of Defence should be developed “within the framework of” the Alliance and the United Kingdom agreed that the European Union could have its own powers relating to security and defence. This compromise removed the obstacles to later progress for the Union as a whole.

The position of “High Representative for the CESP” was created in 1997 and first filled by Javier Solana from 1999 to 2009. The decision to set up a Political and Security Committee, known by its French acronym, COPS, was made by the Helsinki European Council in December 1999 and enshrined in the Nice Treaty of 26 February 2001. Lady Ashton was appointed as the High Representative on 19 November 2009.

The Member States were ready to go further and the Lisbon Treaty, which was signed on 13 December 2007 and entered into force on 1 December 2009, instituted a European External Action Service (EEAS), which is the EU's “diplomatic service”, and the Common Security and Defence Policy (CSDP). This Treaty even includes an obligation of aid and assistance in the event of armed aggression⁵ and a joint action clause, including military action, to show solidarity towards a Member State targeted by a terrorist attack or suffering from a natural or man-made disaster.⁶ Articles 42.6 and 46 of the Treaty also institute the possibility of “permanent structured cooperation” on defence, decided by a qualified majority vote and open to any Member State that commits to meeting the military capability objectives and criteria.

The European Defence Agency (EDA) was established on 12 July 2004 and became an official European Union Agency in July 2011. Its mission is to provide a forum for cooperation between European States on the coordination of their policies and to provide assistance to them, while

⁵ Article 42.7: If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States. Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation.

⁶ Article 222: 1. The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilise all the instruments at its disposal, including the military resources made available by the Member States, to: (a) prevent the terrorist threat in the territory of the Member States; protect democratic institutions and the civilian population from any terrorist attack; assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack; (b) assist a Member State in its territory, at the request of its political authorities, in the event of a natural or man-made disaster. 2. Should a Member State be the object of a terrorist attack or the victim of a natural or man-made disaster, the other Member States shall assist it at the request of its political authorities. To that end, the Member States shall coordinate between themselves in the Council. 3. The arrangements for the implementation by the Union of the solidarity clause shall be defined by a decision adopted by the Council acting on a joint proposal by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy. The Council shall act in accordance with Article 31(1) of the Treaty on European Union where this decision has defence implications. The European Parliament shall be informed. For the purposes of this paragraph and without prejudice to Article 240, the Council shall be assisted by the Political and Security Committee with the support of the structures developed in the context of the common security and defence policy and by the Committee referred to in Article 71; the two committees shall, if necessary, submit joint opinions. 4. The European Council shall regularly assess the threats facing the Union in order to enable the Union and its Member States to take effective action.

enhancing the EU's autonomous capabilities and maintaining a dialogue with the European Commission. Its role is to coordinate the various Member States' capability and industrial projects as far in advance as possible. The EDA plays a key role in implementing Pooling and Sharing (P&S), based on the German and Swedish initiative presented to the meeting of European Union Defence Ministers at Ghent in September 2010. The Pooling and Sharing of military capabilities is intended to maintain European military capabilities at a time when Member States' budgets are severely constrained. A French diplomat, Madame Claude-France Arnould, has served as the Chief Executive of the EDA since January 2011.

Of the eleven priority projects⁷ identified in November 2011 by the European Union Defence Ministers, the most important are:

- the European air-to-air refuelling project, a French initiative, without which the Europeans will not have the strategic range to carry out operations;
- the pilot training project, including the French proposal for air transport pilots;
- the MARSUR maritime surveillance demonstration, which the EDA has been developing since June 2011. It has already linked the maritime surveillance networks of France, Finland, Italy, Spain, Sweden and the United Kingdom, before being extended to at least 12 other EU countries. Eventually, the MARSUR system will improve real-time operational decision-making with protocols for sharing information with civil authorities;
- the Medical Field Hospital project for use in military operations as well as for humanitarian catastrophes. This project is an example of complementarity with the Smart Defence initiative, which includes a project in the same area.

The European Air Transport Command (EATC), *which since 2010 enables the participating forces of Belgium, France, Germany and the Netherlands to share their air transport resources, is a particularly successful example of Pooling and Sharing. It has already proved its worth in operations in Côte d'Ivoire and Libya.* It is a helpful benchmark for developing other on-going projects.

This all constitutes significant progress, but it must be acknowledged that all these efforts have not started a real movement as yet. For all of the treaties, legislation, institutions, procedures, meetings, documents, initiatives, speeches and new starts, and for all of the work of several hundred civil servants and military personnel who perform their duties with conviction and devotion, there have been a few successful industrial cooperation projects, such as the A400M programme, the FREMM frigates to be built by France and Italy, the Principal Anti-Air Missile System to be built by France, the United Kingdom and Italy, the space-based earth observation programme under the Turin Agreement with Italy and the Schwerin Agreement with Germany, and the French-German Tiger helicopter. But there has been no major operation since the creation of EADS in 1999. And there have been many failures, such as the naval EADS and the short-lived EADS/BAE project.

Not a single new military operation has been undertaken since the entry into force of the Lisbon Treaty and the activation of the European External Action Service. Even though we do not advocate carrying out operations at any cost for the mere pleasure of it, this is significant. There are only *three* military

⁷ Helicopter Training, Maritime Surveillance, Naval Training and Logistics, Medical Field Hospital, Air-to-Air Refuelling, European Satellite Communication Procurement Cell, Future Military Satellite Communications System, *Intelligence, Surveillance and Reconnaissance (ISR)*, Pilot Training, the European Transport Hub and Smart Munitions.

missions under way, and only one of them is really important:⁸ *Operation Atalanta to fight piracy off the coast of Somalia*. This operation was launched in 2008, during the French Presidency of the European Union, with the support of Spain. It is being directed from the Northwood Command Centre in the United Kingdom. *Operation Atalanta ensures the safety of one of the world's most vital shipping lanes (30% of the European Union's oil supply and 70% of its container traffic use this route)*. It also contributes to the protection of World Food Programme (WFP) vessels, protects vulnerable ships sailing in the Gulf of Aden and off Somalia, as well as deterring, preventing and combatting coastal piracy. France is the largest contributor to the operation. However, the work on land to ensure the lasting eradication of piracy (the so-called "comprehensive" approach) has taken time to take shape. This was the objective of the European Union's recent "mission to support regional maritime capacity building," called EUCAP NESTOR.

European Union Battle Groups (EUBG) were created on paper in 2007, but have never been used. The Member States' budget constraints and lack of political will mean that they do not even take their turns to be "on call".

The European Union even cut back plans for the European Operations Centre (OPSCEN), which was activated in March 2012. The OPSCEN team has only 17 members and they only work on the Horn of Africa, whereas NATO is already seeking new missions to fulfil after it leaves Afghanistan and is preparing for the start of operations of its new "Comprehensive Crisis and Operations Management Centre (CCOMC) "to aggregate the necessary skills for a comprehensive approach to civil and military aspects, cyber defence, etc." This civil and military planning is now part of SHAPE. It could extend the mandate of the SACEUR to all security aspects involved in crisis management at the very moment that the European Union is standing still and limiting itself, whereas it potentially has a real capability for comprehensive management of economic, civil and military crises.

STATE OF THE EUROPE OF DEFENCE

All in all, the concrete results are very meagre, except for a handful of actions and cooperation initiatives. Not a single European country has backed France's ambitions and her conception of the Europe of Defence, even as these were defined and redefined in increasingly realistic and pragmatic terms. The threats perceived by European opinion, such as runaway globalisation, excessive financial speculation, unfair competition that is undermining Europe's competitiveness and social model, terrorism, sectarianism, impending ecological disaster and self-effacing public authorities, do not clearly call for military solutions. Since the end of the USSR at end of 1991, more than twenty years ago now, Europeans have been seeking "peace dividends", social progress, increased purchasing power and the affirmation of individual rights. We have come a long way from the dialectics of security threats and military solutions, even with terrorism, and from the American vision of strategic risks and threats. In recent years, the enormous shock caused by the crisis of the American/global casino economy since 2008, followed by wariness towards sovereign debt in the euro area, and the urgent need to consolidate the public finances of group of countries that has to borrow 800 billion to 900 billion euros each year just to maintain its lifestyle, have only accentuated this trend, leading to steadily shrinking defence budgets in European countries, including the largest. This is ambivalent: fewer resources and capabilities, but in principle more obligation to act jointly.

⁸ The other two operations are EUROR ALTHEA in Bosnia and Herzegovina, which started in December 2004 and EUTM SOMALIA for the training of 3,000 Somali soldiers in Uganda since 2010.

B. PARTNERSHIP WITH THE UNITED KINGDOM

The United Kingdom has the largest defence budget in Europe, but it is shrinking, with cuts of 7.7% slated between 2011 and 2015. The mission to Libya revealed some operational limitations, following the withdrawal of maritime patrol aircraft and Harrier jets, as well as troop cuts. The President of the French Republic stated that he intended to “continue the efforts for deeper cooperation that started in Saint Malo in 1998 and have continued in recent months.” He was speaking of the Lancaster House Treaty between France and the United Kingdom. Negotiations on the Treaty started when Gordon Brown was Prime Minister and the Treaty was signed on 2 November 2010. It provided a framework and new potential for defence cooperation between the two countries, ranging from military nuclear power to armament programmes (drones). The French-British Combined Joint Expeditionary Force was tested successfully in October 2012 with a view to beginning operations in 2016, and the two countries’ Ministers of Defence “noted the increasing interoperability of our armed forces” and stated, “Our ability to work together is the cornerstone of the Lancaster House Treaty”. But in May 2012, the British dropped plans for fitting an aircraft carrier with catapults because of the cost and opted instead for installing ski jumps for short-take-off-and-vertical-landing jets. This means that French planes will not be able to land on these ships and thus ends the project for joint development of aircraft carriers and the objective of interoperability in this area.

For the British, the Lancaster House Treaty must remain a bilateral instrument; it must not in any case become part of a Europe of Defence involving the twenty-seven Member States. The United Kingdom has also rejected the creation of a European Planning Headquarters, stating that it would be redundant with the existing headquarters (NATO, national headquarters). Finally, the United Kingdom is not responsible for the recent failure of the EADS/BAE project, which has severely undermined BAE. However, the true future of the Lancaster House Treaty still needs to be defined.

C. GERMANY’S AMBIGUITY

The German issue is a more delicate matter. France’s desire to “revive” French-German defence relations, in the broader context of the 1963 Treaty and in an effort to give new impetus to the bilateral relationship, may run into problems. And not just because of disagreements about the euro, energy and so on. It must be acknowledged that France and Germany’s divergent views on nuclear deterrence, and nuclear power per se, are still very much in the news. Germany prefers the NATO framework for carrying out any military operations, as one of the largest contributors to the NATO budget and with its very large conventional forces. Berlin also killed the EADS/BAE project for various reasons (industrial nationalism? 2012-2013 context? Other reasons?). However, even though the French and German Ministers of Defence signed a letter of intent to promote cooperation on capabilities on 4 June 2012, we are still left with the question of whether Germany really wants to act in defence matters in a European or French-German partnership.

D. OTHER EUROPEAN COUNTRIES

Within the Weimar Triangle, Poland joined France and Germany in ring-fencing its 2011 defence budget at 1.95% of GDP, or 6.7 billion euros in 2012, but its first priority is bringing its army up to NATO standards. Within Weimar Plus, Italy’s 2012 defence budget was cut by 10% to 0.84% of GDP and Spain’s was cut to 0.65% of GDP, or 6.3 billion euros. The other countries count for very little in terms of capabilities. The reduction in resources means that Nordic countries and the Benelux countries tend to pool their military efforts more and more frequently.

III. RECOMMENDATIONS

France's defence policy must be conceived by synthesis at the national level and then carried out in accordance with the characteristics and potential of each organisation: European Union, NATO, ad hoc cooperation initiatives.

1. WITHIN THE ALLIANCE: VIGILANCE, RIGOUR AND INFLUENCE

- A. The drawbacks of France's return to the integrated military command would ultimately outweigh the advantages if it resulted in France's presence in NATO becoming a given or banal. Therefore, France needs to assert itself much more in the Alliance and wield greater influence, while being vigilant and rigorous. Leaving behind France's former position, which was a politically comfortable one, and resuming full participation will mean that we can no longer remain aloof from the debates and decisions affecting the future of the Alliance, settling for defending our interests, criticising or abstaining. If we want to gain decisive influence over the Alliance, and we absolutely must do so, especially since the circumstances are now favourable, we will have to clarify our long-term conception of the Alliance at the periodic meetings of ministers and at the upcoming Summit.
- B. It must clearly stated that NATO will remain *an Alliance around the world's leading military power*, the United States, which whom we share fundamental values, but whose orientations and policies may vary considerably from our own every two or four years, which may lead us to be in opposition. Even though, fortunately, this was not the case in the elections on 7 November 2012, our foreign policy must be ready to respond to such changes.

Vigilance means that we must take care that the Alliance remains a *military alliance*, focused on collective defence, acting as little as possible as a *political* and military alliance. Periodic consultations and discussions under the terms of Article 4 about any and all security issues may be acceptable, as long as they do not infringe on the prerogatives of the Security Council, since NATO must not act in the Council's stead, and they do not turn into planning of operations. An annual review of various threats could be considered in this case.

Vigilance also means ensuring that the Alliance is a defensive one based on the nuclear deterrent. There is no denying the very-long-term hope of achieving a world free of nuclear weapons. However, the world is not safe enough, and nor will it be for a long time, for us to conceive of depriving ourselves of the ultimate protection that the nuclear deterrent represents. At the same time, France, which has always kept her deterrent at the minimum level, must urge the United States and Russia to reduce the number of their nuclear warheads. France has no reason to oppose the elimination of NATO's last "tactical" or "non-strategic" nuclear weapons, which are outmoded gravity bombs dropped from aircraft. Such a move would do nothing to reduce the Alliance's deterrent capability.

We must ensure that the Alliance remains focused on threats to the European-Atlantic zone (and perhaps the Arctic as well), to prevent or counter such threats. NATO should not be the world's policeman, however, some threats can obviously come from outside this zone. We must decide on a case-by-case basis whether they are matters for NATO's collective defence.

Besides implementing Article 5 of the Treaty, under the terms of Article 51 of the United Nations Charter on Self-Defence, NATO can only act under very specific conditions: on an incontestable legal basis; at the request or with the approval of regional organisations; following a case-by-case assessment of feasibility and political aptness. In some cases, the European Union, in its "Europe of Defence" form, may be a more suitable solution.

Circumstances may arise again like the very special ones that made intervention in Libya possible. In that case, there was a request for help from the insurgents, a request from a regional organisation, namely the Arab League, a Chapter VII Security Council Resolution passed following abstentions from Russia and China, the United States' agreement to the use of NATO by the European countries leading the intervention, and key military support from the United States. These circumstances must be discussed beforehand between Europeans, and with the Americans.

We must also be vigilant about conceptual and theoretical domination. Our army must maintain its own capabilities for threat analysis, for scenario forecasting and modelling, and even for planning, as has been the case up until now. It must not simply rely on NATO or European structures for these functions. We must ensure that acceding to a top job at NATO does not become the only possible outcome for a successful career in the French military. Successful careers must still be available at the national level or in European positions. In more general terms, this means that the Ministry of Defence and the Ministry of Foreign Affairs must have effective influence over thinking at NATO, but without becoming absorbed into it. This is a risk in the longer term, but it is real one that must be addressed.

Vigilance about industrial and technology issues

There is little defence industry left in Europe, and in only a handful of countries. The Letter of Intention (LOI) of 6 July 1998 concerning "measures to facilitate the restructuring of the European defence industry" was signed by six countries: Germany, Spain, France, the United Kingdom, Italy and Sweden, to which we can add Poland and perhaps one or two others. These industries operate at a very high level, but they are on the defensive. In the United States, the cut of 487 billion dollars over ten years decided in 2011, along with a further cut of some 500 billion dollars that the Congress might pass in January 2013, would mean a 15% reduction in the massive American defence budget over ten years. In 2011, this budget stood at 739 billion dollars and accounted for 46% of military expenditure in the world. The United States spent more on defence than the next ten largest powers combined. These cuts will make America's famous "military-industrial complex" even more aggressive towards its competitors, including European competitors, in the European and world markets.

The NATO Smart Defence concept is an understandable response to the reduction in the Allies' resources, but, if we are not careful, it could wipe out or cannibalise European capabilities. This risk is particularly acute because standardisation within NATO will facilitate the member countries' acquisition of American-made equipment and weapons, where very long production runs have already amortised development costs. This risk stems from the fact that most European countries are reasoning as buyers

of "off-the-shelf" products seeking to pay the lowest price and not as producers or manufacturers, since they do not have or no longer have a defence industry.

In addition to Smart Defence, we also need to be careful about the on-going discussion regarding greater use of the *common-funded budget* in these times of economic crisis to finance such things as certain missile defence, intelligence and cyber defence capabilities. Extending the scope of the common-funded budget would shift more of the burden onto the largest contributors in the Alliance. The five largest contributors already provide 68% of the common funding and the fourteen smallest contributors provide 5.6%. For some Allies, such as France, this would mean they pay twice for capabilities that they have already developed at the national level. It would also infringe on the solidarity principle at the heart of the Alliance, which relies above all on the political determination of the members to assume their responsibilities, by maintaining their national and multinational capabilities. On the other hand, a discussion on making better use of the common funded budget, rather than expanding it, would be warranted.

Therefore, a French, and European, industrial strategy is needed within NATO

For all of these reasons, it is urgent to have a French and European industrial strategy within NATO and vis-à-vis NATO (and within the European Union, see below), with early identification of potential contracts in such areas as missile defence (as long as it is limited and acceptable) and Smart Defence, based on a clear division of programmes beforehand between NATO and the European Defence Agency. This makes it important to strengthen the informal, but essential, consultation arrangement between the Supreme Allied Commander Transformation, SACT, and the Chief Executive of the EDA to eliminate conflicts between NATO and EDA programmes. The Directorate General of Armaments plays a critical role and must be the military branch of this policy within the framework of the guidelines set by the Defence Staff and the Delegation for Strategic Affairs.

"Europeanising" the Alliance

The gradual shift in the positions of the United States and President Obama should make the Americans open to this process and we have seen signs of potential willingness in Washington. The new team for President Obama's second administration may understand that no further effort on military capabilities will be forthcoming from Europeans unless the spirit of defence is revived and that this spirit will not be revived unless the United States invites Europeans to take on more responsibilities. In a way, the Alliance is the victim of its own success in Europe. It has deterred aggression and protected Europe so well that her spirit of defence has been dulled. In the face of global turmoil, the long-term interest of the United States is to have Europe be a genuine, capable and reliable partner, however difficult it can be to work with at times. The ritual call for "burden sharing" is not enough and has actually been ineffective. Despite everything, without preparation, raising high the banner of the "European pillar", according to the beautiful expression used by John F. Kennedy, which did not go anywhere, or calling for a "European identity", or a European "caucus" within the Alliance, might not be ambitious enough and could potentially be inflammatory. Even in 2012, by doing so France could once again raise the hackles of the NATO technostructure, the State Department and the Pentagon, which are more open to change than they were in the past nonetheless, and of our European Allies, who are already worried about the "pivot" towards Asia. We may think that this is paradoxical and shortsighted, but that is the way it is. Our European Allies do not want to give the Americans any excuses for further disengagement! Within European organisations, calls for a mission planning and execution staff do receive some genuine support, but they also revive fears about principles and a British veto. On the other hand, in day-to-day practice, there are many opportunities within NATO, particularly for the European ministers involved, to strengthen concerted action and thinking by Europeans in advance of NATO decisions on issues relating to discussions held within the European Union.

Now that President Obama has been re-elected, American openness to such changes could be tested in specific cases and not just in theory. It could be tested in several ways:

In terms of *capabilities*, the upcoming NATO Summit could see the expansion of defence budgets, *if economic growth resumes*, linked to a “fair share” for European defence industries, in keeping with the Chicago Summit declaration. Our governments and manufacturers should immediately start promoting the European solutions (radars, satellites and interceptors) for ballistic missile defence that we have accepted. It is urgent to act now, since the NATO system is about to enter a critical budgeting and planning stage.

In *political* terms, as long as our European partners agree to prior consultation on issues relating to NATO, we could consider consulting with or involving the United States in certain European decisions, such as those made by the Political and Security Committee.

In *operational* terms, we could propose that the NATO mandate of the KFOR should be transferred to the European Union (while improving management of the European operation) since it would be make sense for Europeans to feel more responsible for what is happening on their own continent. Furthermore, NATO’s Operation Ocean Shield to fight piracy off Somalia could be ended when its mandate expires at the end of 2014, since it is redundant with Operation Atalanta.

The ministers concerned could be given a mandate regarding these different points.

2) THE EUROPE OF DEFENCE: MORE PRACTICAL PERSEVERENCE WITH GREATER LUCIDITY AND RIGOUR

We may think that, despite everything, France should continue to advocate a Europe of Defence within the framework of the European Union. There are several reasons for this. It is part of a broader European political project in the strongest sense of the term. In December 2012, President Van Rompuy will present a medium-term and long-term road map for economic union in its various forms and for a political union with a more integrated architecture. Defence should be on the agenda of the December 2013 European Council, with a Commission Communication on the defence industry being released in the previous spring. We must take care not to squander the legal, procedural and human achievements of the last twenty years.

However, we must not limit ourselves to making the “revival of the Europe of Defence” a priority for France alone, as if nothing else mattered and as if the obstacles and past failures were not obvious. It is highly likely that our efforts will be met with the same polite scepticism and the same inaction as our previous efforts. Therefore, our choices within the European Union are: persevering, counting on world events and turmoil to eventually produce a genuine common strategic conception that is more than just words; or else clarifying the situation with our Allies by asking them about their intentions, starting with the largest ones first. In the case of the United Kingdom, this means asking how far the British are willing to go with us under the terms of the Lancaster House Treaty; if the United Kingdom will make fiscal decisions that are in line with the Treaty; to which other European partners the United Kingdom is willing to extend certain aspects of the Treaty, and whether the United Kingdom will agree to the creation of a genuine European centre for strategic analysis, planning and forecasting.

In the case of Germany, this means asking if the stronger political Europe that Germany is calling for should lead to more concrete decisions regarding the defence industry, as well as more commitments to European operations outside of the EU and French and German consultations on issues to be decided by the Alliance.

In the case of the other participants in the Weimar Triangle and Weimar Plus, this means asking them to confirm their commitments to the projects selected by the EDA, to bilateral and multilateral projects and their willingness to take part in potential operations, as well asking for consultations on issues to be decided by NATO.

In each case, we should be more clear-sighted, less declamatory and more rigorous. We should focus on practical objectives and act on both ends of the chain, at both the political and industrial levels.

- A. At the Summit, there is an urgent need to (re)build a common strategic vision for the European Union, starting with its leaders in the European Council. This is not the end of the story and it continues in the form of a shifting multipolar competition. Will we be part of this story or not? How can we cope with various and diffuse threats, re-regulate a financial sector that is spinning out of control; co-manage global population movements; organise multipolar competition; adapt to the emergence of new economic powers, which will continue; counterbalance the emerging countries; halt the slow weakening of the bond between the United States and Europe; deal with the uncertainties in the Mediterranean, Africa, the Middle East by conceiving new cooperation solutions; deal with energy issues and protect shipping from piracy; and organise the massive and long ecological transition? All of these challenges call for a strategic vision, and not a theoretical or naïvely optimistic vision. Unless there is a strong reawakening of political determination to make Europe a global power, to prevent it from becoming powerless, and dependent, all of the arrangements for the Europe of Defence will be nothing more than incomplete or lifeless words on paper. If there is a reawakening, they will come to life.

The Sahel could turn out to be a test of this in many respects.

- B. We must undertake a rigorous review of the European Defence Technological and Industrial Base to see what worked and what failed and why and to see which European capabilities are still valid. This means working with the five or six countries concerned, starting with the United Kingdom and Germany, to examine all of the NATO Smart Defence projects; contesting or rejecting any that might make European projects pointless; strengthening the NATO/EDA arrangement to eliminate conflicts and redundancies in their programmes and to seek synergy; promoting our industries' access to non-antagonistic Smart Defence programmes; obtaining strong commitments for the EDA projects that must be completed at all costs.

France's administrative structure should be designed to strengthen a policy for early warning, commitment and support, in conjunction with industry. Networking is required, which is also the task of General Delegation for Armament, backed up by political oversight. An industrial strategy within the European Union is just as necessary as the industrial strategy within NATO. They are two sides of the same coin.

3) A FRENCH VISION

In all events, France must maintain its own capacity for analysing, forecasting, proposing and contributing to planning, which inspires its action and its policies within the European Union, within the Alliance and with the other Europeans.

Changes in American foreign and defence policies, along with uncertain events in a shifting multipolar world, make it more necessary and less impossible for Europeans to play a greater role in their own defence, with the expectation that one day, they will assume most of the responsibility for it, while remaining allied with the United States. This policy needs to be implemented simultaneously within the European Union, within NATO and within ad hoc groups, using suitable tactics for each case and each organisation and with an eye to anticipating events. It is a bold and forthright policy to achieve greater influence within the Alliance, which will facilitate France's European efforts. Naturally, it is critical to maintain a certain level of capability for this policy to succeed.

Hubert Védrine
14 November 2012

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Letter of engagement from the President of the Republic to Hubert Védrine	

President of the French Republic

Paris, 18 July 2012

Dear Minister,

In March 2008, France decided to rejoin the military structures of the Atlantic Organisation. I felt it was necessary to evaluate the consequences of this choice in the current international context and with respect to the possible changes in NATO.

I thought that we could call on your international experience and acknowledged expertise for a report on developments in transatlantic relations in the coming decade.

You could assess whether the choice made four years ago is likely to strengthen our ability to move forward on the construction of a Europe of Defence, and what impact it has had on France's influence in NATO.

Therefore, I would like to be informed of your conclusions by 31 October 2012 so that they can be submitted to the commission that I have asked to produce a new white paper on defence and national security by the end of the year to inform its work. In the performance of your task, I would like you to work in close conjunction with the Ministries of Foreign Affairs and Defence. They will provide you with all the assistance you need.

Yours sincerely,

François Hollande

Hubert Védrine
Former Minister