PESCO AND THIRD COUNTRIES: BREAKING THE DEADLOCK IN EUROPEAN SECURITY

Senem Aydın-Düzgit

January 2018

Senem Aydın-Düzgit is an Associate Professor at Sabancı University and Research and Academic Affairs Coordinator at Istanbul Policy Center.

İPM İPC

İSTANBUL POLİTİKALAR MERKEZİ
SABANCI ÜNİVERSİTESİ KAMPUSU
ISTANBUL POLICY CENTER
AT SABANCI UNIVERSITY

On December 11, 2017, 25 member states of the European Union (EU) formally launched the permanent structured cooperation (PESCO) in the area of defense. Although the legal provisions behind PESCO have been in place since the 2009 Lisbon Treaty, they have not translated into any concrete initiative until recently. A multitude of factors from the British decision to exit the EU and Russia's annexation of Crimea in 2014 to the growing rift in foreign policy and security issues between the EU and the Trump administration, including doubts over the commitment of the latter towards the transatlantic alliance, have played a key role in the EU's decision to move toward a more integrated security and defense policy.

PESCO makes it possible for the participating member states to develop joint military capabilities through a modular, project-based approach and deploy each state's troops in joint operations. The agreement was signed with the expectation that member states will regularly increase their defense budgets. While PESCO can be considered an important step in the longer history of European defense integration, it is still too early to predict how PESCO will affect wider strategic convergence among EU member states. This will undoubtedly hinge on a variety of factors, the most notable of which is the willingness on the part of the member states to participate in PESCO and take part in the deployment of ambitious defense projects.

In accordance with Article 42 (6) of the Treaty on European Union (TEU), PESCO is established by "those member states whose military capabilities fulfill higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions." Thus, in terms of institutional design, PESCO constitutes an exemplary case of differentiated integration where only member states that are willing and able can join. PESCO includes all member states except Denmark, Malta, and the UK. In this sense, it is similar to the Eurozone and the Schengen regime in which not all member states are involved. Yet, as with all institutional designs of differentiated integration, the onset of PESCO begs the question of how this initiative will relate to third countries that are not full members of the EU. The question becomes all the more relevant in the context of PESCO

given the complexity of the security threats that Europe is facing, which often defy the internal-external distinction ranging from Islamic fundamentalism to right-wing populism and the vastness of the geographic area covering China and Russia as well as the Middle East and Africa, from where external security threats to Europe emanate. Both the complexity and the scope of these threats necessitate that the EU employ feasible and effective mechanisms in integrating key third countries in its future defense initiatives within the scope of PESCO.

The cooperation between PESCO and third countries is an area that remains overlooked in the present arrangement. The current set up of PESCO stipulates that member states may invite third countries to take part in projects to which they can bring "substantial added value" but that these third countries do not have decision-making rights. Hence, while leaving the door open to third country involvement, in line with the "all but the institutions" dictum of the EU, this provision runs the risk of hampering any substantial cooperation with third parties in a field where flexible integration applies. Such a rule implies that the EU may be bereft of any meaningful input by key third countries that otherwise play significant roles in matters concerning European security and defense. This understanding excludes countries such as Norway, which is a key player in conflict resolution and mediation; the UK, which is a strong policy actor with a wide geographic outreach; and Turkey, which is a key partner in counterterrorism and a regional pivot in the Middle East and the Balkans with a growing presence in Africa.

Furthermore, the modality of these countries' involvement in PESCO also directly impacts the future of EU-NATO (North Atlantic Treaty Organization) collaboration, which also remains unclear under the PESCO arrangements. Although it is clear that, especially from the U.S. perspective, PESCO could be perceived as an important step towards burden sharing in the security field, tighter coordination between the EU and NATO particularly concerning capability planning will be necessary to avoid leaving member states having to face competing expectations from both sides. Complementarity rather than conflict should define the EU-NATO relationship after PESCO. Yet, effective EU-NATO collaboration, now also driven by the establishment of PESCO in

addition to increasing security imperatives, hinges also on successful security collaboration between the EU and non-EU member NATO states. This is best demonstrated through the EU's relationship with Turkey.

EU-NATO relations entered a severe impasse in relation to the contested role of Cyprus in EU-NATO cooperation after its membership in 2004. Turkey vetoed the signing of a security agreement between NATO and Cyprus, which would have led to Cyprus' inclusion in the Partnership for Peace (PfP) and thus to its inclusion in EU-NATO cooperation. Meanwhile, Cyprus vetoed the EU-Turkey Security Agreement on the exchange of classified material between the two sides and Turkish membership of the European Defense Agency (EDA). This double veto has in effect led to the freezing of the EU-NATO dialogue and prevents any substantial collaborative operation between the EU and NATO.
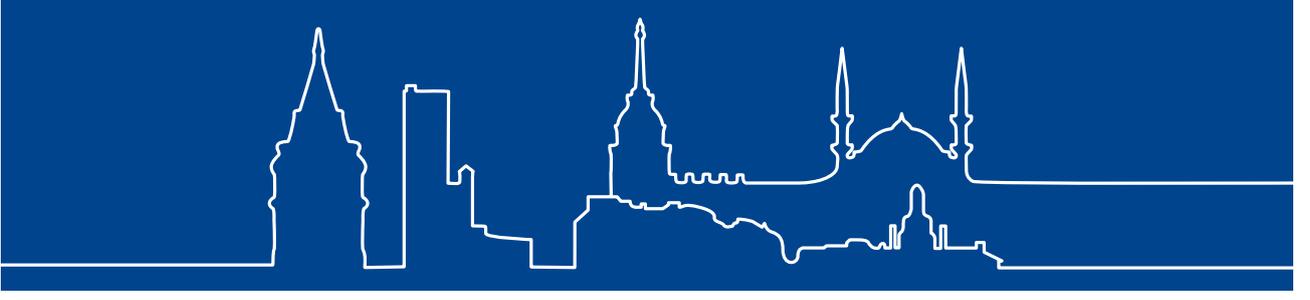
The EU-NATO joint declaration adopted in Warsaw in 2016, where Turkey chose not to exercise its veto power, relaunched hopes for cooperation and intensified the strategic partnership amid rising security concerns on both fronts in the aftermath of Russia's annexation of Crimea. Yet, it still remains unclear how this cooperation will move forward given the frozen nature of the Cyprus conflict, with no prospects of resolution in sight. The membership of Cyprus in PESCO and the pressing need for the specification of the modalities of EU-NATO collaboration through PESCO at a time when the overall EU-Turkey relationship is also stagnating constitute causes of concern for the future of PESCO as well as for European security writ large.

PESCO bears the potential to provide an opportunity to overcome this impasse. However, such compromise may be accomplished only through specifying such modalities that will allow for a meaningful and inclusive contribution of NATO member third parties including, but not exclusive to, Turkey. In principle, and in the short to medium term, this could be achieved via granting NATO member third countries the right to consultation in deciding on PESCO's policy direction in the Council of Ministers and full participatory rights in PESCO's capability and operational modules through which defense-related projects will be implemented.

Given the fact that a treaty change to grant third countries decision-making powers in areas subject to differentiated integration such as PESCO is not probable for the near future, this could be one way to break the impasse.

Cyprus can be expected to veto this or similar arrangements where they concern the involvement of Turkey. Yet, it is also clear that Cyprus does not possess the required military presence or the capabilities to participate in every PESCO module in which the member states will agree on. Thus, it would be up to the participating member states in the modules to agree on the inclusion of third countries in the projects to which they are contributing. While more operational PESCO projects would benefit from Turkish involvement, especially those that are geared towards the development and transfer of defense technology would overlap with Turkey's own needs in this field.

This could be a realistic way to overcome the Cypriot veto and strengthen the European security complex by allowing a substantive contribution from Turkey as well as other NATO countries not belonging to the EU. Participating in nine out of thirty EU-led operations, Turkey has so far been the biggest contributor to European operations after France, Germany, and Britain. Furthermore, this mechanism could provide a novel way to foster mutual trust between the EU and Turkey and possibly contribute to breaking the vicious cycle of blockage with NATO. Perhaps most importantly, such meaningful inclusion could help anchor Turkey in the European security framework at a time when Turkey's commitment to NATO is increasingly being questioned. Turkey's decision to purchase a Russian-made S-400 missile system has caused a lot of international controversy over the country's place in the Western security bloc, yet the fact that the very same country signed an agreement on November 8, 2017 with fellow NATO members France and Italy to develop its national air and missile defense systems attests to the available space through which Europe can engage more strongly with Turkey. Precisely because of Turkey's domestic troubles, which are reflected in the volatility of its foreign and security policy initiatives, novel forms of anchorage beyond the weakened accession framework are necessary for the sake of wider European security.