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Defining The Critical Success Factors of PESCO to Achieve an Effective EU Defence System: A Strategic Management Analysis

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Defining The Critical Success Factors of PESCO to Achieve an Effective EU Defence System: A Strategic Management Analysis

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Abstract

Permanent Structured Cooperation (PESCO) is a defence and cooperation framework that has been largely overlooked for some time. However, considering the Russian invasion of Ukraine and potential shifts in U.S. foreign policy, the EU has decided to reconsider it to strengthen its Common Security and Defence Policy (CSDP). While scholarly attention on PESCO has predominantly focused on its role in furthering EU integration, there has been less emphasis on its operational potential to enhance the EU defence system. This thesis aims to address this gap by providing a strategic management analysis of how PESCO can be utilized to bolster the EU's defence posture.

First, an overview of PESCO is provided, including its historical context and the reasons behind the EU's decision to revive this framework, concluding with the presentation of the research question. Second, the theoretical foundation is outlined, from EU integration theory by Haas to the selected framework by Moore, to analyse PESCO and the EU CSDP, addressing the research gap. This section also includes a literature review. Third, the methodology used in the research is detailed, involving a qualitative case study analysis through document analysis and interviews. Fourth, the data analysis and contributions from respondents are presented, culminating to answer the research question. Finally, the findings are discussed, suggesting topics for further research in the field and providing policy recommendations for EU member states and policymakers.

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1. Introduction

Following the Russian invasion of Ukraine in February 2022, a pivotal event that radically altered the geopolitical landscape of the European Union (EU), significant implications have emerged that pose tangible threats to the territorial integrity of EU member states. The exigencies triggered by the Ukrainian conflict have revived the discourse on EU defence strategy, especially in the light of potential changes in NATO and US priorities. US and NATO strategic shifts have been mentioned quite often during Trump's political summits and have also been mentioned in the US National Defence Strategy, the most reliable source to understand what the goals of the US are in the international security sector. It states that the defence priorities lay on contrasting first the People's Republic of China and then Russia (The White House, 2022: 8). Forecasts suggesting NATO's future shift from the Atlantic to the Pacific amplify concerns about the EU's vulnerability to military threats. This concern is particularly pronounced given that many EU member states rely heavily on NATO's collective defence infrastructure, potentially leaving them exposed without strong territorial defence mechanisms.

Consequently, EU institutions are confronted with the imperative of revisiting the Common Security and Defence Policy (CSDP) framework in alignment with emergent security realities and evolving transatlantic dynamics. At present, the European Union's Common Security and Defence Policy (CSDP) encompass a multitude of initiatives and plans aimed at fostering defence cooperation among member states. Although the quantity of these projects may be considerable, the crux of the challenge lies in their effectiveness and operational feasibility. It is noteworthy that the general intent behind the establishment of the EU CSDP has rarely been the subject of controversy; academics and practitioners broadly agree on the objectives and aspirations behind the EU CSDP. However, a recurring criticism concerns perceived shortcomings in the operability and feasibility of these efforts.

One of these projects is the Permanent Structured Cooperation also known as PESCO, which provides a framework for defence cooperation among participating member states that have entered more binding commitments with one another. They jointly develop defence capabilities, coordinate investments, enhance the operational readiness, interoperability, and resilience of their armed forces, and collaborate on projects (EU Council, 2023). This project was created and signed by the EU Council in 2017, but the idea of a European Defence Plan indeed, has its roots in the late 90s after the Cold War, the historical aspect, however, will be developed further in the thesis. One of the main criticisms that have been made against the Permanent Structured Cooperation was that this framework has not been updated and revised in recent years since its first implementation in 2017.

In November 2023 Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy and Vice President of the EU Commission said:

“PESCO even though it is one of the most used acronyms in Brussels, is called the sleeping beauty of the (Lisbon) Treaty” (EEAS, 2023: Press Release).

The current body of research on EU defence primarily focuses on the advancement of industrial defence capabilities, manufacturing methods, and all aspects related to producing weaponry and armaments suited for high-intensity warfare (Perot, 2023).

If we narrow the focus to the EU CSDP and look at the existing narratives on PESCO, we can see that studies on PESCO have been used for different kinds of analysis that span a completely different field than the one in this thesis. Indeed, PESCO has been studied in recent years more as a tool for differentiated integration in the EU rather than as a tool to structure and implement an effective defence system. Many studies (Blockmans et Al. 2021, Blockmans et al. 2017, 2019, Murillo et Al 2023, Houde et Al. 2023, Martil et Al. 2023, Rutigliano 2023) highlight the potential and the use of this project as an instrument to expand and extend EU membership to other countries. The theoretical account is more on what PESCO can do for EU integration rather than what PESCO can do for developing an effective defence system. This approach would look at PESCO as a catalyser for EU integration applied by the EU institutions to support the CSDP instead of an instrument to be used by member states at their discretion. This poses the question of whether EU institutions will, given the increased threats towards the safety of all EU member states, have gained sufficient leverage to take a more directive approach towards EU integration. Currently, PESCO is showing some improvements, partly due to pressures from NATO and the US. Many EU countries are increasing their defence spending: the European Defence Agency's annual report for 2022 reveals a record EUR 240 billion in defence expenditures. European defence spending in 2022 grew by 6 per cent year-on-year, marking the eighth consecutive year of growth. Twenty of the 27 EU Member States increased their defence spending, with six countries reporting increases of over 10 per cent (EDA, 2023). Since there is a clear improvement in this segment of the CSDP, the goal now is to assess how this increased budget can be used effectively by the member states within the Framework of PESCO. Furthermore, this tool is showing some signs of life also in the operational side, indeed, a press release of 2023 from the EU Council shows that a decision has been adopted to launch the EU security and defence initiative in support of West African countries of the Gulf of Guinea, for an initial duration of two years. It also approved the operation and mission plans for the military and the civilian pillars of the initiative, respectively (EU Council, 2023).

Following this brief introduction, we can establish the research question that this research will try to answer:

“What are the critical success factors of PESCO to achieve an effective EU defence system?”

This thesis aims to bridge the gap between EU integration literature and the strategic management perspective, focusing on improving the organisational and administrative aspects of PESCO to enhance the European defence system. The research seeks to explore the operational feasibility of PESCO, identifying ways to encourage EU member states to respect and achieve the goals set for the 2025 Strategic Review. Additionally, this research serves as a foundation for further analysis, addressing the political and strategic management improvements the EU can implement to make PESCO more effective.

To answer this question, this thesis will undertake a qualitative analysis aimed at elucidating the methods and strategies available to the European Union for implementing an effective defence policy. Beginning from previous research on differentiated integration of the EU, this thesis wants to develop the existing research into a lens that looks more into the strategic management perspective to focus on an improvement from the administrative and organisational point of view.

The research presented in this thesis transcends its purely scientific merits due to its significant social relevance. This relevance is particularly accentuated by the unprecedented challenges currently facing the European Union. The ominous threat posed by Russia, coupled with the upcoming elections in the United States that will probably influence transatlantic political dynamics and potentially NATO's strategic vision, requires an in-depth understanding of these issues. This thesis, through rigorous analysis, aims to provide insightful guidance to policymakers within the EU's Common Security and Defence Policy (CSDP), enabling them to formulate effective responses to these critical issues.

To address the challenge of applying PESCO as an organisational framework, we will need to study the literature on EU integration. This involves examining articles and documents that focus on PESCO and EU CSDP, particularly those published around 2017 after Brexit. From 2019 to 2020, scholars began to approach PESCO from an organisational and strategic perspective, which will aid in the further development of this thesis. Although PESCO was initially created to strengthen the European pillar within the Atlantic Alliance, recent and future political events may lead Europe to reconsider its stance. Since the beginning of Donald J. Trump's presidency, there have been threats of the US withdrawing financial and military support from NATO and the EU. With upcoming elections and the possibility of Trump's return, these threats raise significant questions about the future of EU defence.

This shift has allowed scholars and researchers to analyse EU defence tools with a greater emphasis on capability and industrial aspects. However, it is crucial to recognise that before developing military capabilities, effective political and organisational administration is essential for PESCO to function properly. Given the current geopolitical context, this research aims to propose a new goal for PESCO: to serve as a tool for enhancing complementarity with NATO. If member states cooperate and make this framework work effectively, it will strengthen the alliance and bolster credibility with our transatlantic partners, positioning the EU as a more dependable and independent defensive actor in the long term.

Since the previous studies look at this tool from a completely different perspective, in this study we will attempt to use Moore's theory about strategic management (1995) as a broad framework for which this problem can be analysed. He views strategic management of any public organization as balancing the creation of public value with its 'sources of legitimacy and support' and 'operational capabilities.' Naturally, this broad framework requires further detailing to account for the unique characteristics of this sector and the specific organizational arrangements within the EU. Through a multi-faceted approach comprising a literature review, expert interviews, and empirical analysis, this thesis endeavours to offer novel insights into addressing the challenges confronting the EU's defence policy. By synthesising theoretical frameworks, empirical evidence, and stakeholder perspectives, this study aims to contribute to the academic discourse while providing practical recommendations for policymakers. Ultimately, the culmination of this research effort will be a comprehensive answer to the central question, thus enriching the academic understanding of defence policy implementation in the EU context.

2. Theoretical Framework

EU defence has been used as a tool for integration; in this case, the theory that has been used more actively is the neo-functionalism theory. This theory, one of the earliest in international relations to explain EU integration, was developed by Ernst Haas in the early 1950s. This theory has been used to explain the boost of EU integration over the years from the European Coal and Steel Community (ECSC) to the foundation of the treaties of Maastricht, Nice, and Lisbon (Schmitter, 2013). The latter is the one that laid the basis for the institution of a tool for the common defence of the EU, by setting a mutual defence clause.¹ The same treaty eventually led to the formation of PESCO in 2017, despite the lack of a cooperative spirit and a unified identity required for a more proactive

¹ See Mutual defence Clause 42.7 TEU "if a Member State is the victim of armed aggression on its territory, the other Member States should aid and assist it by all the means in their power, following Article 51 of the Charter of the United Nations"

role in defence and external action at that time (Schmitter, 2013). Historically, this framework has mainly facilitated integration rather than operational functions. Before diving into the specifics of PESCO, it's essential to grasp the theory of neo-functionalism. This theory will then be applied to the context of EU Defence and External Action, followed by a focused analysis of PESCO, transitioning from one theoretical perspective to another. According to Ernst Haas, the father of this theory of regional integration, neo-functionalism emphasizes technocratic decision-making, incremental change, and learning processes. It also highlights the autonomous influence of supranational organizations and the growing role of organized interests (Niemann, 2021).

The main example used by Haas is the increasing integration that took place within Europe as soon as the ECSC was formed. The ECC was established one year later, and then in the 1950s also the Euratom was founded. The increasing integration is driven by one of the key concepts of this theoretical framework: spill-over. Spill-over is a mechanism that implies integration in one sector creates technical pressures for states to integrate in other sectors. This highlights the interdependence of sectors, which makes isolated integration unfeasible. Therefore, regional sectoral integration becomes feasible only when combined with the integration of other sectors to effectively address the challenges (Niemann et al., 2006).

This mechanism highlights the early stages of EU integration, showing how spill-over worked smoothly in the economic realm until the founding treaties of the European Union were established. However, in the areas of defence and external action, there have been few encouraging signs from the European community in recent years regarding the implementation of a comprehensive collective defence tool. This is mainly due to the lack of collective will and identity necessary to adopt a more proactive role in this context (Niemann et al., 2006). To get closer to our specific case from neo functionalist perspective, two sub-concepts of spill-over must be clarified: cultivated and functional.

Functional spillover involves the interconnectedness of policy areas, where actions in one area can affect others. The intensity of these effects depends on the initial objective's significance and the possibilities for further integration. Actors respond to these pressures based on their evaluation of importance and urgency. Neo-functionalists suggest that decision-makers recognise functional dynamics through political discourse (Bergmann, 2019). Public perception and public discourse have a key role in the integration processes and the spill-over mechanisms. It can be said that the Russian invasion of Ukraine has significantly heightened public interest in European defence and external action in recent years, leading to a quantum leap in EU security and defence policy (Koenig, 2022). The concept of cultivated spillover suggests that supranational institutions drive pressures for deeper integration.

Once established, these actors pursue their interests, often aimed at bolstering their authority, thereby encouraging further integration. Supranational entrepreneurship involves activities like promotional brokering, advancing agreements beyond minimal consensus, or asserting central roles in the EU policy framework (Bergmann, 2019). Also, for this concept, some evidence can be found, for example, the role played by the EU Commission in the field of European defence and how the EU Commission decided to give its vision to the European Defence Fund and its development (Hakansson, 2021). A similar pattern emerges in PESCO, where Member States were urged by the Council to endorse this framework in 2018 following Brexit. The departure of a major power left Europe feeling vulnerable, exposing weaknesses in the collective defence system. This prompted the EU to develop tools aimed at better aligning with its security and defence ambitions (Cozar et. Al, 2018). This decision made by the Council, however, has tackled the sovereignty of the Member States, which were used to see defence as something more national than supranational. It was the first time in EU history that the topic of defence was debated within the institutions rather than talking about it from a national level (De France et al, 2017). This cultivated spill-over primarily resulted in the establishment of the European Defence Fund, fostering the belief within EU institutions that the EU could develop an effective defence system.

Following the institution of this fund, the EU moved forward with the creation of other defence frameworks such as CARD and the Strategic Compass. Furthermore, in 2019, the EU Commission took a more proactive approach by establishing a dedicated Directorate General for the defence and space industry, known as DG DEFIS (Hakansson, 2021). All these tools might give the perception that the EU can be capable of implementing its defensive system. This is something that right now is needed since the upcoming US elections and the threat that NATO will be abandoned by the US and its financial and logistical support. It's more complex than it seems: defence in the EU is a national competency, and as a result, Europeans themselves are not organised to provide for their security. France and Germany, as the leading European powers, have been the primary drivers behind PESCO since its inception, each presenting distinct visions. France has advocated for stricter entry criteria and membership standards, viewing PESCO as fostering European 'strategic autonomy'. Conversely, Germany has framed PESCO within the context of EU integration, emphasising inclusivity to maintain support from a wide array of member states. Berlin has expressed concerns that imposing a high threshold could result in alienation and division within the Union (Martill et. Al, 2023). A high threshold would undermine the Union, something that the EU does not want, especially if the dormant NATO scenario occurs.²

² US withdrawal of financial and military support to NATO.

The EU, particularly the European Commission, has been actively involved, offering financial incentives to member states to contribute their existing stocks and expand production capacities. However, the idea of a transition of the European defence industry to a war-fighting setup has not yet materialised. Although the Commission plans to introduce a comprehensive European Defence Industrial Strategy soon, its success depends on Member States showing more enthusiasm for collective action than hitherto. Recently, indeed, France, Germany, Italy, and Spain warned the Commission against invading their sovereignty and stressed the importance of respecting national defence 'prerogatives' (Witney, 2024).

The literature indicates that the EU could establish a defence system with assistance from NATO and US military support while prioritising the organisational integration of various tools outlined above. This approach could enable the EU to develop an effective defence system.

The literature discussed shows that there is an incentive for the EU defence to become less reliant on the US. Moreover, it shows that there are possibilities for the EU to cooperate and improve the European defence industry. However, several challenges to this have been pointed out. Mainly the importance of national sovereignty for many countries is an obstacle, as previously mentioned by Bergmann.

The application of the PESCO framework, therefore, should be analysed from a management perspective to create a clear picture of critical factors that are needed for more integration within the EU. Drawing upon the strategic triangle framework delineated in Mark H. Moore's seminal work, "Strategic Management in Government and the Public Value Account," this research seeks to provide a comprehensive understanding of the EU's capabilities and avenues for enhancing its defence posture. The strategic triangle model is chosen for its efficacy in evaluating institutional actions from a strategic management perspective, encompassing three key dimensions: "Legitimacy and Support", "Public Value", and "Operational Capacity" (Moore, 2013). The choice fell on this framework because idealistically it is the best way to assess what PESCO is and can do from a strategic management perspective; in fact, most previous studies on this topic took a completely different view and instead of assessing the strategic management perspective, went more into EU integration. It should however be clear that Moore's triangle can only be useful if it is made applicable to the specific policy area under study. Therefore, Moore's triangle needs further elaboration. In this study, public value can be seen as the dependent variable, whereas the other pillars would represent the independent variables.

2.1 Public Value: The Application of PESCO as an Instrument for Aligning CSDP Requirements with the Present and Future Capabilities of the EU and its Member States

In this research, public value is the dependent variable. According to Moore, public value is the benefit created by public organizations and activities that improve societal well-being. Moore emphasizes that public value cannot emerge on its own; it requires certain supportive conditions. These include the approval of the authorizing political environment, which has the authority and responsibility to define public value, as well as the presence of organizational and operational capacity that must be effectively utilised and directed to produce public value (Moore, 2013). To illustrate the dependent variable, this thesis will focus on achieving improvements in the military field. An explanation of the two independent variables will follow to better address the challenges of EU defence, specifically regarding PESCO.

Before explaining the independent variables, it is essential to understand the origins and development of this tool over the years. PESCO, or Permanent Structured Cooperation, is the culmination of several years of work by EU institutions. Although this project was initially set to begin in 2009 with the Lisbon Treaty, it took eight more years to be officially implemented.

Many scholars, such as Novaky (2018), referred to this part of the Lisbon Treaty as the "sleeping beauty." Now, it seems that this framework has finally awakened and is poised to play a proactive role within the EU's Common Security and Defence Policy (CSDP).

PESCO is not an independent initiative but emerged from the broader European Global Strategy.³ As mentioned in Chapter 1, several external pressures prompted the Council to activate this tool, including the Russian threat, Brexit, and Trump's statements about withdrawing military and financial support from NATO (Koppa, 2019). Currently, due to the Russian invasion of Ukraine, the EU is urging member states to cooperate more intensively to make PESCO effective (Rutigliano, 2023). However, it might be too late, as PESCO, in place since 2017, has not had the expected influence. Given that this thesis aims to achieve improvements in the military field as a public value, it is necessary to analyse past and ongoing efforts of the EU in this area.

The EU has been trying to improve its military assets ever since the Headline Goal of 1999 where at the Helsinki European Council of December 1999, the EU member states defined the Headline Goal as follows: 'cooperating voluntarily in EU-led operations, Member States must be able, by 2003, to deploy within 60 days and sustain for at least 1-year military forces of up to 50,000–60,000 persons

³ See EU Global Strategy, designed to address the changing security landscape, outlines five key priorities: enhancing the Union's security, strengthening state and societal resilience in the East and South, adopting an integrated approach to conflicts and crises, fostering a cooperative regional order and promoting global governance for the 21st century (Koppa, 2019).

capable of the full range of Petersberg tasks'⁴. The Headline Goal was never achieved due to a lack of interest from EU countries.

However, with the Treaty of Lisbon in 2007, EU defence gained renewed attention, and PESCO was mentioned for the first time. This structured cooperation remained dormant for a decade until significant external pressures prompted countries to take it seriously. Despite these efforts, the literature indicates that the EU still struggles to improve its military capabilities. PESCO has aimed to lead in this area, but evidence shows it falls short due to a lack of industrial cooperation and political leadership. These issues will be examined in detail using Moore's framework. To better understand how the EU can enhance its military posture, the two dependent variables need a thorough examination.

The primary scholar addressing EU CSDP is Sven Biscop, whose work will be heavily referenced in this thesis. In "Battalion to Brigades: The Future of European Defence," Biscop asserts that the EU has a long way to go to develop a robust military capability and play an active role in the defence sector (Biscop, 2020). He argues that the EU Battlegroups, established before PESCO, are insufficient and that the EU needs to significantly increase the number of soldiers to improve its defence stance. "For many, the most visible aspect of the CSDP, for example, is the multinational EU battlegroups, two of which are always on standby on a rotational basis. But each battlegroup is only a battalion-size force plus support units, and useable only in very specific scenarios.

Furthermore, within many battlegroups inter-operability remains limited, and each one is only a temporary formation that is dissolved after its standby phase" (Biscop, 2020, 107). Therefore, this military provision is insufficient. Member States have been attempting to achieve the Headline Goal for 20 years without success, demonstrating that this EU project has been a complete failure. However, a positive development in the quest for military improvement is that EU member states have finally recognised the need for European defence, especially after the War in Ukraine, which exposed the EU's military unpreparedness. While the EU performed well in imposing economic sanctions, it failed to provide substantial military aid to Ukraine. Currently, the Ukrainian war effort relies heavily on military support from the US. The EU must prepare to gradually take on the primary responsibilities. There is an idea, and it seems there is also the will within the EU to turn on the engine of EU defence.

Member states have finally decided to activate this framework, now 26 out of 27 EU members have adhered to this initiative and the majority has also agreed upon different projects, by showing interest and will to cooperate. This is a good sign that shows the EU spirit and cooperation are vivid

⁴ Declaration of intents by EU member states in using military forces to cover specific fields and rescue tasks; Conflict prevention and peace-keeping tasks; tasks of combat forces in crisis management, including peace-making; joint disarmament operations; military advice and assistance tasks; post-conflict stabilisation tasks.

even though the political and public discourse shows the contrary, indeed, the different national elections that took place in the last couple of years show an increase in populism and anti-European parties that wants out of the EU (Baciu et. Al., 2020). Therefore, based on the literature above, the litmus test for the public value of PESCO can be defined by its ability to significantly improve interoperability among current capabilities and further enhance these capabilities for the future of EU defence.

At the same time, though, some missing pieces can lead to an improvement in the military field. These are effective industrial cooperation between the single capabilities of EU member states and the leadership, a country that takes responsibility and tries to guide the EU defence is missing. These are two aspects that will be discussed in the following subchapters dedicated to organisational capacity and legitimacy perspective.

2.2 Legitimacy and Support Perspective

The second component of the triangle, representing the community and the individuals who support or oppose a cause, is just as vital as the other two elements in creating and shaping public value. Public value is affected by the level of support for a policy, which can manifest in various forms such as laws, regulations, policies, and political dynamics (Moore, 2013). This support not only underpins policies but also sets boundaries on the range of possible actions, acting as the primary driving force in creating and shaping public value. Factors such as lack of political support, complex bureaucracies, and intricate decision-making processes influence the opportunities and challenges faced by public managers. In conclusion, legitimacy is crucial for both public and political spheres to trust an organization or institution. Without legitimacy, significant issues arise in establishing an institution. This is true also for PESCO, which, without adequate support, risks facing the same fate as the EU Battlegroups.

At this moment, PESCO can be seen as legitimate from a juridical perspective but not completely from a political one. Issued initially in 2017, the legal founding has already been laid down on the fundamental basis of the TEU and the Lisbon treaty, which enables a build-up of a self-sustainable defence system in the EU (Peternelj et. Al., 2018). However, the key problem lies in the lack of political will, particularly in the unanimity system, to deliberate the EU's foreign policy goals and equally address the security concerns of all EU member states within Article 42(7) TEU (Virkkunen, 2022). This article which is the mutual defence clause is not enough to make European countries comply with the system provided by PESCO. Therefore, as suggested by (Peternelj et. Al., 2018), it would be better if this mutual clause becomes more binding and takes the shape of NATO's Article 5 which would bind EU countries more solidly to their defence duties. Another

article that rules PESCO is 42(6).⁵ This article entails the cooperation among the EU members, and this is crucial because, before this, most of the cooperation would have happened outside of the union framework by undermining the spirit of collective defence (De France et. Al, 2017). The articles mentioned above lay the groundwork for Protocol 10, considered the foundational treaty of PESCO, outlining the rights and responsibilities of member states that opt into this initiative. However, despite the existence of three legal instruments governing this defensive framework, there are notable shortcomings.

One significant challenge facing PESCO is its non-binding nature and the absence of institutional mechanisms to ensure member states' adherence to various projects (Simon et al., 2021). PESCO relies solely on voluntary participation, which fails to provide guarantees for EU collective defence or maintain the interest of our transatlantic partners, who are increasingly disengaged. To restore trust and credibility externally, PESCO should prioritise projects of "strategic relevance" and foster a culture of compliance to ensure meaningful member-state involvement. It should also strive to align EU Capability Development Plans (CDPs) with NATO's Defence Planning Process (NDPP) (Sweeney et al., 2020). For PESCO to succeed, member countries need a leader to guide further integration, like past leadership efforts by Germany and France in EU defence. These two countries have different approaches: France advocates for greater independence, having long supported European defence since WWII, while Germany's plan is more aligned with NATO.

PESCO, initiated primarily by Italy, France, Germany, Spain, and Portugal, requires political leadership from these nations (Biscop, 2018). However, these countries are split between the German and French visions, complicating the creation of a unified EU defence strategy.

Huntley (2020) argues that the German perspective, which emphasises cooperation with NATO, is preferable. This approach aims to "strengthen" NATO's role within EU defence, whereas France's more independent stance seeks to minimise NATO involvement, relying solely on the member states of the European Intervention Initiative (EII).⁶ Due to these substantial differences, German leadership is often favoured, as developing an EU defence capability independent of NATO would require significant time and development within the EU defence and industry sectors. Through substantial leadership and a significant boost to the EU defence industry, the EU could revitalise its respect and reputation in defence. This initiative would also bolster its defence capabilities, a topic to be explored further in the discussion of the final pillar of the strategic triangle.

⁵ See article 42(6) TEU, those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework

⁶ French individualistic initiative for defence cooperation

2.3 Operational Capability

According to Moore (2013), the operational capacity perspective, the final pillar of his triangle, emphasizes the processes within the public sector that convert resources and authority into valuable outcomes for the public. This includes pursuing productivity improvements through experimentation, innovation, and operational investments, as well as reallocating resources among units responsible for different outputs. Operational capacity encompasses not only financial support but also the skills, expertise, and culture of the individuals working on specific projects. In our case, it could be argued that this aspect of the triangle holds the most weight. Over the years, EU countries have introduced numerous initiatives to support EU defence. Before delving into these initiatives, it's crucial to note that PESCO operates through clustered cooperation, comprising 66 smaller projects within the broader framework. Most of these projects aim to bolster the capabilities of EU countries while also improving interoperability among them.

One of the main projects that have tried first to enhance the capabilities in the short term and interoperability as well is the EUFOR Crisis Response Operation Core (CROC). The project's goal is to contribute to the creation of a coherent full-spectrum force package that can accelerate the provision of forces. Additionally, it aims to enhance the EU's crisis management capabilities by bolstering member states' readiness, willingness, and dedication to participate in operations and missions. It is designed to gradually bridge the gap between the EU Battlegroups and the highest level of ambition outlined in the EU Global Strategy (Bruschetta, 2021). Biscop (2019) states that the CROC can be the central PESCO project, serving as a framework for the others, so it can be said that good progress has already been made towards good interoperability, but this is not enough. Data shows, indeed, there is a significant lack of interoperability in EU countries' armed forces, and this undermines the effectiveness of the EU defence due to overlaps, duplications, and unnecessary tools that make the core of EU defence quite complex (Finabel, 2021).

If the stated project seeks to establish a comprehensive force package, various plans are in place to foster cooperation within EU defence, including EDF, CARD, and the Strategic Compass, along with newer initiatives like EDIS, EDIP, and EPF (Barigazzi et. Al, 2024). These initiatives present a complex overview of the organisational capabilities that the EU must gain to become an effective defence as a political actor. Hence, each of them is presented to enhance understanding of their roles and objectives in EU defence. The initial trio comprises the European Defence Fund, the Coordinated Annual Review on Defence, and the Strategic Compass.

The EDF is a tool to feed and support financially the European defence industry and research, it was implemented by the EU Commission in 2019 with the guidance of Jean Claude Juncker and its first official project was launched by von der Leyen under her “geopolitical Europe” (Baciu et al. 2020).

The European Commission adopted a Communication launching the European Defence Fund (EDF) consisting of 'dimensions' for defence research and capability development. However, the actual defence fund began officially in 2021 with the requested budget plan over the multi-annual financial framework 2021-2027 which amounted to almost 13 billion euros (Sweeney et al, 2020).

The CARD is a register recording all developments in EU national defence plans to understand and facilitate cooperation by identifying opportunities for collaboration. It is based on a review of Member States' defence plans and aims to improve coherence, acting as a pathfinder for defence cooperation activities. Over time, this will lead to a gradual synchronisation and mutual adaptation of national defence planning cycles and capability development practices (EDA, 2024). The last one, the Strategic Compass, is an initiative launched in 2022 that has different ambitions in the operational and organisational aspects of EU defence. It aims to enhance cooperation among member states, investing in defence capabilities, and fostering stronger partnerships with external allies (EU Council, 2022).

The most recent acronyms, instead, refer to European Defence Industrial Strategy, European Defence Industry Program, and European Peace Facility. The first one is a communication by the EU commission that sets precise goals for the future, this message was delivered by Ursula von der Leyen in the State of the Union speech in 2023.⁷ The EDIP is the tool that will bridge from short-term emergency measures, adopted in 2023 and ending in 2025, to a more structural and longer-term approach to achieve defence industrial readiness. This will ensure ongoing support for the European defence technological and industrial base, enabling it to swiftly adapt to the new reality. Still, leaders are debating on a bigger sum of money because the EU commission thought of a 1.5 billion budget for the EDIP but it is not enough. EU leaders agree there is a need for much more financial help, but they disagree on whether to find this support (Kayali et. Al, 2024). The last one, the European Peace Facility is an off-budget instrument, meaning that is funded by EU member states financial sources and not the EU budget, which enhances the EU's ability to act as a global security provider. The EPF is worth around EUR 5.6 billion for the period 2021-2027, although in December 2022 the EU Member States decided to increase the instrument's financial ceiling by a further EUR 2 billion (Fiott, 2023).

All these defence tools should be coordinated and aligned by the European Defence Agency (EDA), which, utilising its expertise along with the support of the European Union Military Staff (EUMS) and the European External Action Service (EEAS), aims to ensure coherence, efficiency, and a

⁷ . Brussels wants half of national defence procurement budgets to go to local companies by 2030, rising to 60 percent by 2035 currently nearly 80 percent of weapons are purchased from foreign contractors, including more than 60 percent from the U.S. By 2030, at least 40 percent of military equipment should be purchased jointly by EU countries, the Commission also says

consistent focus on capability priorities (Domecq, 2018). The EDA Secretariat, however, faces the challenging task of harmonising and integrating these various systems.

A review of the literature on the EU's capabilities for collective defence suggests that this task is particularly daunting due to several factors, such as excessive bureaucracy, cumbersome and slow processes, and the difficulty of aligning diverse national defence plans. Each EU member state has its defence priorities, making it challenging to achieve unified benchmarks without a central command to coordinate these efforts.

Historically, significant military operations, in terms of both deployment numbers and risk, have often been conducted by individual states or ad hoc coalitions outside the frameworks of the EU or NATO (Biscop, 2018). This trend undermines the collective spirit of the EU and raises doubts about the credibility of PESCO as a tool for establishing an independent and effective defence system. Despite aspirations for autonomy, EU countries remain reliant on NATO and US armaments, a dependency likely to persist for the foreseeable future.

The US currently contributes approximately two-thirds of NATO's total national defence spending, reflecting its global defence commitments beyond NATO. Moreover, the European Union's overall military force structure has declined from 3.4 million during the Cold War to less than 2 million in 2019. Challenges persist in areas such as readiness, mobility, and defence industry capabilities within Europe. Furthermore, as of 2023, several key nations have yet to reach the defence spending target of 2 per cent of GDP set for 2024 (Ripon Forum, 2022). However, the latest report from the EDA shows that EU countries are increasing their budget and are more committed to reaching the 2% threshold (EDA, 2024).

While it is commonly believed that the European Defence Fund (EDF) can serve as a key tool for implementing PESCO, it is important to note that these two mechanisms have distinct legal bases: one is intergovernmental, and the other relies on supranational governance (Simon et al., 2021). This distinction does not categorically exclude PESCO projects from the scope of the EDF. Activities developed under Permanent Structured Cooperation may benefit from a funding rate increased by an additional 10 percentage points. This provision is intended to encourage Member States to propose PESCO projects by offering increased funding from the EDF, up to 10% more than non-PESCO initiatives. Thus, the EDF plays a significant role in enhancing defence cooperation within PESCO. Without a specific budget allocated to PESCO or alternative financial incentives, this bonus is likely to attract Member States interested in participating in these initiatives but facing budgetary constraints. It assists them in choosing and prioritising their endeavours (Marrone, 2017).

However, several aspects of organisational capability still need improvement, such as interoperability between member states, cooperation between NATO and EU members, and alignment of national defence plans to avoid strategy duplications or overlaps, which would complicate rather than simplify and enhance EU defence.

Cooperation between NATO defence plans and national defence plans should be a priority, as this would make PESCO a complementary framework to NATO and help reduce the burden on the US within the Atlantic alliance (Biscop, 2018). This is crucial for maintaining the support of our vital transatlantic partners and convincing them to stay engaged until the EU can become an independent defensive actor in the long term.

2.4 Conceptual model

In this study the following research question is presented: *What are the critical success factors of PESCO to achieve an effective EU defence system?* The study aims to investigate whether PESCO can be a tool to reach an effective EU defence system, through the logic of strategic management, by using the framework presented by Mark Moore. This framework is chosen because it highlights the three distinct elements of PESCO that must be balanced to create public value. Examining the underlying rationales for this assessment seeks to enhance academic understanding of the key factors required to improve the EU CSDP. Moreover, it seeks to provide insights to the EU countries and institutions on potential strategies for enhancing the effectiveness of PESCO within the EU framework. This precise aspect was chosen because the EU lacks an effective defence system and this research aims at helping EU member states try to fill the void that EU defence features.

In this study, following the theoretical framework from Moore, getting improvement in the military field is the independent variable (Public Value), while the dependent variables are represented by the other two elements of the triangle, i.e. the financial and military capabilities (Organisational Capacity) and lastly political focus and leadership (Legitimacy). After having explained the different variables in the previous chapters, we need to understand what are the concepts that would help the alignment of the strategic triangle. The shortcomings that are offered while reading the literature point towards three potentially integrating concepts. First referring to the public value of PESCO Biscop mentions the need for more **interoperability** amongst member states armies:

“The implementation of PESCO is understandably focused on capability projects, its most tangible dimension. However, the fact that states participating in any given project will acquire the same equipment could serve as the foundation for more integrated forces, in which any

additional capabilities can be operated most cost-effectively. Once a project has been completed, it only makes sense for the resulting capability to be co-owned, as part of a unified force, by all the states that helped to develop it, rather than being divided between them (2018: 167).

The EU has plenty of tools that deal with the CSDP, and many member states are involved in this field. To reach and achieve an improvement in this field, EU member states and institutions need interoperability, which is the extent to which different organisations or individuals can collaborate effectively to accomplish a shared objective. In the past, interoperability has primarily centred around equipment and technology, yet the human aspects of interoperability hold equal, if not greater, significance across strategic, operational, and tactical levels.

Secondly about the legitimising environment the points towards more **political leadership and focus:**

“Continued leadership will be necessary to ensure that PESCO fulfils its potential and does not fall victim to its success. In its current form, it embodies a compromise between France and Germany as to the number of states that have joined it. However, developing a culture of compliance will be crucial. A cultural shift is needed that only France, Germany, Italy and Spain can initiate. (2018: 167)

According to Ofori et al. (2022) Political leadership is the ability of an individual to influence, guide, and direct the actions of others toward the achievement of common goals and the betterment of society. Political leadership is not just about the leader acting alone, but rather the result of an interaction between the leader and their followers. It involves the leader's ability to inspire, motivate, and empower others to participate in the political process. In the case of PESCO, this aspect is crucial since it is an intergovernmental framework guided by the Council, which needs the support of member states and the interdependence between member states to continue feeding and believing in this project to make it a valid tool for the EU defence. Moreover, Sweeney et al. (2020) highlight that, due to the urgent need to accelerate the EU Common Security and Defence Policy (CSDP), supranational institutions like the EU Commission and the High Representative for Foreign Affairs have taken on leadership roles to prioritise this defence initiative. While there has been some leadership from these entities, it is insufficient. Despite the agreement of 26 member states on various projects, many do not genuinely commit, often participating merely to secure

financial support and tools, such as access to the European Defence Fund (EDF), which they might use for other purposes.

Biscop (2020) points out a prevalent culture of non-compliance within the CSDP, affecting PESCO as well. Member states frequently agree to decisions they do not intend to follow through on, using PESCO to advance their national objectives rather than pursuing a unified EU goal. To address this, certain countries need to step up as leaders to encourage compliance and cooperation with their national industries for the greater good of PESCO. Germany and France have made attempts, each with different visions for PESCO. The literature suggests that Germany's approach, which advocates for strengthening NATO's role within the EU, is the better path to follow.

Finally on the level of the organisational capabilities is concerned the points towards the need for more **industrial cooperation**:

“A system to assess member states’ performance in terms of their PESCO commitments is already in place, and the Council is scheduled, before summer 2018, to specify more precise objectives and to sequence their fulfilment in two phases (2018–20 and 2021–25).

A cultural shift is needed that only France, Germany, Italy and Spain can initiate. If they are serious about PESCO, they must abandon all protectionism, including offsets (the practice of returning money spent on procurement in another country to a purchasing state in the form of subcontracts to its defence industry, or even investments in other economic sectors), in defence procurement. This may seem a distant prospect, but the alternative – national defence industries engaging in ruinous competition that ultimately leaves Europe with no defence industry at all – is already on the horizon. (2018: 166)

The third key concept identified is industrial cooperation, chosen for its crucial role in establishing PESCO as a dependable pillar of EU defence. Cooperation extends beyond member states to encompass transatlantic partners. According to (Milner, 1992) Cooperation occurs when actors adjust their behaviour to the actual or anticipated preferences of others, through a process of policy coordination.

Political leadership, interoperability, and industrial cooperation form the envisioned triangle essential for aligning strategic objectives to generate public value and make PESCO an effective tool for coordinating the EU’s capability needs. These three concepts can also be seen as mediating variables that facilitate the alignment of the strategic triangle and the production of public value.

For each mediating variable, a hypothesis that is falsifiable and testable against the research question is presented.

H1 A stronger political leadership and commitment by PESCO member states would result in a more effective PESCO. (Legitimacy and Public Value)

H2 A more unified military system would increase the interoperability of the several national armed forces resulting in a more effective EU defence. (Organisational capabilities)

H3 More cooperation between PESCO and the US would lead to a better-structured and backed PESCO that would help strengthen the NATO pillar in the EU. (Public Value)

H4 Increased military spending by the PESCO countries would lead to more credibility and better cooperation with NATO and therefore better EU defence. (Legitimacy and organisational capacity).

Now it's possible to design the conceptual framework that will be used to try to answer the research question in chapter five.

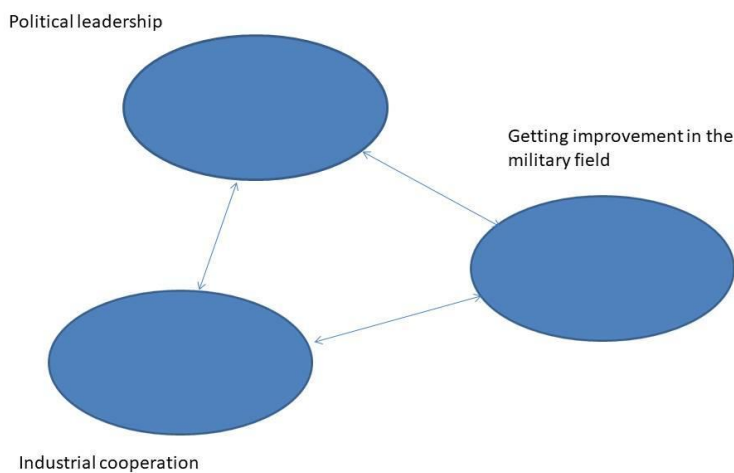


Figure 1: Moore's Triangle revisited by the author

3. Methodology

This section of the research will offer insights into the methodologies employed to investigate whether and how PESCO can serve as an effective tool to improve EU defence, particularly concerning the coordination of capability needs. While the previous chapters conducted a literature review and outlined Mark Moore's (2013) Strategic Triangle framework, this section will not only detail the data collection process and its prerequisites but also explain how the Strategic Triangle framework will be exploited to answer the research question.

3.1 Research Design

To answer the research question this thesis will use qualitative analysis because is preferable for our research question due to several advantages. Firstly, it facilitates a thorough examination of the phenomenon, capturing intricate dynamics and the interplay of factors. Through document analysis and interviews, a nuanced understanding of coherence can be achieved. Secondly, document analysis aids in comprehending formal policies and strategic documents, establishing a basis for comparison with real-world practices. Thirdly, conducting interviews at different levels provides diverse perspectives, enriching our understanding and offering a comprehensive view of coherence.

3.2 Case-description.

This study explores the complex landscape of the EU's Common Security and Defence Policy (CSDP), focusing specifically on Permanent Structured Cooperation (PESCO). It closely examines both the legitimacy framework and organisational dynamics of PESCO, with a particular focus on the deliberative processes within the European Commission, the European External Action Service, and the European Parliament (EP), from PESCO's inception to its current active phase.

Additionally, this thesis places significant emphasis on investigating the roles of the other two members of the PESCO Secretariat: The European Defence Agency (EDA) and the European Union Military Staff (EUMS), as crucial institutions within the broader context of PESCO. Understanding the roles and influences of these actors provides valuable insights into the mechanisms that shape the development and implementation of PESCO initiatives.

By analysing deliberations within the EEAS and EP, reviewing the functions of the EDA, and scrutinising the evolution of member states' positions on PESCO, this study aims to provide a comprehensive understanding of the dynamics behind this critical framework of European defence cooperation. Through rigorous examination and analysis, we seek to illuminate the complexities and potential inherent in PESCO, thus contributing to the broader discourse on European security and defence integration.

3.3 Data collection

Two distinct methods were used for data collection: primary research conducted through Google Scholar and the Leiden University library, and other documents related to EU defence which played a key role in this study, contributing to both the literature review and the development of the theoretical framework. The Google Scholar and Leiden University Catalogue was an exhaustive search targeting seminal works and key references concerning the EU CSDP, particularly the PESCO framework. The use of many keywords, including ‘PESCO’, ‘differentiated integration’, ‘cooperation’ and ‘EU CSDP’, facilitated the collection of data and references relevant to the research question. The research scope was broadened by reviewing reference lists from other pertinent articles, books, and reports, ensuring the inclusion of sources that may have been initially missed. This approach aims to provide a comprehensive understanding of the evolving landscape concerning the development of PESCO over the years. The literature review synthesised and critically analysed existing knowledge, laying the foundation for research and identifying research gaps. A wide range of literature was used, focusing mainly on understanding theoretical concepts dating back to the 1990s. About EU defence, most sources were dated after 2000, reflecting the period when EU defence began to be widely studied. However, due to the evolving nature of the topic, literature and sources published during this research were also incorporated.

Category	Source	Example
EU Institutions (11)	<i>EEAS</i>	<i>Annual report on EU defence</i>
	<i>EDA</i>	<i>Evaluation of PESCO</i>
	<i>EP</i>	<i>Member States Opinion on PESCO</i>
	<i>European Council</i>	<i>Progress of PESCO and strategic review</i>

Think Tanks	<i>Clingendael</i>	<i>The next steps for PESCO</i>
Policy briefs		
(10)		
	<i>Ares</i>	<i>How to make PESCO a success</i>
	<i>FIAA</i>	<i>Franco-German leadership in European security: Engine in reverse gear?</i>

Table 1 Documents, sources and examples

For the analysis and empirical results, we mainly relied on official publications of the EU or the main EU Member States. These sources were consulted through official channels and news articles, identified through targeted Google searches on specific topics and filtered according to the year of publication. To ensure the relevance of the empirical information, only data directly relevant to the key concepts of the Strategic Triangle or the mediating variables of the conceptual model were included.

The empirical findings mainly consist of official documents, reports, and communications, as well as statements or quotations from heads of state and relevant persons or offices. The researched data fall into two main categories: firstly, an examination of the historical impact of PESCO within the EU defence mechanisms and, secondly, a review of articles and academic works criticising these defence instruments and proposing potential improvements.

Interviews

To enrich the data collected through the background research and gain a deeper understanding of the literature examined, a series of semi-structured interviews were conducted. These interviews served as the primary source of information, with approximately four open-ended questions to understand the reality behind literature and document research and also to have personal insights from the respondents. The aim was to see whether the interviewees' answers could emphasise or enhance the empirical results obtained from the documentary research.

The interviewees, who chose to remain anonymous for security and privacy purposes, were purposefully chosen for their relevance to the topic and their expertise or experience in the field. This purposeful selection facilitated the collection of a diverse range of perspectives, experiences and ideas on the topic. Interviewees included people affiliated with the Italian Ministry of Foreign Affairs, former employees of the European Defence Agency (EDA), military generals, and academics. Each of the interviewees offered a unique experience from their background. For instance, one interviewee was a senior foreign affairs official with over two decades of experience in public affairs and foreign relations, having played a significant role in Italy's Common Security and Defence Policy (CSDP) initiatives. With their extensive experience in the Common Security and Defence Policy (CSDP), interviewees offered valuable insights into their first-hand observations of EU defence developments. In addition, they provided personal views on strategies to implement significant change in this field and offered suggestions for policy adjustments. One of the interviewees, for instance, worked for the European Defence Agency (EDA) and is now employed at NATO. This individual provided perspectives from both European and Atlantic alliance perspectives, enriching the thesis with several insights on how to improve PESCO from multiple angles.

Overall, the interviewees offered a spectrum of views encompassing political, scientific and personal dimensions. Table 2 on the next page presents an overview of each interviewee, outlining their roles and relevance to the research objectives or contributions made.

To conduct effective interviews, it's essential to focus on specific topics outlined in the conceptual model, as detailed in the table provided earlier. These concepts serve as the foundation for identifying what could be the mediators that lead to the alignment of the triangle. By doing so, it becomes easier to formulate precise questions that address key aspects of the research to the interviewees.

Respondent	Role	Contribution to Research
R1 Male Ministry of Foreign Affairs Italy	Responsible for CSDP in Italy	Insights in Italian perspective towards PESCO, recommendations for future improvements

R2	PESCO department	PESCO
Male		developments and insights on the capacities of the EU
EDA employee		
R3	Senior official	Insights on PESCO, Member States effort, EEAS role
Female		
EEAS		
R4	Senior official	Insights on development in EU capabilities and industry
Male		
EEAS		
R5	Senior Official	EUMS role, PESCO cell, Livex
Male		
EUMS		
R6	Professor at VUB	Insights on PESCO development and status from an academic perspective
Male		
Academic		

Table 2. List of Respondents

3.4 Data analysis

Concept	Indicator	Source
Interoperability	-EU CSDP Missions	EEAS,
	-Interoperability indicators	NATO
	-PESCO Military Mobility	EU Council

Political leadership	<ul style="list-style-type: none"> -Leading coalitions -Possible leaders for the PESCO Framework -EU pillar in NATO 	<ul style="list-style-type: none"> MEP speeches and statements Finabel reports FIAA policy brief EUISS policy brief
Industrial cooperation	<ul style="list-style-type: none"> Investments Leverage on EU protection Creation of EU defence market Military spending 	<ul style="list-style-type: none"> EDA annual report PESCO annual reports EEAS press release
Alignment	Strategic culture, political will, political leadership, Fill capability gaps	R1,2,3,4,5,6

Table 3 Operationalisation

Data analysis for this research was carried out in two separate stages. Initially, the empirical results collected from the document research were subjected to textual analysis through coding based on the indicators as mentioned in Table 3. This involved examining key events or quotes for their relevance to the key concepts of the Strategic Triangle or mediating variables. Guided by the conceptual model and theoretical framework articulated by Moore (2013), the thesis extracted crucial changes in the PESCO and EU defence framework from quotes, documents, and official publications.

The interviews were initially recorded and later transcribed. During transcription, statements that were significant and relevant to the research were highlighted. Then they were compared with the basic research findings. This approach facilitated the comparison between the respondents' opinions and the empirical results derived from the document research. The goal was to identify any disparities or similarities between the empirical data and respondents' statements.

The empirical findings from both the written sources and the interviews were then analysed through coding and consistently compared. This systematic approach ensured that the analysis remained aligned with the overall research framework and objectives.

3.5 Validity & Reliability

The methodology for this thesis employs qualitative document analysis, focusing on examining the content of documents to identify patterns and characteristics, thus enabling the drawing of inferences and conclusions (Bowen, 2009). This approach is efficient as it involves selecting rather than collecting data, allowing for a thorough analysis of the document content, which enhances the reliability of the results. However, documents may be biased or created for purposes different from this research, potentially leading to insufficient detail and unreliability. To address this issue, the thesis incorporates data and method triangulation, utilizing both primary and secondary sources, and reinforcing the analysis with interviews.

Another aspect to consider is time factors and validity. The research conducted between February and May 2024 operates within a constrained timeframe, potentially compromising the depth and breadth of data collection and analysis, which may in turn impact the robustness of the findings. Additionally, this narrow window of research might undermine the construct's validity by potentially overlooking significant developments or insights occurring beyond this period, such as ongoing negotiations or the release of classified policy documents. Moreover, the generalisability of the results is limited due to the predominantly sourced respondents from the PESCO secretariat. While they may share a common perspective on PESCO, this alone does not adequately represent the complexity and diversity of the broader EU defence landscape, thus limiting the applicability of the findings.

4.0 Findings and Results

This chapter discusses the results obtained from the previously conducted research and interviews. The findings from document research will be either reinforced or challenged by the opinions and statements of the interviewees. Notably, we examine whether the contributions of the respondents agree or conflict with each other.

Firstly, this chapter will discuss the major findings using Moore's (2013) strategic triangle framework, divided into three subchapters that mirror this framework. Each subchapter includes an analysis that examines the past and ongoing efforts of EU member states within the EU CSDP.

Secondly, the chapter will address the alignment needed to enable PESCO to create public value and answer the research question. The findings are presented based on the conceptual model, with each concept divided into expected mediating variables presented in Table 3.

Finally, the chapter concludes with the "Alignment" part where the potential alignment within the theoretical framework is presented and explained, leading to an answer to the research question.

4.1 Legitimising Environment: Political Leadership

In this paragraph, the thesis revolves around political leadership which is one of the mediating variables that could lead to improvement in the military field. To address the degree of political leadership that PESCO features, the indicators pointed out in Table 3 are analysed, namely 'Leading coalitions', 'Possible leaders for PESCO' and 'the EU pillar within NATO'.

This research started with the question: what are the critical factors of success for PESCO in reaching an effective EU defence system? To initiate this process, the Clingendael Institute examined the proposals, mechanisms, and efforts put forth by the EU to assess and comprehend the forthcoming challenges for PESCO. In their 2018 report titled "PESCO Implementation: The Next Challenge" coinciding with the official launch of PESCO, the researchers discuss the creation of PESCO as a compromise between two contrasting ideas: Germany's inclination towards more inclusive cooperation to involve as many countries as possible, and France's advocacy for the establishment of a more exclusive club characterised by a high level of commitment to military aspirations (Clingendael Institute, 2018). The idea that prevailed more was the one of Germany ending up with 25 Member States participating in this structured cooperation. The idea was to create an exclusive club, but in the end, there was nothing exclusive in PESCO since every EU country except for Malta and Denmark took part in it (Clingendael, 2018). Denmark, however, decided to opt out recently and take part in the PESCO framework as highlighted by the annual report of the HR on PESCO showing that countries are involved in this initiative (EU Council, 2023). R3 says "*Denmark decided to join last year after the referendum that they had. On ending their national opt out of EU CSDP, which lasted for several years now in Denmark[...] it's also an important signal*" (R3 personal communication, May 2024).

With so many countries that participated at the same time, it has been difficult to find an effective cooperation system. That's something that was said as well by R1 Senior Official for the Ministry of Foreign Affairs of Italy while comparing PESCO (security cooperation) to EU economic cooperation "*PESCO wasn't conceived to address such (Economic) disparities, its origin stems from a different need altogether. The idea of "I'll lead, and you'll follow" contradicts integration*

principles. The more, the merrier: following the EU's last significant enlargement, with 28 countries, it became evident that such a diverse set of states couldn't always think and act uniformly." (R1, personal communication, April 2024). This position which criticises the German vision of PESCO has been also supported by R6 Academic which says *"In hindsight, I think it was a mistake to push for this (vision). I think it should have been much more like what was originally laid out in the treaties, which was taken from the economic dimension. So increased cooperation essentially between smaller members, smaller groups of states that would be willing to move forward"* (R6, personal communication, May 2024). These contributions raise the question of how and from whom political leadership should emerge to establish the dynamic of "I lead, you follow." Only with this type of approach can the project succeed; otherwise, it risks encountering numerous free riders, complicating the cooperation process further.

However, after the Russian invasion of Ukraine, even if there had been no prior intention of cooperation between Member States, this event compelled them to collaborate and unite their forces under the banner of EU defence. R1 highlights this aspect with a strong statement: *"When was there the boost in European defence culture? After the Russian Invasion of Ukraine, there was a realisation that we have the war at home and we are not capable of handling a gun"* (R1, personal communication, April 2024).

Although each EU Member State has increased military spending, the EU as a whole is still falling short, partly also due to a lack of guidance from member states within the PESCO framework (CSIS, 2022). When talking about political leadership, (Biscop,2018b) says that the founding group of PESCO should be the one to follow, he says that *'a cultural shift is needed that only France, Germany, Italy, and Spain can initiate'*. This call for action and leadership by Germany and France has been also notified in the recent EU Parliament session on EU Defence and CSDP, where the co-president of the Green Party Terry Reintke said: *"We need more supportive words and leaderships from Europe and mainly Paris and Berlin, franco German engine driving these efforts providing strengths not only for Ukraine but also to provide the course for security and defence in Europe. Data show that cooperation in defence and policy it's more the exception than the rule"* (European Parliament, 2024). This shows the inefficiency of these two countries in leading the pack in defence cooperation.

While the main PESCO countries may not have exerted significant influence on EU defence integration in recent years, there has been a notable shift in focus towards EU defence cooperation at the EU level. This was evident in a debate session held at the EU Parliament in February 2024, where MEPs from various parties expressed a willingness to actively engage in EU defence in the

coming years. This momentum is not only evident among MEPs but also at the supranational level, as mentioned by R2 *“There is a lot of momentum, especially from the Commission to enhance the European defence industry and most countries are on board with this, even the ones in the more hesitant camp, they are willing to put money into new initiatives”* (R2, personal communication, May 2024).

The Commission and the Council are demonstrating a commitment to enhancing EU defence cooperation. During the debate, initiated by the State Secretary and the President of the Commission, a clear message emerged: the EU aims to play a proactive role in defence over the next five years. The President of the Commission announced plans for a stronger defence directorate and the appointment of two commissioners dedicated to managing capabilities and interoperability within EU armed forces (EU Parliament, 2024).

This cohesion is seen also in the speeches by the different MEPs, the president of the Renew Europe party stressed the importance of solving the consensus issue in EU defence by saying that *“the consensus on European foreign policy should be withdrawn, it should be reformed, we are not allowed to do this, one country can’t block a foreign decision in these times of crisis”*(EU Parliament, 2024). This frustration is also remarked in the press conference released by the HR Borrel after the Foreign Affairs Council (FAC) on EU Security and Defence in May 2024 where he said: *“There are seven pending approval legal acts that would free up 6.7 billion euros in terms of military capabilities for Ukraine, but the consensus has not been reached yet”* (EU Council, 2024). In addition, the representative of the Popular Right Jean Paul Garraut stresses the importance of creating a European army saying: *“It is better to have a European army than a stronger national army”*. Finally, the contribution of MEP McCallister, who acted as special rapporteur for the report on the implementation of a common foreign security and defence policy, should be mentioned.

In his report (McCallister, 2023), David McAllister, German representative of the European People's Party (EPP) conducts a comprehensive analysis of the current state of the EU's defence efforts and outlines steps necessary for the EU to assert itself in defence matters in the coming years. The report highlights a notable shift towards increased cooperation within EU defence. It points to a growing readiness among EU MEPs and the Commission to actively engage in defence initiatives in the next five years. Additionally, it stresses the commitment of both the Council and the Commission to bolstering EU defence capabilities, evident through proposals for strengthening the defence directorate and appointing two commissioners tasked with overseeing capabilities and interoperability within EU armed forces (McCallister, 2023).

All these contributions contribute to R2's affirmation of the EU's defence policy position in the European Parliament. *‘In general, at the moment, there is a general agreement from the EU parties in committing to the creation of an EU defence system, even from parties like the Greens and the Social Democrats who used to be not very convinced about EU defence (R2, personal communication, May 2024).*

Also, Italy was part of the Big Four and was expected to lead the pack in PESCO, however, there is not much about Italy's interest in PESCO and EU CSDP. In one of the interviews R1, after having already mentioned that he does not approve of a PESCO with that many participating member states, talked about Italian interest in EU defence by saying *“Italy has every interest in creating small structured cooperations because it is a country that believes in a European defence system. Italy is one among 27, it can be a people pull but it is always one among 27, and decisions on European political defence continue to be consensual decisions. And to understand that you need a policy of small steps, but with the current conflict situation, is a policy of small steps enough? Probably not.”* (R1, Personal communication, April 2024).

This position of the “policy of small steps” and smaller coalitions is shared also by an institute for Security Studies, the Finnish Institute of International Affairs, which in its briefing paper “Franco-German Leadership in European Security, Engine in reverse gear?” (FIIA, 2023) talks about the attempts by France and Germany to lead the pack in EU defence, in two different military crises: Russia’s illegal annexation of Crimea and the Russian invasion of Ukraine. On both occasions, however, the two heads of state did their best to counter both Russian actions without any effective results.

This briefing paper provides a general overview of the actions taken by France and Germany in 2014 and 2022 to unify the EU in terms of defence. It concludes that, despite their power and history of successful economic integration and cooperation, France and Germany have not achieved the same level of military integration. The paper ultimately recommends that Paris and Berlin recognise their limited ability to lead EU defence efforts alone and should consider enhancing cooperation with smaller countries or groups of countries, potentially even following their lead (FIIA, 2023) Furthermore, the authors emphasised the fact that although it is a common perception that the US presidential election will influence the fate of our transatlantic partnership, the transatlantic partnership remains essential for European security, regardless of who wins the US presidential election next year. This should be recognised in Paris and Berlin and considered in broader European policy planning.

This opinion is currently held by many people and institutions in the EU, for example, in the EU Parliament session an MEP said *“CFSDP Reforms are needed, strategically autonomous Europe it’s really important also to count on our strategic partner: NATO”* (EU Parliament, 2024) and it aspires to a stronger role and voice by the EU within NATO. Also, the former chief executive of the EDA called for more responsibility for action by EU member states to push countries to increase and enhance their capacities to make the EU act autonomously in defence. In this context, the Heads of State and Governments of the Member States urge the EU to take greater responsibility for its security and defence. They emphasise the need to boost defence investment, capability development, technological expertise, and operational readiness.

Rather than weakening transatlantic trust and security, as some fear, a stronger and more autonomous European defence will ultimately strengthen NATO. Our transatlantic partners benefit from a more capable and efficient EU in defence, as the US desires Europe to share the defence burden more equitably. Enhancing the European pillar within NATO will support this goal (EDA, 2023a). In this call for more action Jorge Domecq, former chief executive of EDA, stresses the fact that the EU needs to reach a strategic autonomy which means first, that our Member States’ armed forces have at their disposal the full spectrum of military assets that, taken together, could enable the EU to take military action and on its own, if necessary. Second, the functionality and usability of these assets are not restricted by any technological or political caveats controlled by non-European actors.

This, currently, could be done only with the supervision of the United States, and that’s also what R1 said when asked for an opinion on what could be the future between EU and NATO and who should lead this cooperation for EU defence *“But NATO is made up of EU countries, rather than seeing them as two opposite poles, you should see them as two potentially synergistic realities”*. *We don’t see the EU and NATO as two separate realities, we start to see them as two synergistic realities that share a common universe, a very large universe. 97% of European countries are part of NATO”* (R1, personal communication, April 2024). This suggests the so-called strengthening of the EU Pillar within NATO already mentioned by the MEP in Strasbourg. R4 also noted, *“Unfortunately too often we oppose NATO and the EU on this topic, and I think we are kind of missing the point that both kind of coexist and have coexisted and can complement and enrich each other”* (R4, personal communication, May 2024).

NATO's extensive experience in collective defence since World War II should be leveraged to bolster the European pillar within the alliance. While NATO member countries have diverse priorities and needs, EU nations often face more immediate and severe threats due to their

geographical contexts. Empowering NATO to address these specific challenges, with EU countries having a voice as influential as the US, is essential for strengthening the European pillar. By aligning their positions within NATO, EU member states can enhance the alliance's resilience against external pressures, including threats to funding. This collaboration with NATO is key to advancing European defence efforts.

The European Union Institute for Security Studies shares this view. In one of its policy briefs, it emphasises that given the multitude of bilateral agreements and regional military partnerships—totalling around 200—the EU does not need more such agreements. Instead, it needs to ensure interoperability among these existing arrangements (EUISS, 2023).

The EU has already undertaken significant efforts to increase political focus and leadership on critical issues like EU defence. Denmark's decision to opt-out of PESCO underscores the continued attention and relevance this framework receives. Given that the EU is not yet prepared to operate independently, member states should leverage NATO's expertise and strengthen the alliance, while also fostering leaders who can advance PESCO. The upcoming EU elections will shape future coalitions and majorities, likely favouring the enhancement and development of a more robust EU defence system. These elections may also create the possibility for some member states to emerge and take the steering wheel of PESCO and make an effective tool out of it.

It has been frequently noted that foreign policy cannot be governed by consensus, especially in these uncertain times. Consequently, the Parliament will likely consider reforms in this area. The Strategic Review planned for 2025 will be a crucial moment to assess the progress of PESCO and determine its future direction within the EU's Common Security and Defence Policy. This review will provide valuable insights into the potential of PESCO to enhance EU defence capabilities and its overall impact on the EU's strategic objectives. The momentum towards greater defence cooperation, as reflected in the European Commission and Council commitment, points to a promising trajectory for PESCO, provided that effective political leadership and strategic reforms are implemented.

4.2 Operational Capabilities: Industrial Cooperation

To achieve improvements in the military field and make a significant impact on EU defence, Member States need not only political capabilities but, more importantly, a robust European Defence Industry. Therefore, in this paragraph the industrial cooperation efforts are assessed through the indicators outlined in Chapter 3: Investments, Leverage on EU protection, Creation of the EU defence market and military spending.

Industrial cooperation is a major concern for both Member States and EU institutions. Parliamentary groups consistently engage in debates about the urgent need for the EU to increase military spending and manage that spending more effectively (EU Parliament, 2024). The EU countries have indeed significantly increased their military spending. But this is not enough. EU countries need to better coordinate and increase their spending to avoid unnecessary overlaps of capabilities that would lead to an even more complex structure.

To tackle this problem, the EU Commission has developed two different plans that are still in the process of being activated: EDIS and EDIDP. In the past member states already tried to reach significant improvements in this regard because as the report (Finabel, 2021) shows, before 2009 member states could not move and transport their armaments freely from country to country, there was a regulation that was used to block this process. The Defence Directive aimed to open up defence markets within the EU by establishing common rules and standards for acquisition processes, negotiations, and contracts between Member States and the European defence industries.⁸ The goal was to enhance competition in this sector and thus open national borders on this highly sensitive issue. However, national authorities still retain substantial control over their export-control policies and defence industries.

Efforts to establish a European Defence Equipment Market (EDEM) have been ongoing, but the defence market remains fragmented due to differences in national regulations, industrial structures, and strategic interests among Member States. In conclusion, while the EU has made progress in promoting defence cooperation and harmonising certain aspects of defence procurement, a single, unified defence market like the internal market for goods and services has not yet been fully realised (Finabel, 2021). The report, however, points at these reforms (ICT and Defence Directive) as not a big change; indeed, a much more needed shift is awaited. The report (Lannoo, 2023) is a strong reminder for Europe to step up and make radical changes in military procurement, and the EU defence economy in general, by creating the highly desired defence single market that the EC tried to implement 20 years ago with the defence directive previously mentioned.

A radical change is likely to occur as the European Commission has recently introduced the inaugural European Defence Industrial Strategy (EDIS) to bolster Europe's preparedness and security promptly. According to the EC Directorate General for Communication, this strategy

⁸ See Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC

outlines a clear, long-term vision for achieving defence industrial readiness within the EU. The plan entails a comprehensive strengthening of the EU's defence capabilities, emphasising a distinctly defensive stance for Europe's future. Under the EDIS, there will be a significant increase in military expenditure, prioritising research, innovation, and collaboration with strategic partners to achieve these objectives. Notably, the plan sets ambitious targets, such as reducing reliance on external partners by ensuring at least 40% of defence equipment is procured through intra-EU collaboration. Additionally, it aims to allocate at least half of defence procurement spending to EU-produced goods and increase intra-EU trade of defence goods to at least 35%, diminishing reliance on transactions with non-EU countries (European Commission, Press Release, 2024).

The Carnegie Institute, a renowned think tank, acknowledges the European Defence Industrial Strategy as a promising initiative with impeccable timing. However, it cautions that the strategy's success hinges significantly on securing stable, long-term funding. Even with countries' endorsement of the plan, the absence of assured financial support poses a considerable risk to its effective implementation (Carnegie, 2024). One positive aspect that shows the intention of member states to actively cooperate in EU defence is the promising record that was reached in 2023 in military spending, EDA annual report showed that defence spending reached a peak of 240 million euros with 20 of the 27 EU member states increasing their defence spending. and six of them increased their budget by 6% more than the previous year. However, HR and Head of the EDA Josep Borrel commented on this data with enthusiasm but at the same time, it recognises that ‘we have key capability gaps and continue to lag other global players in spending. This is why it’s not just about spending more in defence, but also about spending better and together’ (EDA, 2023). These last few words summarise what the EU will strive to do in the upcoming years.

If we look at the EDA report on military spending released in 2023, we notice an imbalanced and inadequate military expenditure by Member States. As the table shows indeed, only Estonia, Lettonia, Lituania, Poland, and Greece have reached the threshold of 2% set by NATO.

MS	AT	BE	BG	HR	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IE	IT	LV	LT	LU	MT	NL	PO	PT	RO	SK	SL	ES	SE
TDE % of GDP	0.8	1.2	1.5	1.9	1.9	1.3	1.4	2.2	1.9	1.9	1.5	3.9	1.8*	0.2	1.5	2.1	2.5	0.6	0.4	1.1	2.2	1.4	1.7	1.8	1.2	1.2	1.4

Figure 2: Member States' military spending percentage of their GDP(EDA,2023)

The graph above illustrates R2's remarks on industrial commitment and cooperation among Member States. As an EDA employee, R2 emphasised the existence of different factions in Europe. One faction, which includes Poland, the Baltic countries, the Netherlands, and Portugal, is very

transatlantic and committed to increasing military spending. These countries support enhanced EU cooperation but are cautious not to alienate the Americans. A clear example of this is the joint procurement by Germany, Spain, Romania, and the Netherlands, which signed a contract to purchase Patriot missiles to rebuild defence industrial capacity (Defence Industry Europe, 2024). R2 noted, *"It's going to be a factory in Europe, but we are still talking about American weapons,"* highlighting these countries' tendency not to stray too far from the US.

'The other camp is represented by pro-European countries, where at the Head there is France, followed by Italy, and Germany that tries to keep a low profile by staying on both sides' (R2, personal communication, May 2024). However, another aspect of the issue lies in France's relationship with the EU in the context of defence. France has consistently voiced opposition to the initiatives of the EU Commission, preferring instead the intergovernmentalism embodied by PESCO and the EDA over the supranationalism advocated by the EC. This is reflected in the Armament Industry European Research Group report "France's Perception of the EU Defence Industrial Toolbox," where Deputy Director Jean-Pierre Maulny provides an in-depth analysis of France's stance on defence matters.

The report (Maulny, 2024) highlights France's scepticism toward the supranational authority of the European Commission (EC). France has been one of the least enthusiastic countries about adhering to the defence directive aimed at creating a single market, preferring the EDA as the leader in EU defence. France favours the EDA over the EC due to its greater influence over decisions within the EDA and its trust in the expertise of European staff with military backgrounds. To this extent, R6 says that *"any growing or creeping role of the Commission will not be seen as a positive move by all Member States, and on this one it's quite important to keep in mind because you have the two largest states, France and Germany, who are becoming the most wary of the Commission's role"*(R6, personal communication, May 2024). France's preference for PESCO is evident in its significant involvement and leadership in numerous projects, participating in 48 out of the 68 PESCO initiatives. However, Paris recognises that the EC provides advantages, including greater freedom of initiative within the Community framework and access to financial and human resources that the EDA lacks. These financial resources mainly come from the EDF. Although this fund aims to encourage member states to invest more and better in research, innovation, and EU defence, France is not fully meeting its expected role.

In a debate session on EU defence in February 2024, Estonian MEP Jaak Madison, representing the EU country with the highest military spending, called on member states to act stronger and better. Addressing President Macron directly, Madison remarked, *"Monsieur Macron is very big with*

words but in reality, France gave to Ukraine a military aid that amounts only to 600 million euros and only 0,067% of the GDP was sent to Ukraine” (EU Parliament, 2024).

While the call for increased procurement and production of weapons is evident, the Schuman Paper “Has the Time Come for European Defence?” acknowledges that this is easier said than done. The paper emphasises the fragmentation of the EU defence industry and cooperation, noting that apart from a few projects like CARD, many military initiatives have yet to be launched. Defence remains a core aspect of national sovereignty, with a high degree of national control (Lefebvre, 2024). This observation was made by both R1 and R4 which have said that for the EU is quite a hard challenge now to coordinate and regulate its defence. R1 said *‘The European Union may not have the military capabilities of the United States, not because it is weaker but because it is more fragmented, we have so many weapon systems within the EU, the United States have only one’* (R1, Personal Communication, April 2024). R4 added to this point *“Since we don’t have a centralised system (like the US) it’s a bit difficult to talk about tailoring (EU defence), given that we cannot really like call the shot at any level”* (R4, Personal Communication, May 2024). This makes industrial cooperation even more challenging, as the goal is to reach a unified system. However, with such diversification and member states' reluctance to cede sovereignty, this goal is difficult to achieve. This narrative should not discourage EU defence, because *“the scientific knowledge and capabilities are there, European companies have the knowledge but do not have the means to turn this knowledge into adequate weapons production because of the low investment in defence so far* (R6, personal communication, May 2024).

Even though the EU is far from achieving a single defence market, the key development is that member states within the PESCO framework have become increasingly transparent over the years. *“They are sharing their national implementation plans, revealing to other member states how they intend to handle their national defence and what capabilities they plan to invest in. However, this transparency is difficult for the public to assess or understand, as most of these documents are classified and access is restricted”* (R4, personal communication, May 2024). Nonetheless, member states have significantly enhanced their openness with one another. They are aware of each other's plans and commitments, which stimulates cooperation which has substantially developed over the years.

After reaching proper military spending the EU will be able to understand how to cooperate in military terms because currently the European industry is not well tailored to hold a consistent EU defence. This is also shown by the last CARD annual report of 2022 which shows the lack of production and procurement by member states within the EU (EDA, 2022). The report indicates that

Member States often opt for off-the-shelf procurement when there is no domestic solution available or when urgent operational requirements and budget constraints necessitate quick action. This trend has been exacerbated by the Russian war against Ukraine, leading to a growing reliance on non-EU suppliers. This shift risks increasing fragmentation and dependence on non-EU sources. R2 gives an insight of this saying that *‘Although there’s a lot of investment in defence, not all of it is going to the European defence industry, so you see, for example, Poland is mainly buying in South Korea, in America, the Germans, are splitting their money, so they spend quite a lot in America, a lot in Israel and then maybe 1/3 in Europe’* (R2, personal communication, May 2024). In this way, EU defence fragmentation will worsen.

Indeed, to fix this overarching problem a specific project has been launched by the Commission, the EU launched the EDIRPA program in March 2024 to encourage joint military equipment purchases by member states. This initiative aims to create a more unified European defence system by incentivizing collaboration, consolidating demand for equipment, and streamlining the complex process of common procurement. EDIRPA also aims to benefit the European defence industry with a steady flow of contracts and improve the ability of EU forces to work together by ensuring they share compatible equipment. The program is backed by a €310 million investment focused on areas like air defence, various types of vehicles, and replacing outdated systems. Additionally, significant efforts are being made in ammunition, which is where the most progress is being seen.

This was the first sector subjected to the ramping up of investments due to the Act in Support of Ammunition Production (ASAP) which not only wants to speed up the ammunition production of the EU to supply our Ukrainian fellows but also is a step in the direction of establishing a European defence union, seen both as a combination of military capability and industrial capacity (Fabbrini, 2024). R4 argued, *“There are short and long-term capabilities that are needed, one should assume that we should ensure they (Member States) have availability of both promptly and of course at scale”*(R4, personal communication, May 2024). The ramping up of ammunition production by 40% after the Russian war of aggression against Ukraine is a fact *“It shows that even for those let’s say short-term capabilities where we would believe that the industry is maybe less prepared. In a certain context, it can deliver but it can only deliver in a certain context and with the right support by Member States at all levels”* (R4, personal communication, May 2024).

Joint procurement and production are realities, as evidenced by the absence of records of EU joint procurement in the latest annual EDA report. This report indicates that EU procurement has decreased further since the previous report (figure 2), raising significant concerns about the future of EU defence and industry. The EDA emphasises the urgency of this issue, noting in their latest

report that there is no dedicated section on EU defence procurement because only nine member states provided data on European collaborative defence equipment procurement. This is a decline from 2020 and 2021, when 11 and 14 member states, respectively, contributed data (EDA, 2022).

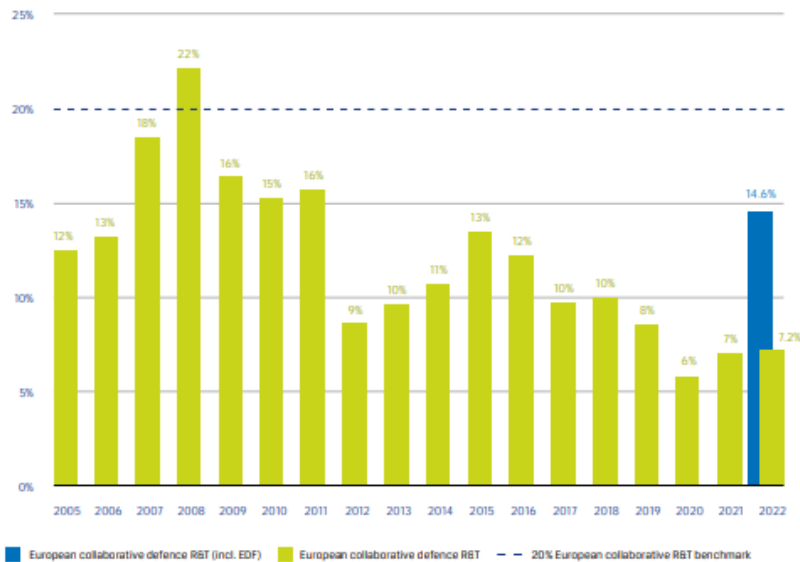


Figure 3 Joint procurement by EU MS in 2020-2021

The data above indicate that the EU must address this issue promptly if member states wish to establish a proper common defence market. As R3 highlighted, "*Joint procurement is left in the hands of the Member States, so they are the ones making the choices about what equipment to buy and from where. This contributes to the fragmentation of the defence sector, as we face a variety of different systems*" (R3, personal communication, May 2024). Therefore, this primary obstacle can only be resolved if Member States step up and take responsibility in this context. The EU must recover in this area without further delay. The time has come for the EU to take a prominent role in defence, as it has done for its established role in economic matters.

From Moore’s angle, it can be said that the EU is doing a lot to improve industrial cooperation and the promotion of European industry. However, the problem remains that national defence remains the responsibility of the member states and therefore the institutions cannot do much more than they are doing now to push EU member states to cooperate in this area. Indeed, one of the main shortcomings is the scarcity of joint procurement, which must change as soon as possible if the EU wants to create a common defence market. However, some positive aspects and efforts on the part of the EU can be noted. Especially the ambitious plans and statements made by Commission President Von Der Leyen for the new Commission. Already plans such as EDIS, EDIRPA, and EDIP have shown that they can be good initiatives that, if jointly pursued, could lead to joint

success in the defence of the EU. However, the future of these efforts will also depend on the upcoming European elections, which could result in a new Commission President. Currently, the European institutions are committed and making efforts. In contrast, several MEPs and the EDA annual report indicate that EU member states still fall short of the 2% defence spending threshold. Thus, there is a need for member states to step up and take a more proactive role in this area

4.3 Public Value: Interoperability

Interoperability is another key concept considered in Moore's revised strategic triangle. This section assesses the EU's interoperability efforts based on previous and ongoing initiatives documented through European External Action Service communications, Council press releases, PESCO, NATO and EDA annual reports. To better address the degree of interoperability within the armed forces, the indicators in Table 3 are analysed: the EU CSDP missions, NATO interoperability indicators and the PESCO project on military mobility.

Interoperability stems from NATO, reinforcing the previously mentioned notion of "strengthening the EU pillar within NATO." Given NATO's significance and the imperative for the EU to enhance its role within the alliance, the concept of interoperability is directly aligned with the Atlantic Alliance. This is evident when examining the twenty more binding commitments on PESCO, wherein number 13 states: "*About interoperability of forces, the participating Member States are committed to:*

- *Developing the interoperability of their forces by:*
- *Committing to agree on common evaluation and validation criteria for the EU BG force package aligned with NATO standards while maintaining national certification.*
- *Committing to agree on common technical and operational standards of forces, acknowledging the necessity to ensure interoperability with NATO” (PESCO, n.d.).*

The strategic partnership and collaboration with NATO is also remarked by the annual report on PESCO by the HR where it says “*The return of high-intensity conflict to the European continent calls for a change of mindset and a coordinated effort to achieve more effective, efficient, and interoperable military forces, ensuring coherence of output with NATO” (EU Council, 2023).*

This aspect underscores the limited influence PESCO holds in this context. R2 from EDA aptly remarked, "*PESCO is for facilitating (military and industrial cooperation); it's just a small piece of a wider puzzle*" (R2, personal communication, May 2024). R6 moreover adds that “*in theory, PESCO projects are made to enhance interoperability but in practice, there is a conflict due to*

divergent industrial interests by member states and for this reason, member states are not doing enough to address interoperability in this framework, the key is to align military interoperability and industrial interests of Member States”(R6, personal communication, May 2024).

R3 EU official instead points to a different picture *‘to see developments in this frame (Interoperability) from an EU level the Strategic Compass needs to be taken into account’*. Indeed, under this framework, one important goal has been set: the Rapid Deployment Capacity by 2025 (EEAS, 2022). This situation might recall the failure of the EU Battlegroups. However, a different approach was taken last summer, the first live exercise (LIVEX) for the rapid deployment capacity was held in Spain in August. The goal was to determine what EU Member States' naval forces need to become more efficient, enhancing interoperability (EEAS, 2023). R3 emphasised that this is a crucial step to test *“whether EU armed forces are interoperable, whether the command structures function appropriately, and whether the forces can communicate effectively and fulfil their expected roles”* (R3, personal communication, May 2024). Furthermore, demonstrating their commitment to and willingness to actively participate in EU defence, Member States agreed to organise one LIVEX per year.

Overall military interoperability in the EU stems from NATO, which indeed has a precise framework that regulates and manages interoperability within armed forces. This is called Nato Interoperability Standards and Profiles (NISP), here all the criteria and indicators that point to the interoperability within EU armed forces are explained. This together with the National Defence Planning Programme, ensures that:

“70. NATO and Nations use profiles to ensure that all organisations will architect, invest, and implement capabilities in a coordinated way that will ensure interoperability for NATO and the Nations. Interoperability Profiles will provide context and assist or guide information technologists with an approach for building interoperable systems and services to meet the required capabilities (NISP, 2023).

‘The main focus stays in NATO and the EDA tries to replicate and respect the benchmarks that NATO sets through the EDA Standardisation Team’ (R2, personal communication 2024).

There is a standardisation process from NATO to the EU level, but we must remember that most of the EU member states are also NATO allies, therefore these two entities should be seen as complementary and not as two separate entities. Moreover, as an R4 EU official says *“Originally, there was an idea that the EU level would be more focused on crisis management, but over time and after many challenges, there is something at the EU level that NATO does not have, namely the*

toolbox initiative” (R4, personal communication, May 2024). This is the so-called EU hybrid toolbox which is an initiative by the European Union to tackle and counter hybrid threats. It comprises a collection of measures and tools aimed at mitigating and neutralising the impact of hybrid campaigns at an early stage. This toolbox is designed to strengthen the EU's resilience and enhance its ability to respond effectively to hybrid threats, which typically involve a mix of conventional and unconventional tactics such as disinformation, cyberattacks, economic coercion, and political manipulation (Clingendael Institute, 2022).

R3 says *“This tool is complementary to NATO because (NATO) does not have this kind of expertise, is a military organisation compared to the EU, therefore it hasn’t succeeded in developing non-military capabilities to the same degree of developing military ones”* (R3, personal communication, May 2024). Since the complementarity between EU and NATO has been stressed, another example strictly related to this is the launch of the EU Military Assistance Mission in support of Ukraine (EUMAM) which consists of strengthening the capacity of the Ukrainian Armed Forces to defend Ukraine’s territorial integrity within its internationally recognised borders and to deter and respond to possible future military offensives by Russia and other potential aggressors (EEAS, 2023).

R4 from the EEAS provided additional insights, stating, *“As part of our major support to Ukraine, our ongoing training mission has already trained more than 60,000 Ukrainian soldiers, with this number expected to increase over the summer. Notably, the decision made in 2022 to proceed with this training mission within the EU framework, rather than NATO, aimed to avoid further escalation of the conflict and prevent NATO from becoming directly involved. In certain cases, operating within an EU framework rather than an Atlantic one can be advantageous for both EU and NATO defence overall.”*

Three main actors involved in EU interoperability have been discussed, but there is another key player: the European Union Military Staff (EUMS), the final member of the PESCO secretariat. The EUMS is dedicated to managing, administrating, and ensuring the interoperability and coordination of actions by EU armed forces. This organisation has different directorate missions and one of them is the Concept and Capabilities directorate mission. Within this directorate, PESCO takes a relevant part of the EUMS duties. This EUMS PESCO cell supports the development of the PESCO framework, it plays a key role in evaluating Member States' National Implementation Plans and PESCO project proposals. It provides administrative support to the PESCO Secretariat and working groups and offers military-operational expertise by frequently participating in PESCO project meetings. In 2022, the EUMS PESCO cell assessed the operational commitments of Member States

in areas such as force availability, interoperability, flexibility, and deployability. It contributed to the High Representative's annual report on PESCO implementation and drafted military advice for the Political & Security Committee. Additionally, the cell supported the drafting of the Council Recommendation on the progress of PESCO (EEAS, 2023).

R5 EU official for EUMS says *“As EUMS we are not tasked to assess PESCO, because that is the duty of member states, it is member states driven. We are tasked to assess the national implementation plans of the member states and if they do enough to respect the binding commitments, more specifically the commitments that the EUMS is supervising are 11-12-13-14-15(R5, personal communication, May 2024)*

As of now the progress on PESCO cannot be evaluated since the PESCO strategic review is planned for 2025, but not only there has been notable proof of well-coordinated missions within EU CSDP recently, but also R5 says that *“overall the commitment 13(interoperability) is well fulfilled”* (R5, personal communication, May 2024).

The successful defensive effort within EU CSDP missions is the EUNAVFOR, mission Aspides which was launched earlier in 2024 to safeguard maritime security and ensure freedom of navigation, especially for merchant and commercial vessels. Within its defensive mandate, the operation provides maritime situational awareness, accompanies vessels, and protects them against possible multi-domain attacks at sea. The operation is active along the main sea lines of communication in the Bab al-Mandab Strait and the Strait of Hormuz, as well as international waters in the Red Sea, the Gulf of Aden, the Arabian Sea, the Gulf of Oman, and the Gulf (EEAS, 2024). Thus, it can be argued that the EU demonstrates operational readiness and interoperability when member countries perceive a genuine threat or, more effectively, when security and economic interests converge. Historically, the EU has notably prioritised its economic pillar over security concerns. The mission was organised within a week, and it brought brilliant results.

R1 called it a *“significant step forward compared to the minimal efforts we were accustomed to in European defence. However, this progress was driven by strong security and economic needs, particularly in a strategically important area. Currently, Ukraine represents more of a security concern than an economic one. Due to the sanctions imposed on Russia, it is no longer the strong economic partner it once was. Thus, discussions about Ukraine often remain superficial”* (R1, personal communication, April 2024). This behaviour and approach need to change because the Russians are not backing off a single centimetre, therefore, the EU needs to step up and through also the industrial cooperation start being a real actor in defence.

Another aspect that can be seen as better and stronger interoperability is the PESCO project on military mobility, also this one is managed by the EUMS, and they said that this project is one of the most important and has the highest participation rate, with also third parties that take part to this. Indeed, R5 talking about this project said: *“It’s a project where a lot of parties are interested in and also Canada and the US have joined lately after prior council decisions”*. This project represents one of the most important enablers for the interoperability of armed forces, because (the interoperability of armed forces) on the field is essential. Still, it must be backed up by a well-established logistical organisation and horizontal regulatory coordination to avoid delays that could be detrimental to national and transnational security in the case of a crisis (Finabel, 2021). Moreover, as highlighted in the Finabel report, the political and military sectors must collaborate to enhance interoperability through improved mobility, while also bolstering European military alliance cooperation and defence matters.

The importance of this project was also remarked by the last foreign affairs council on the 28h of May, where a big part of the report that was drafted mentions the Military mobility and the pledge of 2026, by setting specific goals to reach a certain level of interoperability and in general cooperation between EU armed forces (EU Council, 2024).⁹

As far as interoperability is concerned, the EU still has a long way to go; the Livex implemented last year and those planned for the coming years represent a significant improvement in this segment. However, the fragmentation of national armed forces and, in general, the fact that defence is in the hands of the member states, show the main drawback and room for improvement in military interoperability. Improved interoperability can be achieved through a stronger commitment to the military mobility project and enhanced cooperation with NATO and the NISP to prevent overlaps between national and supranational competencies. As demonstrated by EUMAM, an efficient European military system can also help prevent escalations between transatlantic partners and potential adversaries.

4.4 Alignment and answer to the research question

After asking questions on the three different areas that have just been explained the respondents were asked what the missing piece could be and what could be the added value that would allow these three parts to be aligned and create the public value, or better what the critical factors of success for PESCO are to reach an effective EU defence system.

⁹ See FAC conclusions, Eu Council 27th May 2024

If each angle is taken into consideration, it can be said that 3 different aspects might lead to the alignment of the strategic triangle by Moore. These are mainly: strategic culture, political will and leadership, and filling capability gaps, as mentioned by the different respondents in the analysis. These potential critical success factors were found after analysing each angle and each of these concepts come from a different perspective based on the background of the respondents. This is precisely the interesting part of the research because when it came to asking about the potential alignment of the envisioned strategic triangle, respondents gave different opinions. In summary, from the perspective of legitimacy, member states need to step up and, also based on the results of the upcoming elections, find leaders who can guide PESCO as it was done during its inception in 2018. This perspective is reinforced by R3, who emphasised the need for the same level of leadership that initially established PESCO. This view is reflected in the European Parliament discussions on the EU CSDP, where a consensus exists that the "Big Four"—France, Germany, Spain, and Italy—need to take proactive steps, just as they did during the inception of PESCO. "Member states that truly led the way in the past, such as France, Germany, Spain, and Italy, must now continue to do so." (R3, personal communication, May 2024).

Additionally, member states should leverage NATO's expertise to reinforce the EU's role within the alliance. The future of EU defence also hinges on the upcoming U.S. elections, which have elicited varied reactions. Some EU officials view potential U.S. threats as overstated and not to be taken too seriously. In contrast, R6 from academia offers a more neutral perspective, stating "Either way the elections will turn, the US will decrease their military footprint in Europe, it's just a question of whether or not they do it nicely and over a longer period. Or if they do it, as Trump would aim to do it, which is to punch you in the face and run off". (R6, personal communication, May 2024). This outlook is further supported by analysing the U.S. defence strategy and the terminology used to describe Russia and China. Russia is referred to as a "regional issue," while China is labelled a "pacing threat," "systemic rival," and "systemic competitor."

Regarding the organisational capacity, Member States need to start to cooperate to create a European Defence Market by first enhancing the joint procurement and then in the short-term creating factories to translate the existing scientific knowledge into end products that would allow the EU to create a defence base. To do this, however, member states need to increase their military spending, something that has been criticised already many times and in different venues. Moreover, if we narrow the scope into the PESCO frame, R6 suggests that the critical success factor for PESCO now is "*It's just having those capabilities where we have major shortfalls being filled. I mean and in a shorter period as possible. We should probably be investing much more in projects*

in the space dimension[.]much more in missile defence and much more in ammunition production. Much more on supply. So, in all of those capability areas Intelligence, Surveillance, Reconnaissance (ISR) as well, all of those capability areas where we know if the Americans left us tomorrow. Where would we suffer? And it would be. It would be here. It would be in these areas. (R6, personal communication, May 2024).

When assessing public value, the EU has shown progress through initiatives like LIVEX and member states' commitment to honouring the strategic compass objectives. However, when examining PESCO's perspective, it's challenging to pinpoint methods for enhancing interoperability. R5 from the EUMS emphasises that more binding commitments are crucial for achieving interoperability among member states. The EUMS has observed a high level of commitment from member states in adhering to and respecting the goal of military interoperability outlined in number 13.

To conclude and try to answer the research question, I do believe that the concepts can be summarised with the concept of “strategic culture” provided by R2 of the EDA. *“It's what the Americans have and what the Europeans don't have now, I would say so. The Americans have a strategic culture where, Military power, industrial capacity, economic security, and national interests are all interlinked, and in Europe, these four things are kind of separate”* (R2, personal communication, May 2024). Simply put, it's about connecting economic security, national interests, and military capabilities. This is a lesson that Americans have mastered over decades, while Europeans are in the process of relearning it.

This perspective on EU defence could serve as the essential element for aligning the envisioned strategic triangle. Moreover, it could also fill the gap not only for making PESCO an effective tool for EU defence but also for leveraging strategic culture to enhance EU defence comprehensively.

5.0 Conclusion, reflection and recommendations

This research aim was to find out if and how can PESCO be an effective tool to enhance the EU defence system. To do so, this thesis tried to answer the research question *“What are the critical factors of success for PESCO as an instrument for reaching an effective defence system?”*. To answer this question a qualitative case study was conducted, which was strengthened by empirical findings in the source of official statements, and research papers and by the contribution of the respondents who were involved directly in EU CSDP and specifically PESCO. To reach this answer three different angles around EU CSDP and PESCO were taken into account namely, legitimising environment, operational capabilities and public value.

This thesis has argued the EU CSDP and specifically PESCO beginning from the theories of European Integration. Starting from Haas's theory of neofunctionalism, it went through the spillover mechanism to intergovernmentalism and supranationalism theories that allowed for a comprehensive analysis of how European integration and PESCO have moved over the years. Finally, after explaining the development of EU defence through theories of European integration, research gaps were identified, especially the lack of research on PESCO from an operational perspective. Indeed, this research aimed to find a bridge between the EU integration narrative and the one from a strategic management perspective to see if PESCO can be a tool for enhancing the EU defence system. The research analysed Moore's three angles, identifying potential mediating variables to align the strategic triangle and generate Public Value. These variables were identified as interoperability, industrial cooperation, and political leadership. For each mediating variable, at least one Hypothesis was formulated in chapter 2.4, these pointed out to main potential critical success factors that in the end would all lead PESCO to be an effective tool for EU defence.

When examining the findings, it becomes evident that the effectiveness of PESCO in enhancing the EU defence system holds significant implications not only on a European scale but also from a global perspective. Major events such as escalating threats from Russia, potential shifts in US policy, and challenges from non-state actors underscore the urgency of developing a cohesive and robust defence framework within the EU. Failure to address these challenges adequately could compromise Europe's security and geopolitical influence on the global stage. Moreover, the research findings, particularly the confirmed hypotheses, signal potential avenues for enhancing EU defence capabilities. (H1) Stronger political leadership and commitment among PESCO member states not only strengthen PESCO but also signal Europe's willingness to take more responsibility for its defence. (H2) A more unified military system, (H3) increased cooperation with the United States and (H4) increased military expenditure can improve interoperability, credibility and cooperation with NATO, thus strengthening Europe's defence posture.

Europe's future depends on its ability to meet these challenges and establish itself as a credible and resilient actor in global security affairs. Remaining indecisive or stagnant in defence cooperation risks leaving Europe vulnerable to external threats and diminishing its influence in shaping global security dynamics. A proactive approach, informed by research findings, can pave the way for a more secure and cohesive Europe. The confirmed hypotheses underline the feasibility of strategic initiatives to strengthen European defence. However, they also highlight the need for sustained commitment and collaboration among member states to realise these goals. The research provides

policymakers with a roadmap for prioritising areas such as political leadership, industrial cooperation, and interoperability to strengthen Europe's defence posture.

In conclusion, the research emphasises the pressing need for Europe to take decisive steps to enhance its defence system. By tackling the critical factors identified, Europe can lay the foundations for a more secure and resilient future, wherein it can assert its position not only in economic matters but also as a significant actor in global security affairs.

5.1 Limitations

This research aimed to provide fresh insights into the narrative surrounding EU defence and PESCO. However, during the thesis writing process, several limitations were encountered. Primarily, there were challenges in identifying suitable respondents within this field. Moreover, locating individuals with expertise specifically in PESCO proved even more difficult. This difficulty stemmed from the fact that PESCO is a niche topic within the realm of EU defence and has not received as much scholarly attention as other aspects. As a result, the pool of potential respondents was limited, which impacted the depth and breadth of perspectives that could be obtained for the study. Despite these challenges, the research sought to address these limitations by thoroughly exploring available resources and engaging with respondents who could provide valuable insights into the subject matter.

Another limitation encountered and this is the one that made the research even more difficult to conduct is the lack of sources and documents about PESCO itself, indeed, as mentioned many times by the respondents this framework and the sources related to it are mostly classified, therefore are not available to the public. Since most of the respondents were part of the PESCO secretariat the information was given to the researcher, but still, the answers given by the interviewees cannot be fact-checked because of the lack of access to these restricted sources. Moreover, the answers given by the respondents may be biased, influencing the outcome of the research. This lack of transparency and availability of information on PESCO, criticised also by the academic respondent, hindered the completeness and objectivity of the study, making it more difficult to draw definitive conclusions. Despite these limitations, the research attempted to mitigate biases and limitations by triangulating information from multiple sources and critically evaluating the responses obtained.

The last limitation comes from the theoretical framework chosen to analyse PESCO, as Moore's strategic triangle is typically employed to assess the national level rather than a multinational approach. This thesis aims to broaden the scope by applying this theoretical lens to a multinational context. Accordingly, the attempt made in this research sees Moore's strategic triangle as an

opportunity to shift the security perspective from national to multinational. However, this can be seen as a limitation, as the theoretical framework is primarily designed to address national rather than multinational issues.

5.2 Future Studies

The debate on PESCO is ongoing and evolving, and this thesis has attempted to maintain coherence by incorporating the latest official statements from figures such as the High Representative (HR) and referring to the latest Council conclusions. However, a significant milestone, such as the Strategic Review of PESCO scheduled for early 2025, marks a crucial stage in this ongoing dialogue. Therefore, future studies in this area should prioritise consultation and analysis of the results of the strategic review to assess whether member states have strengthened their efforts to the more binding commitments. This review will offer insights into whether PESCO can serve as a viable tool for the EU defence system. It is likely to provide an overall summary of the member states' activities within the framework of PESCO over the past three years, offering clarity on the critical factors that have contributed to the success of PESCO.

Furthermore, as this research has focused on three mediating variables, there is scope for future studies to explore additional variables that could help align Moore's strategic triangle. These new variables might emerge from the analysis of the strategic review and might shed further light on the dynamics that determine the effectiveness of the EU's CSDP and defence efforts. Furthermore, future studies can focus on potential spillovers by analysing the 2025 PESCO strategic review. Given the increasing scarcity of primary resources, such as raw materials and high-tech technologies, future research should address these issues.

PESCO studies can examine the EU's dependence on raw materials, in particular rare earth elements critical for defence technologies, which can create strategic vulnerabilities. Research could investigate whether the PESCO framework encourages Member States to develop common policies for securing these materials and how this interdependence affects the EU's broader integration. Finally, concerning high technology, which mainly originates from non-EU countries, further research could explore the potential of PESCO to promote joint partnerships and procurement between EU countries. This would ensure access to cutting-edge technologies and reduce dependence on non-EU actors, thus enhancing the EU's strategic autonomy.

5.3 Policy Recommendation for EU Policymakers and Member States

To conclude, this thesis aims also to offer some recommendations for EU policymakers and Member States. Firstly, while recognising the overly ambitious idea of this suggestion, EU policymakers should consider a possible reform of the voting system for decisions within the Foreign Affairs Council and those on foreign affairs and external action, especially during times of crisis such as the current one facing the EU. As discussed in the thesis, the reliance on the consensus system during crises can often lead to gridlock and paralysis in EU action. A prime example of this is the recent blockage of the €6.7 billion package intended to support Ukraine in enhancing its military capabilities. Therefore, exploring alternative decision-making mechanisms that enable swift and effective responses to crises could be crucial for ensuring the EU's ability to act decisively in times of need.

Secondly, Member States must recognise the urgency of bolstering defence capabilities. To emerge as winners in this endeavour, every nation must fully commit, to increasing military expenditures and engaging in joint procurement initiatives to establish a unified EU defence market. This foundational step will prepare the establishment of a robust EU military infrastructure, ultimately culminating in the achievement of military independence. The daunting prospect of potential abandonment from US support underscores the critical importance of this initiative. This progression can be facilitated by leveraging PESCO and its intergovernmental framework to foster deeper collaboration among Member States. By harnessing the collective strength of participating nations, PESCO can catalyse advancing joint military capabilities and foster the development of a cohesive EU defence industry. This strategic approach not only enhances European security but also reinforces the EU's autonomy on the global stage.

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Appendix

Interview protocol

Good morning, thanks for taking the time for this interview, I want to remind you that this conversation is recorded and will be used only for academic purposes.

The Anonymity will be kept, as asked previously by the respondents.

The interview revolves around four questions and based on your answers, I will ask sub-questions:

1. Do you think Europe does enough to improve interoperability for the EU forces in its present PESCO program
2. Do you think there is sufficient political focus among member states about the future of our European capabilities
3. Do you think that the industrial base of the EU is well tailored to establish the needed capabilities
4. Do you think that the answers to the previous questions are aligned? or where is the main stumbling block? This is your answer to the research question.

Quotes by Respondents:

R1

R1 when asked about the birth of Pesco:

“PESCO wasn't conceived to address such(Economic) disparities; its origin stems from a different need altogether. The idea of "I'll lead, and you'll follow" contradicts integration principles. The more, the merrier: following the EU's last significant enlargement, with 28 countries, it became evident that such a diverse set of states couldn't always think and act uniformly.”(R1, personal communication, April 2024).

R1 when asked why Europe is so late with the defence industry:

“When was there the boost in European defence culture? After the Russian Invasion of Ukraine, there was a realization that we have the war at home and we are not capable of handling a gun”(R1, personal communication, April 2024).

R1 when asked what is the interest of Italy towards the Pesco:

“Italy has every interest in creating small structured cooperations because it is a country that believes in a European defence system. Italy is one among 27, it can be a people pull but it is always one among 27, and decisions on European political defence continue to be consensual decisions. And to understand that, you need a policy of small steps, but with the current conflict situation, is a policy of small steps enough? Probably not. (R1, personal communication, April 2024)

R1 when asked what’s the future between NATO and Pesco countries:

“But NATO is made up of EU countries, rather than seeing them as two opposite poles, you should see them as two potentially synergistic realities”. We don't see the EU and NATO as two separate realities, we start to see them as two synergistic realities that share a common universe, a very large universe. 97% of European countries are part of NATO’(R1, personal communication, April 2024).

R1 when asked what is the current status of EU capabilities:

‘The European Union may not have the military capabilities of the United States, not because it is weaker but because it is more fragmented, we have so many weapon systems within the EU, the United States have only one’(R1, Personal Communication, April 2024).

a significant step forward compared to the minimal efforts we were accustomed to in European defence. However, this progress was driven by strong security and economic needs, particularly in a strategically important area. Currently, Ukraine represents more of a security concern than an economic one. Due to the sanctions imposed on Russia, it is no longer the strong economic partner it once was. Thus, discussions about Ukraine often remain superficial” (R1, personal communication, April 2024).

R2

R2 when asked what is the political attention on EU defence at the EU level:

“There is a lot of momentum, especially from the Commission to enhance the European defence industry and most countries are on board with this, even the ones in the more hesitant camp, they are willing to put money into new initiatives”(R2, personal communication, May 2024)

“In general, at the moment, there is a general agreement from the EU parties in committing to the creation of an EU defence system, even from parties like the Greens and the Social Democrats who used to be not very convinced about EU defence”(R2, personal communication, May 2024).

R2 when asked what are the tendencies of EU countries in supporting EU defence

“It’s going to be a factory in Europe, but we are still talking about American weapons,”

'The other camp is represented by pro-European countries, where at the Head there is France, followed by Italy, and Germany that tries to keep a low profile by staying on both sides'(R2, personal communication, May 2024).

R2 when asked about the Eu e-procurement of military capabilities

'Although there's a lot of investment in defence, not all of it is going to the European defence industry, so you see, for example, Poland is mainly buying in South Korea, in America, the Germans, are splitting their money, so they spend quite a lot in America, a lot in Israel and then maybe 1/3 in Europe'' (R2, personal communication, May 2024).

R2 when asked about the role of PESCO

"PESCO is for facilitating (military and industrial cooperation); it's just a small piece of a wider puzzle" (R2, personal communication, May 2024).

'The main focus stays in NATO and the EDA tries to replicate and respect the benchmarks that NATO sets through the EDA Standardization Team' (R2, personal communication 2024).

R2 when asked what are, according to him, the critical factor of the success of Pesco

"It's what the Americans have and what the Europeans don't have now, I would say so. The Americans have a strategic culture where, Military power, industrial capacity, economic security, and national interests are all interlinked, and in Europe, these four things are kind of separate" (R2, personal communication, May 2024).

R3

R3 when asked what PESCO countries are doing to show their commitment

They are sharing their national implementation plans, revealing to other member states how they intend to handle their national defence and what capabilities they plan to invest in. However, this transparency is difficult for the public to assess or understand, as most of these documents are classified and access is restricted" (R3, personal communication, May 2024)

Denmark decided to join last year after the referendum that they had. On ending their national opt-out of EU CSDP, which lasted for several years now in Denmark[...] it's also an important signal
R3

R3 when asked why joint procurement is so low is

Joint procurement is left in the hands of the Member States, so they are the ones making the choices about what equipment to buy and from where. This contributes to the fragmentation of the defence sector, as we face a variety of different systems" (R3, personal communication, May 2024).

R3 when discussing the interoperability in the EU

'to see developments in this frame (Interoperability) from an EU level the Strategic Compass needs to be taken into account'.

R3 while talking about the Livex:

whether EU armed forces are interoperable, whether the command structures function appropriately, and whether the forces can communicate effectively and fulfil their expected roles" (R3, personal communication, May 2024).

R3 when talking about the EU Hybrid toolbox:

This tool is complementary to NATO because (NATO) does not have this kind of expertise, is a military organisation compared to the EU, therefore it hasn't succeeded in developing non-military capabilities to the same degree of developing military ones"(R3, personal communication, May 2024).

R3 when talking about the EUMAM and its role

As part of our major support to Ukraine, our ongoing training mission has already trained more than 60,000 Ukrainian soldiers, with this number expected to increase over the summer. Notably, the decision made in 2022 to proceed with this training mission within the EU framework, rather than NATO, aimed to avoid further escalation of the conflict and prevent NATO from becoming directly involved. In certain cases, operating within an EU framework rather than an Atlantic one can be advantageous for both EU and NATO defence overall."

R3 when asked who the future leaders of PESCO can be

"Member states that truly led the way in the past, such as France, Germany, Spain, and Italy, must now continue to do so." (R3, personal communication, May 2024).

R4

R4 when talking about the EU-NATO comparison

Unfortunately, too often we oppose NATO and the EU on this topic and I think we are kind of missing the point that both kind of coexist and have coexisted and can complement and enrich each other"(R4, personal communication, May 2024).

R4 when discussing whether the EU industry is well tailored or not to fulfil the needed capabilities

Since we don't have a centralised system (like the US) it's a bit difficult to talk about tailoring (EU defence), given that we cannot really like call the shot at any level" (R4, Personal Communication, May 2024).

There are short and long-term capabilities that are needed, one should assume that we should ensure they (Member States) have availability of both promptly and of course at scale"(R4, personal communication, May 2024).

It shows that even for those let's say short-term capabilities where we would believe that the industry is maybe less prepared. In a certain context, it can deliver but it can only deliver in a certain context and with the right support by Member States at all levels"

R4 when discussing the added value compared to NATO

Originally, there was an idea that the EU level would be more focused on crisis management, but over time and after many challenges, there is something at the EU level that NATO does not have namely the toolbox initiative"

R5

R5 when asked what the role of the EUMS and the role of the Concept and Capabilities directorate is

“As EUMS we are not tasked to assess PESCO, because that is the duty of member states, it is member states driven. We are tasked to assess the national implementation plans of the member states and if they do enough to respect the binding commitments, more specifically the commitments that the EUMS is supervising are 11-12-13-14-15”(R5, personal communication, May 2024)

R5 when asked whether the interoperability commitment is respected by PESCO countries

“overall, the commitment 13(interoperability) is well fulfilled” (R5, personal communication, May 2024).

R5 when discussing the PESCO project on Military Mobility

“It’s a project where a lot of parties are interested in and also Canada and the US have joined lately after prior council decisions”.

R6

R6 when talking about the growing role of the Commission in EU defence

“any growing or creeping role of the Commission will not be seen as a positive move by all Member States, and on this one it's quite important to keep in mind because you have the two largest states, France and Germany, who are becoming the most wary of the Commission's role”(R6, personal communication, May 2024).

R6 when arguing the two visions on PESCO

“In hindsight, I think it was a mistake to push for this (vision). I think it should have been much more like what was originally laid out in the treaties, which was taken from the economic dimension. So increased cooperation essentially between smaller members, smaller groups of states that would be willing to move forward”(R6, personal communication, May 2024).

R6 when talking about the EU defence industry

“the scientific knowledge and capabilities are there, European companies have the knowledge but do not have the means to turn this knowledge into adequate weapons production because of the low investment in defence so far (R6, personal communication, May 2024).

R6 when talking about the challenge and conflict of interest between PESCO projects and national interests

“in theory, Pesco projects are made to enhance interoperability but in practice, there is a conflict due to divergent industrial interests by member states and for this reason, member states are not doing enough to address interoperability in this framework, the key is to align military interoperability and industrial interests of Member States”(R6, personal communication, May 2024).

R6 when asked what the future of the EU will look like after the US elections

“Either way the elections will turn, the US will decrease their military footprint in Europe, it's just a question of whether or not they do it nicely and over a longer period. Or if they do it, as Trump would aim to do it, which is to punch you in the face and run off”’.(R6, personal communication, May 2024).

R6 when asked what a critical factor of the success of PESCO could be to reach an effective EU defence system

“It's just having those capabilities where we have major shortfalls being filled. I mean and in a shorter period as possible. We should probably be investing much more in projects in the space dimension[.]much more in missile defence and much more in ammunition production. Much more on supply. So in all of those capability areas Intelligence, Surveillance, Reconnaissance (ISR) as well, all of those capability areas where we know if the Americans left us tomorrow. Where would we suffer? And it would be. It would be here. It would be in these areas. (R6, personal communication, May 2024).