

New CER working paper

THE EU AND ARMAMENTS CO-OPERATION

By Daniel Keohane

Europe needs more military capabilities. Yet European defence budgets are static, and the cost of new military technologies is soaring. It is clear that governments need to extract more value out of each euro they spend. Therefore European governments need to co-operate more closely on armaments.

Daniel Keohane describes how flat defence budgets and the rising costs of equipment have led to transnational mergers of defence companies. A European defence industry is taking shape. But the European defence market remains fragmented into many national pieces and it needs liberalisation.

All over Europe cash-strapped defence ministries are finding it increasingly hard to buy modern defence goods. They have to collaborate more on multinational equipment projects. But the record of multinational projects is poor: some have actually increased costs and many products are delivered years after their original target date.

Many political obstacles have held back armaments co-operation in Europe. Institutions such as NATO and the WEU have so far failed to overcome them. The author therefore argues that the EU should become directly involved in armaments co-operation, as part of its broader defence policy. Only the EU can make member-state governments stick to their commitments.

In concrete terms, the EU should open up the European defence market for some goods – so that governments can buy the best equipment at the best price. It should also establish a common set of management guidelines for multinational equipment projects. And it needs to develop a common armaments policy to provide stronger political direction for efforts in the area of armaments co-operation. Without these reforms Europe's defence industry will decline and the EU will fail to realise its foreign policy ambitions.

Notes for editors:

1. Daniel Keohane is the research fellow for security and defence policy at the CER. He can be contacted on 020-7233 1199, or daniel@cer.org.uk.

2. This paper can be ordered from the CER website (www.cer.org.uk) or by contacting kate@cer.org.uk.