Hertie School
Jacques Delors Centre

Policy Paper

The EU's strategic compass for security and defence:

Just another paper?

10 July 2020

Nicole Koenig, Deputy Director

#StrategicCompass
#EUdefence
#CSDP

The EU decided to develop a "strategic compass" for its security and defence policy until 2022. Building on a common threat analysis, it should concretise the EU's level of ambition as a security provider. The strategic compass represents a real and timely opportunity, but there is also a risk of engaging in a lengthy and winding process that would simply produce another paper. This policy paper presents risks and opportunities and develops recommendations for both stages of the process.

Executive summary

On 16 June 2020, the EU Defence Ministers agreed to develop a strategic compass for security and defence. An idea tabled in the run-up to the German Council Presidency, the strategic compass should evolve from a two-year process. Based on a common threat analysis, the member states should concretise the EU's level of ambition as a security provider. The whole process is to contribute to a common security and defence culture. It should thus **address some of the key weaknesses of the EU's Security and Defence Policy.**

However, there are **doubts whether it can deliver.** A core fear is that it will be a lengthy and winding process that would simply produce another paper with few practical implications. This policy paper unpacks this concern and presents recommendations for the two phases of the process.

Phase one: the threat analysis

A more shared analysis of threats and challenges would be an important starting point for a meaningful discussion on objectives, priorities and means. Yet, there are **doubts whether the deep divides between the member states can be narrowed** through a six-month process led by the European External Action Service. Political sensitivities could produce a lowest common denominator analysis or an overly broad list of threats lacking prioritization and truly shared ownership.

The German presidency and the EEAS should use their agenda-setting power to focus on the most relevant threats. These should include the most controversial items relating to the EU's place in the so-called Great Power competition. The output should be a **finely-grained, confidential analysis** that acknowledges different member state perspectives. The document should be used for **internal consensus-building** rather than as an external communication tool. Due to its comprehensive nature, it should also be used to trigger **more joined-up strategic thinking** across EU institutions.

Phase two: the strategic compass

The strategic compass holds the opportunity of becoming **a real security and defence sub-strategy of the EU Global Strategy.** This presupposes that the member states avoid broad and fruitless meta-debates and focus on the thorny and concrete questions in the field of security and defence. The subsequent Council presidencies should closely coordinate their agendas and provide the necessary political impetus to keep the others engaged throughout the process.

Whether the strategic compass will be more than a piece of paper will depend on the **follow-up.** The member states should use the process to provide the **EU's capability development mechanisms** with a greater sense of direction. Both the threat analysis and the strategic compass should be **reviewed and updated at the start of each new institutional cycle.** It is only through repeated interaction and discussion that a common security and defence culture can gradually emerge.

Table of Contents

Introduction

In its strategic agenda 2019–2024, the European Council declared: "In a world of increasing uncertainty, complexity and change, the EU needs to pursue a strategic course of action and increase its capacity to act autonomously".[1] Meanwhile, the EU's new leadership team in Brussels has promised a more geopolitical EU that would "learn to use the language of power".[2] These promises have prompted the question as to whether the EU needs to revise its strategy for external action. Published as long ago as June 2016, the EU's Global Strategy is, in many respects, already outdated.[3]

However, instead of embarking on a root-and-branch revision of the Global Strategy, **EU Defence Ministers agreed on 16 June 2020 to develop a "strategic compass".**[4] The idea was tabled by Germany in the run-up to its Council Presidency. The strategic compass should emerge from a two-phase process:

- Phase 1 (second half of 2020):
  The High Representative for Foreign Affairs and Security Policy/Vice-President of the Commission (HR/VP), together with the EU's civilian and military intelligence units, should develop a "comprehensive, 360 degrees analysis of the full range of threats and challenges".[5]

- Phase 2 (2021–2022):
  Building on this threat analysis and other possible thematic inputs, the member states should develop the strategic compass that translates the political level of ambition defined by the Global Strategy into concrete policy orientations.

The whole process should contribute to the development of a "common European security and defence culture".[6] It should thus tackle some of the long-standing weaknesses of the EU's Common Security and Defence Policy (CSDP).

"The strategic compass comes at a pivotal time."

The strategic compass comes at a **pivotal time.** With Brexit, one of the bloc's defence heavyweights is leaving the club. US President Trump's decision to withdraw 9.500 troops from Germany without prior consultation with NATO partners led to yet another crisis of trust in the Alliance. While the conceptual and institutional foundations of a 'European Security and Defence Union' have been laid, there is still no shared understanding of its purpose which remains inchoate.

A common sense of direction is even more necessary within the **global coronavirus pandemic,** which has amplified geopolitical tensions and threats while security and defence cooperation and spending are slipping down the order of priorities.[7] Analysts predict important national defence budget cuts over the next years while the EU's collective envelopes within the next Multi-Annual Financial Framework will likely be substantially smaller than originally intended.[8]

---

[1] European Council, *"A new strategic agenda for the EU"*, Brussels, June 2019.
[2] Borrell, Josep, *"Hearing at the European Parliament"*, Strasbourg, September 2019.
[3] EEAS, *"Shared vision, common action, a stronger Europe"*, Brussels, June 2016.
[4] Council of the European Union, *"Conclusions on Security and Defence"*, Brussels, June 2020.
[5] Ibid.
[6] Ibid.
[7] Koenig, Nicole and Stahl, Anna, *„How the coronavirus pandemic affects the EU's geopolitical agenda"*, Policy Paper, Jacques Delors Centre, Hertie School, April 2020.
[8] Fiott, Daniel; Terlikowski, Marcin and Schütz, Torben, *„It's time to vaccinate Europe's defence budgets"*, EurActiv, 20 April 2020.

Faced with the idea of a strategic compass, **many member states were initially sceptical.** A core fear was that this would be a lengthy and resource-intensive process that would simply produce another paper that would then gather dust in a Brussels cupboard. Given this initial hesitancy, the mere launch of the process can be chalked down as a first success for the German Council Presidency.

"Many member states were initially sceptical."

However, the **real work starts now** with plenty of open questions remaining. This policy paper explains where we stand, points towards risks and opportunities and makes recommendations on how to make the most of the process. The two stages (threat analysis and strategic compass) differ in terms of their scope, process, and output and are thus addressed separately. This paper is based on official documents and non-papers as well as a series of background conversations with informed EU and member state officials.

1 The threat analysis: A litmus test for the process

On 16 June 2020, the defence ministers tasked the HR/VP with developing a "comprehensive, 360 degrees analysis of the full range of threats and challenges" by the end of 2020.[9] This analysis should be drawn up by the civilian and military intelligence units (Single Intelligence Analysis Capacity – SIAC) within the European External Action Service (EEAS) and "in close cooperation with and building on input from Member States".[10] It should provide the background for discussions on the strategic compass but is not formally part of it.

1.1 Opportunities and risks

The divergence in threat perceptions among member states **is a central weakness of the CSDP.** Some worry about Russian aggression in the East while others are far more concerned about the consequences of state fragility in the South. Still others focus on relatively new security challenges such as climate change, cyber-attacks and disinformation. These differences have important implications for the EU's role as a security provider. They shape national preferences regarding policies, capabilities and alliances. Greater common understanding of threats and challenges is thus an important first step towards the strategic compass.

The overarching question is, however, whether a six-month process led by the HR/VP and EEAS can truly foster such a more common understanding among the member states. During a seminar on the strategic compass organised by the European Union Institute for Security Studies and involving participants from EU member states and institutions, the form, structure, and objective of the threat analysis stood out as "the most obvious point of disagreement".[11] As one EU official puts it, the threat analysis can be seen as "a litmus test" for the whole strategic compass process.

"The threat analysis can be seen as 'a litmus test' for the whole strategic compass process."

[9] Council of the European Union, *"Conclusions on Security and Defence"*, Brussels, June 2020.
[10] Ibid.
[11] European Union Institute for Security Studies, *"Defending Europe: Analysing the threats and strategic challenges facing the EU"*, seminar report, February 2020.

Some **question the added value of the threat analysis** given the existence of EU and NATO documents and regular threat assessments conducted by the EEAS.[12] In fact, extant EU strategic documents have already defined an expanding range of threats and challenges (see table 1). However, the rapidly changing strategic context and geopolitical implications of the pandemic warrant an update. It has, for instance, highlighted the rise of China and the growing threat of disinformation while economic repercussions will undoubtedly create even greater stresses for already stretched national resources.

Table 1: Key threats and challenges in EU strategy documents

European Security Strategy (ESS)	Implementation Report of the ESS	EU Global Strategy
• Proliferation of weapons of mass destruction (WMD)	• Proliferation of WMD	• Proliferation of WMD
• Terrorism	• Terrorism	• Terrorism
• Organised crime	• Organised crime	• Organised crime
• Regional conflicts	• Cyber security	• Cyber security
• State failure	• Energy security	• Energy security
	• Climate change	• Armed conflicts
		• Climate change
		• Fragile States
		• Hybrid threats/ destabilisation
		• Maritime security
		• Migration
		• Pandemics
		• Economic volatility
		• Demographic trends

Sources: European Security Strategy *(2003)*, Report on the Implementation of the European Security Strategy *(2008)*, EU Global Strategy *(2016)*

Others are concerned about the **broad scope.** The threat analysis should address civilian and military threats as well as different time horizons (short-, medium-, long-term). A real ranking of threats will probably be avoided as this is considered politically too sensitive. There is thus a danger of engaging in a "Christmas tree approach" where each member state in turn adds the threat that it considers most relevant. We could end up with a lengthy document that does little more than replicate the assessment contained within the EU Global Strategy and provide scant guidance for the strategic compass.

"There is a danger of engaging in a 'Christmas tree approach'."

Another concern is that a politicised process with strong member state engagement leads to a **lowest common denominator analysis** that omits controversial issues. A prime example would be relations with Russia, which some member states view as a real threat while others see it as just a troublesome partner. One European diplomat recalls interminable discussions on Russia in the run-up to the Global Strategy leading to a 60-odd-page document, which was then boiled down to two paragraphs in the final draft.

[12] *Press conference with HR/VP Josep Borrell* following the video conference of the EU Defence Ministers, June 2020.

The June Council Conclusions reflect this concern: The threat analysis should be developed by the HR/VP and through SIAC. The fact that formally it falls outside the strategic compass means that there is no need for it to be negotiated line by line and agreed by the Council. Even so, this runs the risk of losing **member state ownership.** The Council could merely take note of the resulting document and largely ignore it in subsequent discussions on the strategic compass.

1.2 Recommendations

A six-month process cannot resolve all long-standing divides between the member states, but a systematic discussion could foster greater understanding of where shared priorities truly lie and of each other's red lines on the more controversial dossiers. The EU should make the most of this process without focusing too much on the paper output.

"Make the most of this process without focusing too much on the paper output."

The German Council Presidency and the HR/VP should use their agenda-setting power to **prevent a "Christmas tree approach".** The discussions should concentrate on threats and challenges that a substantial number of member states consider a priority. This should also include the most controversial items, namely the EU's role in the Great Power competition between Russia, China, and the US. It is, for instance, essential to understand each other's red lines before engaging in a strategic dialogue with the US on China or when it comes to the question of whether the EU should become a security provider in Asia. The state of transatlantic relations and the upcoming US election also call for a differentiated analysis of the risks flowing from a potentially more inward-looking US and a clear-eyed assessment of consensual areas of EU-US security cooperation.

Rather than depicting the lowest common denominator, the analysis should **reflect and acknowledge different member state perspectives.** The question is not whether Russia or China are strategic partners or competitors but rather in which areas we need to prepare for competition or challenges and those where there could be room for cooperation. A good example is the Strategic Outlook on EU-China relations, which acknowledges that China is a cooperation partner as well as a systemic rival and economic competitor.[13]

The threat analysis should be used for **internal consensus-building rather than as an external communication tool.** Some member states have suggested that there could be a confidential, more finely-grained version alongside a public summary. If the threat analysis is to provide guidance for the strategic compass, the focus should lie on the former and thus on substance rather than readability.

As the scope of the analysis will likely go far beyond traditional security and defence issues, it should be used to **trigger more joined-up strategic thinking across EU institutions.** The HR/VP should thus activate his role as a bridge between the intergovernmental and supranational sides to ensure that there is relevant input and follow-up from the Commission. Both input and follow-up could be discussed in the Group for External Coordination (EXCO) preparing the outward-looking aspects of Commission College meetings.

[13] European Commission and EU High Representative, *"EU-China – A Strategic Outlook"*, Brussels, March 2019.

2 The strategic compass: Towards a security and defence strategy?

The strategic compass should enhance and guide the implementation of the level of ambition defined in the EU Global Strategy. It delineated three political priorities: (a) responding to external conflicts and crises, (b) building the capacities of partners, and (c) protecting the Union and its citizens. Through the strategic compass, the member states should define more specific objectives for security and defence. The focus should (initially) be on four baskets: crisis management, capability development, resilience, and partnerships. The document should be agreed by the Council in 2022. The HR/VP and EEAS will be the penholders in the process while the Commission and the European Defence Agency (EDA) "will be associated as appropriate".[14]

2.1 Opportunities and risks

The strategic compass could become a real security and defence sub-strategy of the Global Strategy providing the EU's military and strategic levels as well as its capability development mechanisms with a real sense of direction. As one EU official says, it should be "more concrete than the Global Strategy, but more political than the Security and Defence Implementation Plan".[15] Aside from this central objective, the process could help keep security and defence on member states' agendas at a time when these are dropping in the order of priorities. It could also enhance coherence among the EU's security and defence initiatives and dovetail with other policy areas, notably internal security, development, climate, and economic policy.

"Could become a real security and defence sub-strategy of the Global Strategy."

However, the document's political nature also means that member states could **get bogged down in meta-debates.** The four baskets mask controversial questions (see table 2). Some will require balancing different threat perceptions. Others raise the difficult question on the division of labour between the EU and NATO. Still others touch upon the question of the right balance between civilian and military instruments. Principled divides on these issues mean that the member states could spend a lot of time discussing broader orientations rather than concrete choices. An example would be holding more debates on the controversial meaning of strategic autonomy, rather than defining objectives for capability development.

[14] Council of the European Union, *"Conclusions on Security and Defence"*, Brussels, June 2020.
[15] Council of the European Union, *"Implementation Plan on Security and Defence"*, Brussels, November 2016.

Table 2: The four baskets with a selection of relevant questions

Baskets	Selection of relevant questions
Crisis management	• What scale of operations and at what concurrence? • What functional priorities (e.g. maritime security)? • What regional priorities (e.g. Eastern vs. Southern neighbourhood, Asia)? • What links of the CSDP to other policy areas (e.g. counter-terrorism)? • What future for the unused EU Battlegroups? • How should the EU's command structures be transformed? • How can the force generation process be enhanced? • What priorities in the implementation of the Civilian Compact?
Capability development	• What meaning of EU strategic autonomy in capability development? • What link between capabilities and crisis scenarios? • How can PESCO and the EDF better address pressing capability gaps? • How to link EU capability and defence planning processes to NATO? • What priorities for military mobility (territorial defence vs. expeditionary operations)? • Should there be a revision of the 1999/2004 Headline Goal?
Resilience	• What EU contribution to territorial defence? • What articulation of the mutual assistance (Art. 42(7)TEU) and solidarity clauses (Art. 222 TFEU)) in light of NATO's Art. 5.? • What lessons for civil-military cooperation from the pandemic? • How to sharpen EU tools to address hybrid threats, including disinformation? • What division of labour/synergies between the EU and NATO in responding to hybrid and cyber threats? • To what extent and how should the EU act jointly in space?
Partnerships	• How to deepen EU-NATO cooperation despite political obstacles? • What does a more strategic approach to third country partnerships in CSDP effectively mean? • Should there be a deeper and sui generis security and defence partnership for the UK and what would that entail?

Source: own compilation

Rather than improve coherence, the strategic compass could lead to **duplication and turf wars.** Unlike the wide-ranging and comprehensive threat analysis, the strategic compass should more narrowly focus on security and defence. However, discussions with member state officials show there are different understandings of what this means and where the line should be drawn. A member state non-paper of June 2020, for instance, suggested including issues related to Europe's technological sovereignty. A European diplomat added the issue of investment screening to the list. An overly broad focus could lead to a replication of the Global Strategy and duplicate other existing strategies such as the Digital or Industrial Policy ones.

These overlaps could easily cause tensions with the Commission, which, after all, should merely be associated in this member-state driven process.

Whether or not the strategic compass will be more than a piece of paper depends on the **follow-up.** There are still varying perspectives on the desired outcome. A letter of the German, French, Spanish and Italian Defence Ministers underlines that the next revision of the Capability Development Priorities should be carried out after the Compass and a new Progress Catalogue in 2022.[16] However, the Council Conclusions do not explicitly mention this aim. Some member states fear a one-sided focus on military capability development geared towards the member states with the most powerful arms industries.[17]

"Whether or not the strategic compass will be more than a piece of paper depends on the follow-up."

Finally, there are questions on **timing.** The process will stretch over two years and four Council presidencies. The length reflects the desire to keep the Franco-German motor engaged as the compass should be finalised under the French presidency in 2022. The German presidency has been the initiator and a key driver in the preparations. The question is whether it will have the same priority for subsequent presidencies. Without the necessary political impetus, member states could lose interest along the way. Another timing-related question concerns the validity of both the threat analysis and the compass. Member states envisage a validity of up to ten years. However, considering the rapidly changing strategic context, the document could already be outdated by the time it has been agreed.

2.2 Recommendations

The member states should **keep the central objective in mind:** to concretise the EU's political level of ambition for the area of security and defence. They should resist tendencies to broaden the focus or engage in fruitless meta-debates. Instead, they should aim to develop a concise security and defence sub-strategy of the Global Strategy that addresses some of the concrete, thorny questions listed in table 2. In this process, the political leadership and impetus of the four subsequent Council presidencies will be essential. They should closely coordinate their agendas and aim for a clearer delineation of the process considering extant strategic documents.

A narrower focus on security and defence does not imply keeping **the Commission** out of the equation. On the contrary, it should be closely associated in the talks on all four baskets. The member states and Commission should, for instance, use the process as an opportunity to clarify what the Commission's contribution could be to PESCO and its role in strategy-driven capability development via the European Defence Fund.

The EEAS and the member states should make sure that the agreed document is **properly followed up.** On the one hand, this could include an updated Security and Defence Implementation Plan. On the other, the strategic compass should lead to a clearer definition of the EU's military level of ambition. The member states should use the opportunity to revise the EU Headline Goal, which as well as being outdated, has never been met. Both scenarios and capability requirements should be closely coordinated with NATO.

[16] *Letter of the French, German, Spanish and Italian Defence Ministers to HR/VP Josep Borrell,* May 2020.
[17] See *opinion of a Polish analyst* on this issue.

Finally, the member states should aim for **regular revision.** Both the threat analysis and the strategic compass should be revised at the start of each new institutional cycle. Updating the strategic compass every five years would also allow for a systematic assessment of how it is being implemented. The update could be aligned with the priorities formulated by the European Council and provide fresh impetus to the Brussels-based bureaucracy.

"Member states should aim for regular revision."

Conclusion

The strategic compass process represents a real and timely opportunity. It should address key and long-standing weaknesses of EU security and defence policy: It could lead to more convergent threat perceptions, clarify the level of ambition, provide political guidance for the EU's military capability development, enhance coherence between the EU's supranational and intergovernmental bodies and ultimately shape a common strategic culture.

However, there are reasons why these weaknesses have been long-standing amid doubts as to whether a two-year process in the wake of a global pandemic can lead to a breakthrough. The single most important concern is that it will simply produce another piece of paper with few practical implications. This policy paper provides an overview of the risks underlying this concern.

When further defining scope, process and output, the member states should learn from the past and make sure that both stages of the process are properly followed up. The Coronavirus crisis highlighted the vulnerability and interdependence of European societies while underlining the importance of an enhanced ability to act together globally. In this increasingly volatile and polarised geopolitical context, the EU would be well advised to agree on a common strategic compass that is worth much more than the paper it is written on.

"Agree on a common strategic compass that is worth much more than the paper it is written on."

On the same topic

- Nicole Koenig and Anna Stahl
  How the coronavirus pandemic affects the EU's geopolitical agenda
  Jacques Delors Centre, Policy Paper, April 2020

- Nicole Koenig
  The geopolitical Commission and its pitfalls
  Jacques Delors Centre, Policy Brief, December 2019

- Nicole Koenig
  New beginnings: Bolstering EU Foreign and Security Policy
  in times of contestation
  Jacques Delors Centre, Policy Brief, September 2019.

Hertie School gGmbH • Chairman of the Supervisory Board: Bernd Knobloch • Chairman of the Board of Trustees: Frank Mattern • Academic Director: Prof. Dr. Henrik Enderlein • Managing Director: Dr. Axel Baisch • Registered Office: Berlin • Trade Register: Local Court, Berlin-Charlottenburg HRB 97018 B • Hertie School – founded and supported by the non-profit Hertie Foundation
Image © AbsolutVision, Source: Unsplash

Friedrichstraße 194
D – 10117 Berlin
Tel.: +49 (0)30/259 219 107

Online: delorscentre.eu
E-Mail: info@delorscentre.eu
Twitter: @delorsberlin