

NATO and the European Union: Bridging the gap

Andrew Duff



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Executive summary

Russia's invasion of Ukraine has exposed structural flaws in the way the West organises its European defence. The European Union and NATO struggle to coordinate, risking duplication and even competition. Despite largely overlapping membership, neither organisation has been able to realise strong conventional defence forces. Europe's armaments industries remain largely fragmented. Ukraine's application to join both the EU and NATO upturns the status quo.

In this discussion paper, Andrew Duff examines how the political and financial heft of the Union can best be combined with the military strength of the Atlantic Alliance. He recommends forging a permanent organic link between the two at executive level. Such a joint command will serve to enhance the EU's development in security and defence, revitalise NATO, and ensure that the US and UK remain engaged in Europe.¹

The Cold War

That the European Union (EU) is taking on new responsibilities for the defence of Europe raises important questions of governance. Given the scale and nature of the security challenges faced by the West it would be unwise to sweep such questions under the carpet. Doubts about the Union's political legitimacy in this field or its executive capacity to act swiftly and decisively cannot be permitted to fester. There can be no room for uncertainty over the command and control of any EU military operations.

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Federalists tend to regret the collapse of the European Defence Community in 1954, pointing to that failure as the reason for the subsequent lop-sided development of Europe's efforts at unification. But in truth that draft defence treaty was not a federal project. Its political structure was firmly confederal. No integrated European armed forces were to be created under its scheme. Even had Gaullists and Communists not combined in the French National Assembly to defeat the proposal, the Defence Community (as Jean Monnet suspected) would have been unlikely to work well in practice.

Shifting strategy

Early NATO strategy was based solely on a robust defensive posture, later modified to allow a cautious exploration with the Soviet Union of prospects for détente and arms limitation. When the Cold War was finally over, NATO worried about how to treat the countries of the former Warsaw Pact. To avoid confrontation, in 1994 President Clinton devised a programme of Partnership for Peace (PfP) for neighbouring countries. Combined Joint Task Forces (CJTF) were established to develop military collaboration with PfP associates. Whether or not PfP was a pathway to full NATO membership was left an open question. In place of association, Czechia, Hungary and Poland joined NATO as full members in 1999.

The expansion of NATO took place largely uncoordinated with that of the parallel enlargement of the EU.² While the EU subjected its candidates to rigorous assessment of eligibility on the grounds of economic capacity, probity,

As it was, Britain's preferred option for the unashamedly intergovernmental Western European Union (WEU) carried the day. WEU ministerial and parliamentary meetings proceeded over the decades to grumble about the lack of progress made in strengthening political cohesion and advancing military capabilities.

In the meantime, and to this day, the North Atlantic Treaty Organisation (NATO) assumed principal responsibility for the defence of the West against the Soviet Union. All Europe continues to shelter under the US nuclear umbrella, run from the Pentagon. And the closest thing to a genuine European army of conventional forces is run from Arlington County, Virginia. Appropriately enough, NATO's Supreme Allied Commander in Europe (SACEUR) is also always an American.

The integration of Western Europe proceeded with a customs union and common market. But the European Community struggled to articulate what came to be known as a 'European identity' on the political plane. Both France and Britain resisted, for different reasons, the development of a foreign policy role for the European Community. And both insisted on keeping NATO far apart from the Community. General de Gaulle, proud of France's independent nuclear bomb, pulled France out of NATO's military structure in 1966 and expelled its headquarters (SHAPE) from Paris. Accordingly, the two organisations, the EU and NATO, with overlapping but not identical membership, sat in different communes of Brussels with their backs turned.

democratic standards, and the rule of law, NATO adopted a relatively lax 'Open Door' policy. A NATO summit in Bucharest in 2008 agreed that Ukraine and Georgia "will become members of NATO", although no dates or preparatory steps were offered. The disjunction between the neighbourhood policy of the two Brussels-based organisations is striking — and for neighbourly third countries mightily confusing.

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Building on previous experiments in common defence and security policy, the Treaty of Lisbon (2007) made some significant changes to the structure of European defence, subsuming the WEU in its entirety. EU member states committed themselves to the progressive framing of a common defence policy, including the possibility of common defence. This commitment “shall not prejudice the specific character of the security and defence policy of certain Member States and shall respect the obligations of certain Member States, which see their common defence realised in NATO, under the North Atlantic Treaty and be compatible with the common security and defence policy established within that framework”.³ No quantifiable criteria are set for the paradigmatic shift from mere common defence policy to actual common defence. The decision when it comes will be taken by the European Council acting unanimously — although not all member states will be obliged to commit troops to EU integrated armed forces.

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The Treaty on European Union now shadows the North Atlantic Treaty in respect of commitments to collective self-defence and mutual solidarity in times of security crisis.⁴ The European Defence Agency, established in 2004, is confirmed in its task of strengthening the industrial and technological base of the sector.⁵ Recognising the variable geometry that pertains to defence, a group of member states with higher military capabilities than others is permitted to go further by establishing “permanent structured cooperation within the Union framework” (PESCO).⁶ Admission to this higher tier of enhanced military integration must accord with strict criteria — notably the ability to field

an operational battle group within 30 days, as well as to invest in improving the interoperability of each other’s armed forces.⁷ In practice, such exclusivity has proved difficult to attain. Donald Tusk, as President of the European Council from 2014-19, encouraged every member state to sign up to PESCO regardless: only Malta, which has no army, holds out.

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The authors of the Lisbon treaty were at pains to increase collaboration between the EU and NATO in order to add to the effectiveness of both. NATO had failed over the years to stem the decline of Europe’s European conventional forces, while the EU struggled to implement a common foreign and security policy. There were bitter divisions in both camps over the second Iraq War in 2003. Neither knew how to react to Putin’s partial invasion of Georgia in 2008 or his annexation of Crimea in 2014. When détente failed comprehensively, the West was ill prepared.

NATO’s glib promises of future enlargement hardly helped its cause. President Sarkozy reintegrated France into the military structure of NATO in 2008, but the Alliance’s intervention in Afghanistan (2003-21) proved to be a predictable disaster. There was tension between those, like Germany, which wanted merely to maintain NATO’s basic defence posture and those, mainly Britain and France, which favoured Alliance engagement in international crises both in and out of the North Atlantic theatre, including in Syria and Libya.

The European Political Community

The lack of a single effective forum for high-level decision making among the Euro-Atlantic partners had become obvious. The European Council tried its own hand at ‘strategic agendas’. The EU leaders published a Strategic Compass on security and defence in March 2022.⁸ Frequent NATO summit meetings endorsed a series of evolving Strategic Concept papers, the latest at Madrid in June 2022.⁹ The risk of duplication and even competition between the EU and NATO was clear. Frustrated at the lack of what he termed Europe’s ‘strategic autonomy’, President Macron famously warned of the “brain death” of NATO.¹⁰

From this muddle emerged Macron’s proposal for the European Political Community in 2022 — a twice yearly conference of European states (except Belarus and Russia) invited to chat among themselves in an unstructured fashion. Officially, the European Political Community exists to foster political dialogue and cooperation, to address issues of common interest, and to strengthen the security, stability and prosperity of the European continent. It is geographically significant but strategically incoherent. Its more than 45 invitees include Kremlin leaning Azerbaijan, as well as those, notably Serbia and Turkey, whose loyalty to the Western

cause is decidedly fickle. In excluding Canada and the US, the non-European members of NATO, the European Political Community misses the vital transatlantic dimension. And by including the UK it risks reigniting

futile Brexit arguments, especially as Prime Minister Rishi Sunak is to host the next meeting of the European Political Community on 18 July.

Transformation

A more significant reaction to Russia's full-scale invasion of Ukraine in February 2022 has been the decision of Finland and Sweden to jettison neutrality and join NATO. There remain now only four non-NATO EU members. Cyprus, Ireland, and Malta would seem to share a national problem which is born from their history as former British colonies. While hosting two UK sovereign bases that play an important part in NATO's Middle Eastern reach, Cyprus faces the additional problem of Turkey's seemingly implacable hostility. Austria seems bewitched by its Habsburg and Nazi past, unable to fully shake off the status of neutrality imposed on it by the Soviet Union as a condition for the removal of Soviet troops in 1955. Next door to Austria, it is not a coincidence that Hungary's Viktor Orbán now rejects the liberal democratic values of the European Union as he looks back in anger.

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Notwithstanding such backsliding, the EU and NATO have already committed themselves to building a formal strategic partnership.¹¹ The European Commission proposes an ambitious European Defence Industrial Strategy (EDIS) which aims to help member states "invest more, better, together, and European".¹²

By improving security of armament supply, the new European defence technological and industrial base (EDTIB) will enhance defence readiness. The Commission points to years of underinvestment and persistent industrial fragmentation along national lines. It hopes to offer financial incentives to Europeanise arms production and purchase stockpiles. The EIB is expected to extend loans to the defence industry. The European Defence Agency (EDA) will be ramped up. Many lessons can be learned from the Ukrainian battlefield, and the Commission will open an industrial innovation office in Kyiv.

These industrial measures will help Ukraine's defence against Russia. But while it remains at war there is little possibility for Ukraine to obtain formal NATO membership. As a stop gap, therefore, a Ukraine-NATO Council was created in 2023 in which each party has equal status, chaired and convened by NATO Secretary General Jan Stoltenberg. President Zelensky clearly profits from his direct participation at summit level with NATO leaders and he has been a regular presence at meetings of the European Council. The Ukraine war brings to NATO a fresh *raison d'être* just as it provides the EU with a clear and quantifiable strategic challenge. The question arises, however, as to which body is best placed to take the lead.

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Defence drives integration

Institutional rivalry between the EU and NATO, with their overlapping competence and shared values, is certain not to be in the interests of Ukraine. Jamie Shea, veteran NATO expert and senior visiting fellow at the EPC's Defence and Security Project, proposes the creation of a short-term NATO-EU agency for Ukraine with a joint

planning staff to overcome the immediate problem. He points at the undoubted duplication between the EU's Peace Facility, which is providing arms to Ukraine and training Ukrainian troops, and NATO's efforts in the same direction. Shea argues that NATO is "the best place to coordinate all the bilateral assistance programmes and

EU packages and to integrate the weapons procurement, production and training and maintenance aspects of a long-term support strategy for Kyiv”.¹³

But something more substantial than this proposal, with a wider agenda and more permanent, would seem to be in order. The EU has vital vested interests to protect in ensuring that Ukraine makes progress as a candidate country on the way to full accession to the Union, a passage that can be assured more swiftly than Ukraine’s bid for NATO membership. Indeed, Ukraine’s integration with an EU that is fast developing its security and defence dimension will pave the way for its eventual full membership of the Atlantic Alliance.

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Here, costs matter. Although there has been a sudden and massive increase in defence expenditure since 2022, only the Union, not NATO, has the potential to raise very high levels of long-term joint funding for defence purposes via the issuance of federal eurobonds backed by the EU budget.¹⁴ Private capital seems eager to invest in the expanding technology of the armaments industry just as the Ukraine war adds to the fiscal pressure on state finances. The Europeanisation of defence will attract investment in a way and to a scale that eludes current Europe’s fragmented arms procurement.

Unless NATO agrees to resuscitate the Partnership for Peace programme, the most practical route for Ukraine to engage directly with the European defence effort is through the EU’s PESCO. Here there may be a useful parallel with Britain, where a new government elected in 2024 is expected to seek an early security pact with the EU involving the pooling of resources, the sharing of intelligence, and participation in PESCO.¹⁵ The EU has long experience in associating neighbours with its security efforts. NATO members Canada, Norway and the US are already involved in PESCO projects.¹⁶ The addition of Ukraine and the United Kingdom to that category of privileged partners would add value.

Fusion at the top

So, it seems timely to consider establishing a permanent organic link between the EU and NATO that will transcend the historic separation of the two bodies, entrench the security and defence dimension

Ukraine already has an administrative cooperation agreement with the European Defence Agency in pursuit of materiel standardisation, logistics and training — and its armed forces surely have no need to prove their fighting capability.

France, the EU’s only nuclear power, is in the vanguard of this deep transformation of European defence. In his Sorbonne II speech on 24 April, Emmanuel Macron pressed the case for the paradigm shift envisaged in the Lisbon treaty, towards “a credible defence of the European continent”. He continued:

“Of course, the European pillar within NATO that we are in the process of building, and which we have convinced all our partners of its merits in recent years, is essential. But we need to give substance to this credible European defence, which is the very condition for rebuilding a common security framework.”

Macron spoke of the “need to create a genuine strategic cohesion between European armies” as being “an unprecedented opportunity to immediately build European cooperation and act as Europeans in the face of these risks. ... [W]e need to embark not just on a new stage, but truly build a new defence paradigm, from the strategic concept to greater integration, from a new common framework to new capabilities.”

Defence becomes the driver of deeper European unification, in which the EU is the essential partner for Ukraine.

Defence, therefore, becomes the driver of deeper European unification, in which the EU is the essential partner for Ukraine. Ukraine’s Association Agreement of 2014 is predicated on the understanding that its own democracy will evolve along EU lines and reach EU standards of the rule of law. Kyiv’s defence against Russia relies on the EU’s success in building up its own military and defence industry capabilities in collaboration with NATO — and in acquiring democratic support for that development.

in the mainstream of European integration, and be of immediate assistance to Ukraine. The central task of the joint EU-NATO command centre would be to end the current fragmentation of European defence. By insisting

on interoperability, it would speed up and rationalise arms procurement. It would serve to stabilise longer term strategic planning, and keep the US engaged as the key partner of Europe. It would help to coordinate and synchronise the enlargement policies of its two components. And it would encourage the British to become again a serious player on the European stage.

A joint civilian and military organisation with staff drawn from the EU's External Action Service and NATO's SHAPE would take command of the West's campaign to blunt Russia's aggression, utilising as necessary the diplomatic heft and financial potential of the Union and the military clout of the Alliance. The combined authority might be co-chaired by Deputy SACEUR (a European, currently a British admiral) and a European Commissioner tasked with a new defence portfolio. The European Parliament, accordingly, should establish a high-level defence committee of its own as well as strengthen its liaison with the NATO parliamentary assembly.

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The new body, fusing the EU and NATO at the executive level, would respect the autonomy of both with regard to the implementation of decisions. Even the few remaining 'neutral' states, all of which shelter under NATO, need not stand in the path of this reform. The custom of constructive abstention by minorities in a spirit of mutual solidarity is a good one.¹⁷ As is the practice of entrusting a military task to a group of willing member states.¹⁸

Such a match of convenience can be done in a pragmatic fashion without treaty change, at least initially, either at the EU or NATO.¹⁹ The foreign policy, security and defence chapters of the Treaty on European Union are crafted to be more permissive than prohibitive. With an eye to the later evolution of the sector, the principle of collaboration with NATO is entrenched, a coalition of capable states is enabled to act on behalf of all, and the necessity of a formal EU pact with other international bodies is foreseen. So a start on the reforms can be made now, with codification of the constitution left to when the EU treaties are again up for comprehensive revision.²⁰

The European Council on 27-28 June followed by the NATO 75th anniversary summit in Washington on 9-11 July could move swiftly to set this process in train. It would be wise to have something concrete in place before the US presidential elections in November.

As with Stalin, so with Putin. A fresh coalition of Europe's allies and partners must be marshalled behind the original determination of the 1949 North Atlantic Treaty "to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law".

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- ¹ The author is grateful to Paul Taylor, Senior Visiting Fellow for Defence and Security, for his comments on an earlier draft.
- ² The three Baltic states plus Slovakia, Slovenia, Romania and Bulgaria were admitted to NATO in 2004, followed by Croatia and Albania in 2009, Montenegro in 2017 and North Macedonia in 2020.
- ³ Article 42(2) TEU.
- ⁴ Article 42(7) TEU and Article 222 TFEU.
- ⁵ Article 42(3) TEU.
- ⁶ Article 42(6) TEU.
- ⁷ Article 46 TEU and Protocol No 10.
- ⁸ https://www.eeas.europa.eu/eeas/strategic-compass-security-and-defence-1_en.
- ⁹ https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf.
- ¹⁰ The Economist, 7 November 2019. A good critique of NATO's past and present difficulties is by Sten Rynning, *NATO: From Cold War to Ukraine*, Yale, 2024.
- ¹¹ Joint Declaration on EU-NATO Cooperation, January 2023. https://www.nato.int/cps/en/natohq/official_texts_210549.htm.
- ¹² Joint Communication to the European Parliament and the Council, *A new European Defence Industrial Strategy*, JOIN(2024) 10 final, 5 March 2024. See Luigi Scazzeri, *The EU's defence ambitions are for the long term*, Centre for European Reform, 13 March 2024.
- ¹³ Jamie Shea, *NATO at 75, #CriticalThinking*, Friends of Europe, 12 April 2024.
- ¹⁴ See Andrew Duff and Luis Garicano, *A two-tier federal budget for the European Union*, European Policy Centre, 27 February 2024.
- ¹⁵ See Andrew Duff, *Going Back: What Britain should do to join the European Union*, European Policy Centre, 4 March 2024.
- ¹⁶ For a good assessment of Norway's association with EU security and defence policy, see Chapter 6, John Erik Fossum, Christopher Lord et al, *Norway's EU Experience and Lessons for the UK: On Autonomy and Wriggle Room*, Routledge, 2024.
- ¹⁷ Article 31 TEU.
- ¹⁸ Article 44 TEU.
- ¹⁹ Article 37 TEU.
- ²⁰ Future treaty changes should include amendments to Article 4(2) TEU, which states that "national security remains the sole responsibility of each Member State", and to Article 346 TFEU that limits the operation of the internal market in the armaments' sector.

NOTES

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