

ISPI REPORT 2021

# THE WORLD AND THE PANDEMIC EUROPE'S HOUR?

edited by **Alessandro Colombo** and **Paolo Magri**  
conclusion by **Giampiero Massolo**



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THE WORLD AND THE PANDEMIC: EUROPE'S HOUR  
Edited by Alessandro Colombo and Paolo Magri

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## 6. How Will Covid-19 Change Europe's Security Policies?

Davide Fiammenghi, Andrea Locatelli

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This chapter explores whether Covid-19 will force change in Europe's security and defence policies, and if so, to what extent. Three main views on the long-term impact of the Covid-19 outbreak can be found in the literature: (i) a temporary shock, (ii) a critical juncture or (iii) an accelerator of trends already in motion. Each leads to a different scenario<sup>1</sup> within which the European Union (EU) will have to carve out a different role for itself.

The first scenario predicts no significant change to the international system. Despite the large-scale loss of life and wealth, this viewpoint sees no change to the distribution of power and alignment patterns, unless the shock inflicted by the pandemic proves significantly asymmetric.<sup>2</sup> Once the Covid emergency and the associated economic crisis wane, the EU will find itself in more or less the same position as it was in early 2020, meaning no major changes will be needed to its foreign and defence policies.

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\* Andrea Locatelli wrote the introduction and first section, Davide Fiammenghi the second and third sections. Both contributed to the conclusion. Institutional references list English versions where possible.

<sup>1</sup> A. Locatelli, "Le conseguenze sul sistema internazionale", in R. Caruso and D. Palano (edited by), *Il mondo fragile. Scenari globali dopo la pandemia*, Milan, Vita e Pensiero, 2020, pp. 117-126.

<sup>2</sup> D. Drezner, "The Song Remains the Same: International Relations After COVID 19", *International Organization*, vol. 74, Supplement 2020, pp. 1-18.

The second scenario sees more radical change. The balance of power, the various alliances and rivalries, and the mechanisms for managing world order will change. Authors who argue for this scenario can be divided into optimists and pessimists. The optimists predict leaders will have learnt a lesson from the Covid-19 crisis and will use this opportunity to renew cooperation<sup>3</sup> and correct the biases in the present global economic system.<sup>4</sup> The pessimists, on the other hand, point out the pandemic has favoured the spread of illiberal ideas in many countries and increased the appeal of revisionist powers (especially China and Russia).

The third scenario is a midway between the previous two. Unlike the first, it accepts there will be long-term changes to the international order, but in contrast to the second, it sees no likelihood of radical transformation. In this view, the pandemic will serve as an accelerator of changes already in motion.<sup>5</sup> It will leave behind increased tension between the United States and China along with weakened multilateral institutions. For the EU, this scenario would make it necessary to accelerate the process of reforming security and defence policy and to adopt a clearer stance on the Sino-American rivalry.

The rest of this chapter explores the impact of Covid-19 on the EU's military initiatives and defence policy (first section), European missions in third countries (second section) and supply chains (third section). Using these analyses as a basis, the conclusions will try to see which scenario is the most plausible.

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<sup>3</sup> R. Caruso, "What Post COVID 19? Avoiding a '21st Century General Crisis'", *Peace Economics, Peace Science and Public Policy*, vol. 26, no. 2, 2020, pp. 1-9.

<sup>4</sup> V.E. Parsi, "Vulnerabili: come la pandemia cambierà il mondo", Casale Monferrato, Piemonte, 2020.

<sup>5</sup> R. Haas, "The Pandemic Will Accelerate History Rather Than Reshape It. Not Every Crisis Is a Turning Point", *Foreign Affairs*, 2 April 2020.

## Member State Defence Initiatives and Military Policy

As tricky as it is to make predictions at this time, it appears likely the Covid-19 emergency will lead to a reduction in defence spending. This will have major implications for the EU as a whole and for its Member States. On the national level, the reluctance of European countries to invest greater resources in defence is one of the long-standing causes of tension with the United States within NATO – tension the Trump administration has laid bare but that has been present from the start of the alliance. The economic fallout of the pandemic will probably reinforce this trend, with likely cuts in defence spending both in absolute terms and as a proportion of GDP. This view, backed by various analysts, draws on what happened after the 2008 financial crisis, when nearly all European countries trimmed their defence budgets for five years, with defence spending only returning to 2009 levels in 2019.<sup>6</sup>

Renewed austerity in national defence spending would probably result in a reduction in military capacity among Member States. While it is reasonable to expect that some nations (e.g. France) will be affected less than others, there is a real prospect of an increased gap between EU and US capacity and, consequently, greater European reliance on NATO. This would clearly be to the detriment of the European defence integration process begun so laboriously some twenty years ago.

Turning to EU defence initiatives, the pre-pandemic years saw genuine political commitment to achieving strategic autonomy. This approach, which the Commission under von der Leyen has embraced, now has to overcome two major obstacles.<sup>7</sup> The first is the reduced availability of funds for the European Defence Fund (EDF): on 14 December, the Council proposed close to

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<sup>6</sup> International Institute for Strategic Studies, *Military Balance 2020*, London, IISS, 2020, p. 70.

<sup>7</sup> A. Billon-Galland, *COVID 19 Strengthens the Case for EU Defence*, Chatam House, 17 June 2020.

€8 billion for the EDF as part of the 2021-27 budget, along with €1.5 billion for military mobility.<sup>8</sup> While in line with the request made by the Commission prior to the Covid-19 emergency, these spending figures are far below those originally on the table for the two projects (13 billion for the EDF and 6.5 for military mobility).

The second obstacle is more political, because areas other than defence will be prioritised to stimulate recovery and accelerate digitalisation. The Commission's "geopolitical" ambitions are not the result of Covid-19, but of factors like the Trump administration's foreign policy and the impact of Brexit on European integration. The effects of the pandemic will combine with the hoped-for normalisation of relations with the UK and the probable realignment of American foreign policy under the Biden administration. The drive for military cooperation of the last five years appears destined to lose steam. Despite encouraging signals, such as the letter of intent circulated by the defence ministries of France, Germany, Italy and Spain in May, and the Franco-German policy paper issued in June, important Community initiatives like Permanent Structured Cooperation (PESCO) and the Capacity Development Plan (CDP) could suffer major setbacks.

The pandemic could hit the defence integration process hard. Though, military cooperation offers Member States two clear advantages – the prospect of strategic autonomy from the United States and the economic benefits of economies of scale – it is currently threatened by the EDF cuts (and therefore by a foreseeable reduced role for the Commission) and by the temptation of Member States to protect their own defence industries to the detriment of rivals.

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<sup>8</sup> Council of the EU, *Provisional agreement reached on setting-up the European Defence Fund*, Press release 935/20, 14 December 2020.

## European Missions and Aid for Third Countries

The Covid-19 outbreak placed additional strain on European missions in third countries and led to a partial redirection of aid towards public health. During the early stages of the pandemic, some European personnel were temporarily withdrawn from the field as a precautionary measure. As the European Parliament has noted, Covid-19 has negatively impacted training missions in countries like Mali, Somalia and the Central African Republic.<sup>9</sup> It is even possible the pandemic might lead to intensified conflict in nations with a fragile state.<sup>10</sup> Peacebuilding initiatives therefore need to be bolstered. In the late spring of 2020, the Council of the EU requested the urgent return of personnel and the reinforcement of missions.<sup>11</sup>

In November 2020, the Council's Committee of Permanent Representatives added biological hazards<sup>12</sup> to its field of interest and competence and established them as a priority to be tackled under the 2021-25 Medium Term Plan of the European and Mediterranean Major Hazards Agreement (EUR-OPA), an inter-governmental regional accord to promote cooperation on natural and technological disasters. Established in 1987 by an open partial agreement, EUR-OPA has unfortunately never been consolidated, and its contributions to risk prevention and management have proved somewhat limited.<sup>13</sup> As a result, the

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<sup>9</sup> European Parliament, *Foreign Policy Consequences of the COVID 19 Outbreak*, 25 November 2020, p. 14, no. 53.

<sup>10</sup> Ibid; cf. P. Veron e A. Sheriff, *International Funding for Peacebuilding: Will Covid19 Change or Reinforce Existing Trends?*, Maastricht, European Centre for Development Policy Management, Discussion Papers, September 2020, p. 3, I par. and sources listed there.

<sup>11</sup> Council of the EU, *Council Conclusions on Security and Defence*, Bruxelles, 17 June 2020, p. 6, no. 11.

<sup>12</sup> The expression "biological hazard" refers to micro-organisms (e.g. bacteria, antibiotic-resistant bacteria, viruses, toxins etc.) capable of causing infections or otherwise damaging living organisms.

<sup>13</sup> Other organisations perform similar functions within NATO: the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) and the Centre of



work of managing the Covid-19 emergency has been entrusted to the EU's Civil Protection Mechanism (CPM) and to the civilian and military missions of the Common Security and Defence Policy (CSDP).

The Commission has proposed reinforcing the EU's CPM and increasing funding for emergencies like Covid-19 that simultaneously put pressure on most or all Member States and prevent them from offering "each other assistance [sic]".<sup>14</sup> While affirming the CPM serves primarily for use in the EU, in keeping with previous legislation, the proposed reform does allow its use in other countries in the event of humanitarian disasters.<sup>15</sup>

Similarly, CSDP civilian missions have been redirected to provide equipment and medical assistance in response to the pandemic.<sup>16</sup> The Council has also called for a more "resilient" civilian component, especially for medical and strategic evacuations.<sup>17</sup> Use of the military in support of civilian operations to contain the pandemic (e.g. field hospitals, patient transport) began during the emergency and has since been approved by European institutions. This practice has given rise to a call for greater coordination between the armed forces of Member States either within existing European frameworks, such as PESCO and the European Medical Command, or within newly established frameworks.<sup>18</sup> The plan is also to review the use, availability and coordination of member state armed forces in support of the above-mentioned CPM.<sup>19</sup>

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Excellence for Military Medicine.

<sup>14</sup> European Commission, *Proposal for a decision of the European Parliament and of the Council amending Decision No. 1313/2013/EU on a Union Civil Protection Mechanism*, Bruxelles, 2 June 2020, p. 1.

<sup>15</sup> *Ibid.*, p. 10, no. 12 and 14; p. 12, no. 20.

<sup>16</sup> J. Borrell, "Implications of Covid19 for the External Action of the EU: Remarks by HR/VP Josep Borrell at the AFET-SEDE-DROI Committee", Bruxelles, 20 April 2020.

<sup>17</sup> Council of the EU, *Council Conclusions on Security and Defence...*, cit.

<sup>18</sup> European Parliament, *Foreign Policy Consequences*, cit., no. 35.

<sup>19</sup> Council of the EU, *Council Conclusions*, cit., p. 3, no. 5.

To be effective, CPM reform and the redirection of missions towards emergency management require a policy for sourcing raw materials and other items (e.g. reagents used in healthcare testing). This is the focus of the next section.

## **Sourcing Strategic Resources**

The EU's effort to reduce its dependence on external supplies dates back to before the Covid-19 outbreak, but the health crisis has certainly accelerated this trend. The second wave of globalisation spread the production process across multiple states, establishing a process of value creation through global value chains that require equally global supply chains to move materials and products from one place to another. Covid-19 has forced analysts and politicians to start wondering whether it is indeed a good idea to fragment production to such an extent a single shock from outside the system can destroy supply chains and compromise production. This leads to the conclusion that supply and value chains need to be "shortened", strategic resources procured through secure channels, and at least some production brought back home.<sup>20</sup>

The aim is to reduce the frailty of the EU or put more positively, to increase its resilience. One way of defining frailty is lacking the resources to return things to the initial state after a shock or disturbance (once could say a return to homeostasis). Resilience, by contrast, focuses on the ability to overcome a shock or disturbance. The concept of resilience is often used in EU documents, especially since the Covid-19 outbreak. Resilience is also one of the four "baskets" of the EU's Strategic Compass, an ambitious cooperation and defence reform project that, by mid-2022, is supposed to produce a common EU vision of the international panorama and shared foreign policy objectives, and to identify threats to the EU and means to combat them.

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<sup>20</sup> R. Fontaine, "Globalization Will Look Very Different After the Coronavirus Pandemic", *Foreign Policy*, April 2020.

In March 2020, the Commission launched a new industrial strategy covering the transition to clean energy, sourcing raw materials and energy security.<sup>21</sup> The link between supply chains and resilience was emphasised in a statement issued by the Commission early in September, when the health emergency had focused the spotlight on the vulnerability of supply chains to Europe. The focus on clean energy and energy security<sup>22</sup> also shows the European green deal is inspired not only by a desire to protect the environment (praiseworthy though this may be), but also by a strategic vision of independence from external energy suppliers.

Realising such ambitions requires close cooperation with industry. To this purpose, on 29 September 2020, the Commission's vice-president, Maroš Šefčovič and Thierry Breton, a business expert who previously served as French finance minister and is now the Internal Market Commissioner, launched the European Raw Materials Alliance (ERMA) in the presence of numerous institutional and private stakeholders. This new alliance will provide a forum for consultation on various themes such as the diversification of supply chains, the circular economy, recycling materials and investment in innovation.

Finally, the Covid-19 emergency has shown that fuels and rare-earth elements are not the only items of strategic importance: reagents used by the pharmaceutical industry are equally so. The new industrial strategy outlined in March had already underlined the strategic role of the pharmaceutical sector and the need to devise a new, EU-wide pharmaceutical

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<sup>21</sup> European Commission, *A new industrial strategy for Europe*, Communication from the Commission to the European Parliament, Council, European Economic and Social Committee and Committee of the Regions, Bruxelles, 10 March 2020.

<sup>22</sup> European Commission, *Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability*, Communication from the Commission to the European Parliament, Bruxelles, 3 September 2020, pp. 6-7. Cf. Council of the EU, [Council Conclusions on Security and Defence](#)..., cit., pp. 10-11.

strategy by 2020<sup>23</sup> and then in April, the European Parliament expressed the hope strategic autonomy could be achieved in various areas, including pharmaceuticals.<sup>24</sup> Later, on 25 November, the Commission launched its Pharmaceutical Strategy for Europe, based on four pillars, one of which covers diversifying and securing supply chains.<sup>25</sup>

## Conclusion

Covid-19 refocused European missions towards managing the healthcare emergency. This, however, would seem to be a short-term development and increasingly lose importance as the Covid-19 emergency fades away. For European defence and security, the emergency has largely accelerated trends that were already in place. This has negatively impacted budgets and, at least in the short term, missions. However, these trends predated the Covid-19 outbreak, and they have been boosted by the change in the American administration and the ensuing prospects of greater cooperation within NATO. In partial contrast to this, Covid-19 has accelerated the Commission's projects for sourcing strategic materials. Before the scope of the Strategic Compass is clearly defined, it is difficult to foresee which of these trends will prevail. Political wrangling could well lead only to a limited agreement that fails to realise the ambitious Strategic Compass reforms. Furthermore, as a corollary of rapprochement between the EU and US, the Commission may find its role restricted and European cooperation on defence and security once again curtailed.

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<sup>23</sup> European Commission, *A new industrial strategy for Europe...*, cit, p. 16.

<sup>24</sup> European Parliament, *EU coordinated action to combat the COVID-19 pandemic and its consequences*, Resolution of the European Parliament, 17 April 2020.

<sup>25</sup> See: [https://ec.europa.eu/health/human-use/strategy\\_en](https://ec.europa.eu/health/human-use/strategy_en).