

France's Defense Partnerships and the Dilemmas of Brexit

By Alice Pannier

The British exit from the European Union places France in a unique position in Europe's defense and security architecture. France's new centrality creates opportunities for the country to act as a bridge-builder with the U.K., but it also creates new dilemmas as the two countries now face a mixture of converging and conflicting interests.

The Macron government has fully embraced this duality and developed a defense cooperation strategy of diversification of partners and frameworks for military partnerships and capability developments. This adaptive strategy makes sense in the uncertain current context, but it is taking France in some contradictory directions vis-à-vis the U.K., EU partners, and the United States. A specific defense agreement with the U.K. will be necessary for ensuring European security, yet so far diverging political and industrial interests take precedence over shared leadership and political unity.

Opportunities — together with greater responsibilities — will come with France's unique position in Europe's defense and security following "Brexit."¹ As the EU's sole nuclear power and member of the UN Security Council, and with its strong bilateral ties with London, Washington, and Berlin, France currently enjoys a central position in the European security architecture. Even ahead of Brexit, France has been awarded the position of leader and diplomatic bridge-builder, a role that President Macron has fully seized. His visit to President Trump's White House in April 2018 was a case in point.² However, this position raises a number of dilemmas for France in engaging in defense cooperation in the Euroatlantic area, and it will not be simple to define a consistent strategy. This policy brief examines the expected effects of Brexit on military partnerships and capability development, and assesses the prospects for an effective French synthesis and leadership in this context.

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1 Paul Taylor, "Crunch Time: France and the Future of European Defense," Friends of Europe, Report, April 2017.

2 Alexandra De Hoop Scheffer and Martin Quencez, "The U.S.-France Special Relationship: Testing the Macron Method," The German Marshall Fund of the United States, April 18, 2018.



to disagreements among EU member states on what EU defense and the future relationship with the U.K. should look like.

The various pillars of France's defense cooperation strategy — Franco-British bilateralism, the Common Security and Defense Policy (CSDP) around a Franco-German axis, and the transatlantic relationship — had seemed until now to be reconcilable, if not fully consistent. Investing in the relationship with London did, in turn, keep some of the British cooperative efforts within an EU framework, and British industries contributed to preserve the European Defense Technological and Industrial Base amid global competition in the sector. Then, on the operational side, the Franco-British Treaties of 2010 could also almost be said to contribute, albeit indirectly, to the CSDP, as they enhanced strategic coordination and military interoperability and readiness of the two biggest defense players in Europe. Anglo-French military cooperation had at least a neutral effect on the CSDP. Finally, tackling international crises and threats rested a strong Franco-American axis, including within NATO.

Changes since 2016 challenge the consistency of this policy that combined transatlantic, EU, bilateral, and national frameworks in a fruitful fashion. Indeed, these policy orientations now appear as a potential in contradiction. Macron has, in principle, fully embraced the dilemmas that these changes create. The French strategy gradually elaborated since the Brexit vote and formulated since the beginning of the Macron presidency, rests on three pillars of the European security architecture: NATO, the EU, and ad hoc cooperation (bilateral or unilateral). NATO is seen as having a central role in ensuring territorial defense, and fostering collective readiness. Through Permanent Structured Cooperation (PESCO) and the European Defense Fund, the EU is seen as renewed vehicle for capability development. Finally, bilateral, unilateral, and

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more generally ad hoc cooperation is a central piece of the architecture, reflecting operational priorities and political readiness. Looking at France's strategy toward the U.K. and European defense cooperation, some contradictions are not yet solved, whether we are dealing with military partnerships and deployments, defense capabilities and industries, or the matter of political leadership and unity.

Military Partnership and Deployments

Brexit occurs at a moment when the bilateral U.K.–French military partnership has become both the “new normal” and a bit of a disappointment.³ After the partnership thrived for the first few years of the Lancaster House Treaties, the French perceived a relative strategic withdrawal of the United Kingdom and lesser British willingness to put men in harm's way. Thus, after the short-term satisfaction that followed the military intervention in Libya, U.K.–French cooperation was much less developed in the following years, not least because Mali and Central African Republic (CAR) are not considered to directly affect British interests. The vote of the House of Commons on August 31, 2013 on Syria further worsened this perception which did not get better with the publication of the Iraq Inquiry report in July 2016 and the report of the Commons on the intervention in Libya in September of the same year.

Nonetheless, cooperation did persist over that period in counterterrorism and was revived from 2015 in Libya, and more obviously in Syria in the fight against Daesh. Today, the British and French are also working together and are jointly deployed, under British command in Estonia as part of NATO's Enhanced Forward Presence. Thus, based on the observation that, despite ups and downs in their cooperation, the U.K. remains France's key military partner in Europe, plans for greater interoperability between their armed forces continue. Although the Franco-British Combined Joint Expeditionary Force (CJEF), initiated in 2010, is not yet able to conduct high intensity operations, cooperation on the development of this force has made bilateral exchanges more fluid and led to a partial convergence of doctrines. The CJEF is now expected to achieve full operating

³ Alice Pannier, “The Anglo-French Defense Partnership after the ‘Brexit’ Vote: New Incentives and New Dilemmas,” *Global Affairs*, Vol.2, No.5, 2017.

capability by 2020, with more military exercises to be conducted and a particular emphasis on work on secure communications.⁴

Brexit is unlikely to have a significant impact on the U.K.–French bilateral military partnership. Firstly, the Brexit process can be said to — paradoxically — push for a partial revival of the U.K.’s activism on the world stage, as the government seeks to prove to its allies and enemies alike that it remains a military and political power that matters. The participation in the strikes against Syrian chemical weapons infrastructures in April 2018, strong diplomatic measures against the Russian government following the Salisbury poisoning that same month, or forcefully defending the Iran nuclear deal must all be understood in that context.

Secondly, France and the U.K. have made a habit of supporting one another’s strategic priorities and have been united in their responses to strategic challenges in all of the instances I have mentioned. Where their national interests do not appear as aligned, they have been able to “trade” their respective interests, for example in Eastern Europe and the Sahel. This trend should continue unaffected post Brexit. Indeed, even if the U.K. loses access to the Political and Security Committee (PSC), France and the U.K. will maintain the ability to cooperate given that most international security issues are not dealt with at the PSC for lack of European consensus. Additionally, France and the U.K. are accustomed to close bilateral cooperation and working together within the UN Security Council. Informal information sharing too can take place to communicate on matters dealt with at the PSC.⁵

How will the bilateral level interact with the European level? The Mali and CAR experiences have also reminded the French that other European partners matter, due to the support they bring to French forces on the ground. Spain, for instance, provides a third of the tactical airlift to French forces in the Sahel for operation Barkhane; and a Finnish company is embedded in the French forces deployed with the United Nations Interim Force in Lebanon. The

United States, while providing support to French operations has not been keen to get much more involved — either politically or militarily — since the Libya 2011 intervention. As a result, France has realized the need to develop minilateral cooperation with European countries in a bottom-up logic and proposed the concept of European Intervention Initiative (EI2). The EI2 is a gathering of willing and able European nations to further their military interoperability and ability to conduct interventions. The project stems from a double assessment: first, that Europe needs to urgently improve its coordination in international crises and the interoperability of its forces, and second, that those countries most likely to deploy forces alongside France may or may not be members of EU common defense policy (for example, the UK post-Brexit, or Denmark with its ESDP opt-out) or NATO.

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While the military logic behind the EI2 is unbeatable, its emergence in the context of the creation of the EU treaty-based defense cooperation framework PESCO is a bit awkward, not least because partners that have convened around the EI2 are confused as to the ways and means of the initiative.⁶ The EI2 indeed raises the question of how to ensure consistency and avoid the duplication of efforts, for the armed forces between bilateral, minilateral, and NATO frameworks. Beyond the political considerations, some practical issues need to be addressed, if this initiative is to be pragmatic and effective. First, while the EI2 seeks to reflect the reality of recent theaters, it excludes the United States on the basis of Europe’s goal of strategic autonomy. This goal may be fair, yet the question is how to develop interoperability of European armed forces while they will in all likelihood continue to seek to be interoperable with the United States and they do not yet have the capabilities to act without U.S. support

4 Emmanuel Macron and Theresa May, United Kingdom-France Summit Communiqué, Sandhurst, January 18, 2018.

5 Sophia Besch, “Plugging in the British: EU Defense Policy,” Center for European Reform, April 26, 2018.

6 Alice Pannier, “Macron’s ‘European Intervention Initiative’: More Questions than Answers,” European Leadership Network, November 23, 2017; Paul Taylor, “Emmanuel Macron’s Coalition of the Willing,” Politico, May 2, 2018; Nick Witney, “Macron and the European Intervention Initiative: Erasmus for Soldiers?” European Council on Foreign Relations, May 22, 2018.

(enablers). It would be counterproductive, at this stage at least, not to coordinate the EI2 in some way with the United States. Besides, one of the goals of the EI2 is to improve intelligence sharing, yet European countries rely significantly on U.S. intelligence, and the EI2 would thus have to rest either on better intelligence sharing arrangements with the United States, or on Europeans enhancing significantly their intelligence gathering capabilities.

Defense Capabilities and Industry

The strategic ambitions of the EI2 illustrate another example of the necessity for Europeans to develop their own military capabilities in areas such as air-to-air refueling, intelligence, strategic reconnaissance, or transport if they are to be strategically autonomous. This goal, again, raises significant questions for France in the context of Brexit. The question for Paris here is how to get Europe to acquire the relevant capabilities while protecting France's and the EU's defense technological and industrial bases, and at the same time preserving its cooperation with the U.K. where it is desirable or necessary.

Compared to military partnerships and deployments, the area of defense capability development is more constrained by laws and regulations, as well as economic trends, where Brexit is already having an impact. This is especially true in the present context where the European Commission and the EDA are expanding their role in identifying capability needs (through the setting up of the Coordinated Annual Review on Defense, CARD) and funding cross-border R&T and capability development projects (through the European Defense Fund, EDF).⁷ The ultimate goal would be that CARD would inform EDF programs which would be carried out under a PESCO umbrella.

The place of the U.K. in this picture remains uncertain. It is still unknown whether the U.K. companies will be able to bid in EU calls for R&T or capability programs. When it was still a full member, the U.K. was opposing the development of PESCO, the increase of the EDA's budget, and the creation of an EU operational headquarters, but they were not against the principle

of the EDF. The European dialogue is ongoing at the time of writing and it looks like third countries' companies should be able to participate in consortia with EU-based companies, but will not be able to receive funding unless their activity is located on EU territory. Whether the U.K. will get a special type of agreement in defense and security and what such an agreement would cover for in capability development and industrial matters is unknown at this stage. France is calculating in this context of uncertainty, and the country is facing conflicting interests in this policy area. There are indeed three sets of potential contradictions for France, and various aspects that are not yet aligned at the EU level.

The French position is, in principle, based on the concept of strategic autonomy and its delineation at the national, EU, and European level. As part of France's historical bid for strategic autonomy the maintenance of a sound and prosperous defense industry is considered a matter of national sovereignty. Following the multiple security crises around Europe, the terrorist attacks in Europe, and the relative U.S. disinterest for Europe, a version of the French concept has found its way in the EU Global Strategy. The concept, however, is subject to interpretation: Is the industrial dimension of Europe's strategic autonomy strictly limited to the EU or includes certain third parties? How far down the supply chain does it extend? How to deal with transnational companies and foreign-owned branches?

The French vision for European strategic autonomy is more demanding than that of other EU member state, especially those with a more liberal view toward the defense industry, such as Sweden or the Netherlands, and those without defense industries. In fact, France has taken the hardest line in the negotiations on eligibility criteria for access to the EDF based on two principles. First, the purpose of the EDF (and by extension, PESCO) is to support the EDITB, which amounts to protecting it from the United States' industry. Second, the U.K. should not be awarded a privileged status compared to other third countries. For U.K. companies, this creates a double problem. On the one hand, because the future U.K.–EU defense and security partnership is not yet negotiated, British companies will be excluded from funding applications after March 2019. On the other hand, there will be

⁷ Erik Brattberg, "Beyond European versus Transatlantic Defense," The German Marshall Fund of the United States, January 11, 2018.

uncertainty on their future eligibility for EDF projects that will be launched before Brexit is effective, thus creating disincentives for EU companies to create consortia with U.K. companies to submit joint bids. A rationale then for EU member states consists in reaping the benefits from the Brexit by gaining industrial contracts for which British (or U.S.) companies would be ineligible, or less easily practicable than an EU company. This could benefit French national champions or industrial groups able to repatriate some of their activities.

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More generally, Brexit is making the U.K. a less attractive partner due to the uncertainty surrounding its future status and the likely economic impact of Brexit on public spending. The weakness of Theresa May's government and leadership are only adding to the fear that the U.K. may not be able to hold any promises it makes, for instance in joint capability development projects. Allies and industry dislike uncertainty, and would rather invest in safe bets. The Future Combat Air System (FCAS), a project on which BAE and Dassault have been cooperating since 2014, illustrates the waning down of U.K.–French industrial cooperation. While the program was already progressing slowly before Brexit, the current economic, political, and legal uncertainty has made it impossible for the British government to commit to building the 2 billion euro unmanned combat aerial vehicle demonstrator with France.⁸ On the other hand, Macron was quick to turn to Germany to launch a new Future Combat Air System program, with still undefined specifications. The project of a European medium-altitude long-endurance UAV is also being revived, with the aim of bringing together France, Germany, Spain, and Italy for the development to be co-funded by the EU under the EDF.

The French industrial interests are not all pushing for a hard line that would keep the British completely out. First, some companies are transnational in nature. The arms manufacturer MBDA is a case

in point. The company has been praised for being a model of European cross-border integration and competitiveness, yet the British branch of the company would be unable to receive EU funds, which were originally envisaged to encourage the same kind of transnational integration that MBDA was a pioneer in achieving. Second, even companies that could benefit from a weakening of British industries would face serious difficulties because part of their activities are located in the U.K. (as in the case of Airbus) or because the U.K. possesses some unique industrial assets, such as Rolls Royce's motors. Third, the U.K. remains the country with which France's strategic interests are the most fully aligned; an aspect that tends to be considered as secondary when decisions to launch cooperative weapon programs are made for political reasons. Divergences on operational needs and export restrictions are likely to resurface if France indeed pursues a combat aircraft program with Germany. Finally, France is losing an important partner in the negotiations that tend to oppose the six European countries possessing a significant national defense industry that they want to preserve (France, Germany, Italy, Spain, Sweden, and the U.K.) to smaller EU member states who want to challenge the current oligopolistic nature of the European defense market. Those member states see the EDF as an opportunity to foster their own economic development and challenge the domination of big defense companies, and thus push for funding criteria that favor cross-border consortia and SMEs.

Political Leadership and (Dis)Unity

The Euroatlantic architecture is undergoing a significant crisis due to the concomitance of the Trump presidency, Brexit, unrelenting security threats around Europe, not least from Russia, and the authoritarian turn of some allies, notably Turkey. These challenges call for adaptive strategies and novel leadership. President Macron has tried to seize the opportunity as he has been very keen to fill the leadership vacuum left in the Euroatlantic area. He has also sought to diversify France's defense cooperation strategy in a way that reflects the complexity of the situation. As a result, it would not be fair to blame the French government for pursuing defense efforts both

⁸ Pierre Tran, "U.K. Was the One to Put the Brakes on Drone Demo Project, Industry Says," Defense News, April 12, 2018.

within the EU to beef up its capabilities, and outside the EU to include its main partner in European military efforts.

However, France must be able to lead and to combine its defense efforts with those of its partners in a way that is the most fruitful for Europe's security. The first year of Macron's presidency has been favorable to France taking leadership, but paradoxically that has not always meant being followed. This has been partly due to the domestic politics of the EU's big member states, obviously, the U.K., but also Germany (before Merkel was able to form a coalition), and Italy, whose emerging government will not bring any more pro-European leadership to the table. One of the key threats against Europe today, and Western democracies more generally, is political disunity fueled by external powers through non-military means. As a matter of resilience, it is important that French leadership not be conducted in isolation from its European partners, including the U.K., as the recent disappointment on the Iran nuclear deal suggests. French governments have a tendency to take initiatives unilaterally in military and diplomatic affairs and expect partners' full support (usually to be disappointed), which in fact weakens political unity.

As for the Brexit negotiations, one can also argue that some form of political declaration relating to security and defense and tying the U.K. to the EU should be agreed on as soon as possible, to complement the negotiations on the legal aspects of Brexit. In the past few weeks, disagreements between the U.K. and the EU on how Brexit should affect their cooperation on the satellite program have spilled out and led to bitter exchanges.⁹ At the same time, Federica Mogherini suggested at a conference in Brussels in May 2018 that she wishes to have, "after 2019 ... the strongest possible channels of communication, ... a consultation mechanism with the U.K. (and) ways for the U.K. to cooperate with us, in the framework of our Permanent Structured Cooperation, and

with the European Defense Agency."¹⁰ Mogherini has also announced her plan for a new "partnership framework" for security and defense policy vis-à-vis third countries, which would apply to the U.K. Neither the Task Force Article 50 nor the EEAS have been mandated — yet — to design a specific agreement with the U.K. regarding EU programs such as Galileo or the EDF. These two programs illustrate that positions within the EU today are divided as to whether that is desirable, which suggests the political unity needed for such a grand bargain is still a long way away.

⁹ Daniel Boffey, "U.K. Will Build Own Satellite System If Frozen Out of EU's Galileo - Chancellor," *The Guardian*, 25 May 2018.

¹⁰ Remarks by High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission Federica Mogherini at the EU Institute for Security Studies event on "The Future of EU Foreign, Security, and Defense Policy Post Brexit," Brussels, May 14, 2018, https://eeas.europa.eu/headquarters/headquarters-homepage/44528/remarks-hrvp-mogherini-eu-institute-security-studies-event-future-eu-foreign-security-and_en.

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