



CENTRE FOR BRITAIN AND EUROPE

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Analysing Brexit's Impact on
UK DEFENCE

Defence and External Security

In a fast-paced global climate, demands on UK defence both proximate and remote remain critical. To this environment are the added pressures of Brexit, with a range of implications for British defence options arising from Britain's departure from the EU. The current messages remain mixed. The former defence secretary declared that Brexit could 'enhance the UK's lethality' while top defence companies have warned repeatedly that a no-deal Brexit scenario could result in £1.5bn in extra customs costs (Sabbagh, 2019). This CBE Briefing Note explores the various impacts of Brexit on British defence, by exploring the current state of play for Britain, its various European and international roles and commitments, the structure of EU membership in defence terms, and a variety of post-Brexit options.

Overview

The UK is an integral player in EU defence. However, British contributions to the Common Security and Defence Policy (CSDP) as well as its role in regional defence initiatives in Europe, including NATO are not always fully appreciated. British defence attitudes have combined both leadership in key facets of European defence, and reluctance in terms of long-term commitment and development of specific EU defence initiatives. Britain thus combines pioneering attitudes that helped get the CSDP off the ground in the early days with long-standing reluctance towards wholesale engagement in key military ops, "preferring capacity-building projects based on civilian missions" (Hadfield, 2018, 179). Dismissing defence as a thinly integrated policy requiring less intensive decoupling with EU partners however does not provide an accurate account of the UK's Brexit challenges in the context of defence. UK defence in reality is:

- Interdependent with other policies including security, R&D, regional and neighbourhood policy and development, straddling traditional intergovernmental and newer supranational modes of decision-making;
- Embedded in both EU and wider European issues involving NATO, against neighbourhood contexts entailing Russia, North Africa and the Middle East;
- An area of continuous high-calibre success and leadership in key military and civilian CSDP ops including the EU's flagship anti-piracy operation, EU NAVFOR Somalia (Operation Atalanta), and in terms of EU-NATO best practice;
- An opportunity to reinforce the UK as a leader within, if not of the CSDP, and an anchor of European stability.

The future role of the UK in terms of continued CSDP participation in missions and ops remains uncertain. As the 2018 House of Lords report on UK participation in the CSDP noted, "the UK has influenced the development and planning of all missions and operations" undertaken by the EU,

with CSDP ops themselves having made "a significant contribution to UK foreign policy priorities and been an important channel of UK influence — from tackling piracy to promoting the rule of law to peacebuilding in post-conflict states" as well as helping to "encourage other EU countries both to develop their defence capabilities, and to participate in crisis management and defence operations" (Lords, 2018, 3). Appendix 4 of the 2018 Lords report on the CSDP indicates UK participation in no fewer than 15 key ops from 2004 onwards, including both personnel and dedicated budget.

Preferences and Challenges

At this point, the conversation entails a range of impacts, consequences and changes. From one perspective, the overall use of the UK Armed Forces, and indeed the UK's Diplomatic Service may witness **increased autonomy** in terms of decision-making over material resources and short, medium and long-term planning over strategic ops. The UK will undoubtedly continue to prioritise the development and use of its own defence capabilities in a way separate from EU missions and ops, which themselves operate "at the lower end of the crisis management spectrum" where current UK roles are still limited (Lords, 2018, 3).

In practical terms for example, the British Ministry of Defence Permanent Joint Headquarters at Northwood, London which has served as the HQ for various EU missions will be altered in terms of its support for EU defence. These and other changes towards a more UK-specific focus on defence however align with long-standing British preferences to limit the degree of EU defence integration (or at least the degree of UK involvement in this trend), preferring more ops-specific activities driven by external circumstances, against a background of intergovernmental rather than supranational decision-making. The overarching philosophy of UK commitment to EU defence will therefore not

necessarily see dramatic changes. However, the UK's ability to use its historically and materially dominant role within CSDP to determine the direction of EU defence more broadly will undoubtedly change. Here, Brexit impacts suggest limitation of scope and attenuation of overall impact, rather than simply defence autonomy and foreign policy latitude to be gained.

From this perspective, outcomes for UK defence may see a **significant reduction** in terms of overall size, and/or their use, in national and international theatres, and specifically within

the CSDP itself. Current MoD funding ringfences roughly 16% for all EU security activities, including personnel, expertise and equipment. It's likely that this percentage would reduce, against the backdrop of an estimated 25% loss in overall EU defence capabilities should the UK opt to no longer fulfil its current role with the EU (Black et al., 2017). UK participation in previous CSDP missions and ops risk thus being consigned to the history books rather than drawn upon as more active forms of best practice.



Quick Statistics

Britain has contributed to the following 16 CSDP missions since 2004. These include EUFOR ALTHEA (launched 2004), EUPOL COPPS and EUBAM Rafah (both 2005), Operation ATALANTA (2008), EUTM Somalia (2010), EUCAP Sahel Niger and EUCAP Somalia (both 2012), EUBAM Libya, EUBAM Libya and EUTM Mali (all 2013), EUMM Georgia (2008), EUAM Ukraine (2014), Operation SOPHIA and EUCAP Sahel Mali (both 2015), EUTM RCA (2016) and EUAM Iraq (2017).

The UK's financial contribution to civilian missions is 15%. As 85–90% of the costs of military missions and operations are financed by the participating countries, the UK's 17% contribution to the common costs of military missions and operations is relatively lower (EU External Affairs Sub-Committee, 2018).

In 2017, defence expenditure amounted to 1.3 % of GDP for the EU-28. As a share of total expenditure, defence expenditure amounted to 2.9 % in 2017 in the EU and 2.6 % in the euro area (Eurostat, 2019).

The UK provides approximately 16% of the EU's security and defence activities. CSDP missions involve approximately 200 British personnel and several assets. In a no deal scenario all personnel would have to return to the UK.

Sector Insights

In terms of retaining a working partnership with the EU, UK decision makers need to consider whether Brexit affords an opportunity to continue the trend of decoupling between UK preferences and **EU defence integration**, or a backdrop by which third-party agreements with the EU can be undertaken on the basis of interests, ops, capabilities and resources. In making these decisions, the UK needs to consider the recent changes undertaken by the EU since 2016 in improving its own regional defence and external security integration. A number of key initiatives have taken place, including the establishment of a European Defence Fund (with a budget of €590 million for 2014-2020), a European Defence Agency, a European Peace Facility (with a €10.5 billion off-budget fund for 2021-2027), a Security and Defence Implementation Plan (SDIP), the European Commission's own Defence Action Plan, specific programmes including Military Planning and Conduct Capability (MPCC), pulled together under the Co-ordinated Annual Review on Defence (CARD).

These initiatives are broadly though not exclusively drawn together under **Permanent Structured Cooperation (PESCO)**, a security and defence framework established in December 2017: a voluntary framework allowing Member States whose military assets fulfil a particularly high criteria and lays the foundation to jointly plan, develop and invest in shared projects while boosting operation readiness. PESCO now includes all EU Member States bar Denmark, Malta and the UK (Commons, 2019). While the UK may be unable to support or even connect with the inner circle of EU defence integration projects, it may find that PESCO's goal of developing "a coherent full spectrum force package"

making capabilities available for a range of missions and ops including CSDP, NATO and UN may align well with its future planning.¹ While the EU may seize the opportunity to commit to enhanced defence integration, absent the UK itself, Europe's overall goal of achieving strategic autonomy will be tougher to achieve in both material and strategic terms. This in turn could have a knock-on effect both for the UK's own immediate ability to deepen its regional and global objectives of sustainable defence partnerships, and undermine the EU's own foreign policy framework (the 2016 EU Global Strategy) : designed to augment the EU's capacity to act increasingly independently, both within the continent, and of the United States.

PESCO and related developments illustrates the EU's present commitment to intensify defence integration. The way in which the UK wants to work with, alongside, or independently of these trends in EU and wider European defence integration, remains as yet unclear. Other defence-related areas require further thought. The UK for instance has been fundamental to the creation of the EU's 'Galileo' dual-use satellite system, which will be used to collect geospatial data for a variety of uses, including defence and security (Whitman, 2019). However, as widely covered in the media, the dispute over Britain's access to this data after Brexit will prove problematic, especially as the UK was already in the process of developing receivers for military platforms that will utilise Galileo's encrypted Public Regulated Service (PRS). The UK will not at this point be able to participate in the military element of the project and is now looking at alternatives (Institute for Government, 2019).

1. [https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation-\(PESCO\)](https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation-(PESCO))



Expert Commentary

The voices of key stakeholders encompass a spectrum ranging from cautious optimism to deep anxiety about negative ramifications as to Brexit's impact to UK defence and wider external security. In terms of locating the argument itself, the former head of the British army, **General Sir Mike Jackson**, suggests that the impact from departing the EU "is more of a policing and judicial matter rather than a military matter. The [UK's] military dimension is provided by NATO" (Institute for Government, 2019). Former Secretary of Defence, **Gavin Williamson** further suggests that "90% of our industrial collaboration with other European countries on defence is actually on a bilateral basis, not through the European Union. I imagine that that pattern will go long into the future" (Parliament, 2019:43). Former Foreign Secretary **Jeremy Hunt** however has argued that the UK will need to double its defence spending over the next decade simply to stay ahead of regional and international trends, as well as as reviving its support for democracy, and becoming an incubator of artificial intelligence-related technologies to enable the country to renew itself robustly after Brexit (Wintour, 2019).

Views from UK think tanks such as RUSI suggest that the original Withdrawal Agreement would "allow the UK to participate in future missions by agreement on a case-by-case basis. Given the UK's historic scepticism over the EU's military role, however, it remains to be seen how often it will take up such opportunities" (Chalmers, 2018). The disparity of views continues beyond the UK, with US Secretary of State **Mike Pompeo** for instance referred to the US as being "on the doorstep with pen in hand" to sign a bilateral trade deal after Brexit (Borger, 2019) whilst US Treasury Secretary, **Steve Mnuchin**, warned that a no-deal exit from the EU could cause global disruptions, stressing the need to reach a UK-EU deal (Mohsin, 2019).

Views from industry are crucial too. BAE Chairman **Roger Carr** argues that a no-deal Brexit is 'the last thing we want to see' for the broader British economy (Jolly & Scruton, 2019). US aerospace giant **Boeing** meanwhile told the Guardian of its contingency plans with suppliers and regulators in case of a no-deal Brexit (Jolly & Scruton, 2019). **Airbus** in turn has issued warnings of having to pull out of the UK marketplace in the case of a no-deal scenario, arguing the urgent need to stockpile €1bn (£875m) worth of parts, with the cost of production delays as high as €1bn/ week (Jolly & Scruton, 2019).

Impact Analysis

Short term

- Since the UK is unlikely to have strikingly different foreign policy in the short-term after Brexit, it should continue to derive value from participation in current CSDP missions and operations. For example, the UK will continue to have interests in the Western Balkans (Operation Althea and EULEX Kosovo), and in the Horn of Africa (particularly Operation Atalanta) (EU External Affairs Sub-Committee, 2018). However, as the situation currently stands, it is unclear precisely how much involvement and influence the UK will have in such operations in the future.
- In terms of military operations, the current agreement to maintain most aspects of membership until the end of 2020, and an open door to future negotiations, is promising for the UK (Chalmers, 2018).
- If a no-deal scenario was to occur, all UK staff deployed on EU operations would need to return home, included military and civilian staff seconded to the EU (although not in the case of Operation Althea).
- Prolonged difficulty securing a deal may prompt a general election. If the dip in trust in the Conservative Party results in a Labour win, Jeremy Corbyn's alternative approach to defence and deterrence will change the UK's relationship with military allies (Szymański, 2019).
- The potential negative economic impacts of Brexit, such as the depreciation of sterling, could result in further problems for the defence budget, which has already been considerably squeezed. The Ministry of Defence has a funding 'black hole' of at least £7bn in its 10-year plan to equip the UK's armed forces, according to a report by the Commons spending watchdog (BBC, 2019).

Medium term

- The UK's defence industry could be heavily impacted by a no-deal or hard Brexit: lack of access to the EU Single Market may affect revenue and could impede participation in European defence projects (Institute for Government, 2019).
- The absence of the UK in decision-making procedures will be a double-edged sword: the lack opposition to further EU defence integration should present members with more flexibility to establish a serious EU defence force; however the lack of financial and logistical support from the UK will make this process more difficult (Whitman, 2019). For example, the UK had provisionally committed to provide an EU battlegroup in the latter stages of 2019. However, the UK has since withdrawn that offer due to Brexit.

Long term

- Brexit will not directly affect the UK's membership of or role in NATO, which the Government says, "will remain the cornerstone of European defence and security" (Institute for Government, 2019).
- The power to develop and implement security and defence policy lies with member states, not the EU. When decisions are made at EU level – on whether or not to deploy troops, for example – they require unanimity among member state representatives. Any member state can veto a decision. It has always been the choice of the UK Government whether or not to deploy British troops. Brexit will not change that in any way.
- After the UK no longer has influence over CSDP, the EU may seek to deepen and broaden its relationship with NATO, making the overall presence of EU countries within NATO more salient (Whitman, 2019).
- The Future Security Partnership holds out the possibility of future collaboration with the European Defence Agency, the European Defence Fund and – 'on an exceptional basis' – the EU's Permanent Structured Cooperation (Chalmers, 2018).

Policy Suggestions

<p>Short-term</p>	<p>In order to protect jobs in all sectors related to defence and external security, both public and private sector, and ensure a minimum of disruption to UK operations remote and proximate, the UK-EU deal needs to be clear as to the preferred framework of UK participation: quasi-integrated, associated, ops-specific, or virtually independent. The UK needs to consider the overlap of its foreign policy goals, and its security and defence frameworks, with a view to continuing short-term participation in CSDP missions and ops where UK and EU strategic interest remain aligned. Active theatres are likely to include the Balkans, the Horn of Africa, and beyond.</p> <p>A range of short-term (and prospective medium-term) defence and external security participation could be negotiated with the EU on the basis of third-party framework agreements, similar to those used between the EU, the United States, Canada and Norway (Parliament. House of Commons, 2019:43).</p>
<p>Mid-term</p>	<p>In terms of ensuring medium-term UK balance in both EU and NATO structures, examining the range of options undertaken by Finland and Sweden in their engagements with NATO could steer UK options for regional progress in continuing to engage with the EU in some post-Brexit capacity. Objectives for sustaining capacity and future planning need to be considered synchronously in terms of being “genuinely load-bearing in terms of what we could do together operationally” (EU External Affairs Sub-Committee, 2018).</p> <p>Equally, the UK government’s 2017 Foreign policy, defence and development future partnership paper set out broad, high-level aspirations for co-operation with the EU on CSDP missions and operations.² These included a role in “mandate development” and “detailed operational planning”, which go well beyond the existing third country model offered by the EU. However, the prospects for changes to this model are uncertain (EU External Affairs Sub-Committee, 2018).</p> <p>Thought needs to be given to the manner of the UK’s diplomatic, defence and external security role within the EU and European states post-Brexit, from establishing bilaterals with key partner states to negotiating observer status in key EU forums including the Political and Security Committee (PSC). Less integrative options could include negotiating “a privileged advisory or consultative role in the EU institutions, but no decision-making power” allowing the UK to “participate in the planning of the missions in the PSC”, but absent a veto. Dr Laura Chappell (University of Surrey) and Dr Andrew Barrinha (University of Bath) suggest that the UK would be likely to seek observer status at the PSC, with speaking rights, arguing that “access to the PSC” was “critically important” (EU External Affairs Sub-Committee, 2018).</p>
<p>Long-term</p>	<p>In the long term, policy makers will need to find ways to clarify choices about the UK’s future role and the related spending on defence, diplomacy, development, trade, and soft power assets, and how these affect other priorities. This debate needs to be widespread, both across government, and civil society more broadly, with decision-makers making a greater to clarify to the UK public and its partners abroad the UK’s long-term foreign policy goals (Sanderman, 2017), in terms of their European, international and global dimensions.</p>

2. <https://www.gov.uk/government/publications/foreign-policy-defence-and-development-a-future-partnership-paper>

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