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Compass and Sextant: New Perspectives in the EU's Defence Policy

The European Union is currently facing unprecedented security challenges. The migration crisis in the south and Russia's war in the east are testing the EU's ability to respond. In recent years, several initiatives have placed the EU's common defence policy on the Member States' agenda. From the Permanent Structured Cooperation to the Strategic Compass, the EU has various new options at its disposal, but are they sufficient to deal with a conventional military conflict? The forthcoming second Hungarian Presidency in the second half of 2024 will be taking up the baton in a more uncertain and unpredictable international and European context than usual. The continent's security depends on the concrete responses of the Council of Heads of State and Government and the European Commission in a fragile security situation. The current situation highlights the need for a new type of security policy that focuses on human security rather than a traditional militarily approach.

Introduction

The European Union is currently at a crossroads as regards its own defence and security. Its identity is shaped not only by external threats, but also by internal policies and political will, which have intensified since 2010 due to an increasingly rapidly changing, uncertain and globalised world, as well as ever-increasing technological progress and cross-border international economic networks. Hungary, which will hold the rotating presidency of the Council of the European Union in the second half of 2024, will need to develop the Union's strategic priorities in a political, economic and defence context that is quite different from that of its presidency in 2011. External security threats will also test the future Spanish–Belgian–Hungarian trio presidency in general. The following paper attempts to provide an overview of the possible Hungarian priorities in the current security environment for the EU's neighbourhood. To what extent can the Hungarian Presidency build on the EU's previously adopted and established defence priorities? In what ways could it respond more effectively to the threats surrounding the European Union during its Presidency? The “compass” in the title is meant to represent the strategic direction the EU is taking, while the sextant as a “two-mirror protractor” symbolises the relative position of the EU and the security threats it is facing – as well as its responses to them. The study will analyse the priorities of the Central and Eastern European countries from a security and defence policy perspective in 2014 and beyond, which may help the Hungarian presidency in 2024 to develop more effective policies. The *sui generis* position of the European Union, as opposed to NATO as a traditional military actor, implies a different approach. This is most evident in the complex multi-level and multi-stakeholder decision-making process and with the emergence of institutional



and EU interests alongside nation state interests. This can only be credibly represented through coherent and tangible political will and policy coordination. Ultimately, the strength (and weakness) of the European Union is its capacity for integration, which goes beyond traditional intergovernmental arrangements and uses a hybrid intergovernmental and supranational mechanism. In the final analysis, what lessons can the European Union and the forthcoming Hungarian Presidency for 2024 draw from the radically changed security environment and the responses to it?

Ring of friends or ring of fire?

Since 2010, the European Union has faced new security challenges that are increasing both in range and intensity, such as the war in Georgia, the illegal annexation of Crimea in 2014, the migration crisis in the Middle East (2015), and Russia's war against Ukraine in 2022, the first major military conflict in Europe since World War II. According to Bergmann and Müller,¹ the EU has been slow and hesitant to learn how to act independently in crisis situations and has therefore been slow to respond to armed conflicts. Moreover, the EU is starting from a serious disadvantage, as NATO has been able to shape its own defence policy since the Cold War while the EU, as an economic peace project, has found it very difficult to adapt to world events and often seems unable to catch up with the present. The priorities of the incoming Slovak Presidency in 2016 included tackling the migration crisis while for European defence it stressed the importance of technological development, the response to hybrid threats and the contribution of small and medium-sized enterprises to strengthening the EU defence industry.² This is in line with the European External Action Service's Global Strategy³ published in the same year which calls for autonomous EU action in alliance with non-NATO countries such as states in the Western Balkans, and certain Eastern European and Central Asian countries. In addition to the defence interests of member states, there has been a growing need for security and defence cooperation and joint action at the European and EU level, although the "successful" Brexit referendum in the same year fundamentally shook the EU institutional system, which experienced the end of the British special relationship first as a shock and later as a political relief. Nevertheless, British intelligence and the role of the British armed forces in EU missions were in a sense indispensable.

In recent decades, two main European trends have shaped the continent's defence policy: a sovereign British position on the one hand and a Franco–German axis that has moved closer or further apart, representing the engine of EU integration, on the other. The leading role of the United States through NATO⁴ and the geographically remote conflicts in Syria, Crimea and Afghanistan put the European Union in a comfortable

¹ BERGMANN–MÜLLER 2021: 1669–1687.

² Council of the European Union 2016.

³ European External Action Service 2016.

⁴ ARCHICK–GALLIS 2005.

position and weakened the bloc's capacity for international advocacy and for taking action to bolster its defence. Examples of this are the lack of a common approach to the external border controls related to the migration crisis and its ambivalent and indecisive policy towards China and that country's increasing influence on European economies. Since 2014, the EU's Neighbourhood Policy has been gradually defined by the crisis hotspots in the Western Balkans, Ukraine and the Mediterranean. For Hungary, too, the Moscow–Istanbul–Berlin power axis has become a historical and geopolitical point of reference.⁵ In this triangle, there is a need for an interregional defence alliance, which would also be of geopolitical importance for the EU. An attempt at this began in 2018 with the establishment of the Permanent Structured Cooperation (PESCO) under the Bulgarian Presidency.⁶ This initiative gained its legitimacy from the fact that although participation in enhanced cooperation is not binding for all EU member states, twenty-five EU countries, including Hungary, are involved in this defence cooperation. After decades of failed initiatives, for the first time in the history of the Union, the members of the European Council have seriously committed to the joint development of their own defence capabilities and industries, which can be given greater legitimacy through joint decision-making.

The EU beyond NATO: Cooperation or parallel realities?

The European Union was initially set up as an economic peace project, but in international relations, soft power, which mediates economic interests and cultural values, often proves inadequate. A show of force does not necessarily mean actually using force against someone, since the mere existence of military (for defence purposes), political or economic power can be an important signal and deterrent for international adversaries. The North Atlantic Treaty Organization (NATO) was initially used as a deterrent force, until the election of former U.S. President Donald Trump in 2016, when he announced his 'America First' policy.⁷ In doing so, the U.S. weakened its own international commitments and those of its European allies, in a turning point in NATO's history that cast an ominous shadow on the Euro-Atlantic organisation. It also brought the need for and potential of an EU defence policy to the fore, as the Romanian and then Croatian presidencies in 2019 continued to think within the framework of the Common Security and Defence Policy.⁸

The EU–NATO framework for cooperation has so far produced few tangible results, as the EU–NATO Joint Communications show. Romania⁹ and Croatia¹⁰ have focused their Presidency programs on the EU's common defence capabilities and defence industries.

⁵ ORBÁN 2018.

⁶ Council of the European Union 2018.

⁷ KAUFMAN 2017: 251–266.

⁸ Council of the European Union 2020a.

⁹ Council of the European Union 2019.

¹⁰ Council of the European Union 2020b.

As a result, there are now 60 joint projects under PESCO, almost a third of which will be completed by the middle of the decade. In addition to the ambivalence of EU–NATO relations (over issues such as who is responsible for what), 21 EU member states participate in NATO, which can create parallel structures and procedures that can weaken the EU’s joint decision-making process and interests. For this reason, the EU has also sought to strengthen its strategic autonomy, which means not only the ability to be self-sufficient in energy supply or food security, but also to possess an autonomous defence industry and technology that reduces the EU’s value chain exposure and trade vulnerability. The underlying Strategic Guidelines, adopted by the European Council on 24 March 2022, set a new direction for EU defence policy. In the Central and Eastern European region, the Romanian and Croatian Presidencies in 2019 have also increasingly focused on developing a new defence agenda, developing defence industries and capabilities, clarifying EU–NATO relations and identifying common ground. The Seventh EU–NATO Progress Report, adopted this summer, and the program of the Czech presidency already show a significant overlap, which could prove important for Hungary and the next trio presidency in strengthening the European pillar of defence. Strengthening the overlap between the two organisations could be considered in less sensitive areas such as resilience, defence against hybrid and cyber threats, or research, development and innovation. While the EU–NATO relationship needs to be strengthened and clarified, there is still a need for greater autonomy, as those EU member states that are also NATO members contribute only 50% of the North Atlantic Treaty Organization’s budget. There are three factors that could make the European Union’s defence policy more valuable to NATO. First, France, which supports strategic autonomy, called the organisation “brain dead” before the Russo–Ukrainian war due to the unpredictability of U.S. foreign policy, which paradoxically is the largest source of support to the organisation. Here, a common EU defence commitment would provide member states with more security. The question is to what extent do European and American interests and crisis management proposals coincide, whether regarding China or Russia? Taking Europe’s alliance with the United States for granted, despite changes in U.S. domestic politics and the international order, has fostered an attitude in Brussels that is more focused on day-to-day policy implementation and less on defining Europe’s collective interests. In addition, the current Biden Administration has also continued an “America First” approach by other means, such as the Inflation Reduction Act, which places European (defence) companies at competitive disadvantage.

Given the geopolitical situation, the EU and its member states have a different attitude to a possible armed conflict near the Schengen borders than an overseas superpower like the U.S. The differences in political, economic and social interests (and values) are also reflected in bilateral negotiations, as evinced by both the failed Privacy Shield and the Transatlantic Trade and Investment Partnership in 2014. Second, the role of the United States in the world has been called into question not only for moral reasons, such as in the manner of its withdrawal from Afghanistan, but also political ones, such as the domestic crisis that has torn apart American society, coming to surface during the Trump Administration, as has the standing of the United Kingdom following the

Brexit referendum. The two countries, which account for 27% of NATO's budget, have pursued separate policies in recent years, while the EU's strategic autonomy in the field of defence could clearly be more unified. Third, the entry of Sweden and Finland into NATO – hopefully this year – will also represent a strengthening of the Europe's common defence. Russia's invasion of Ukraine has also demonstrated the need for an independent European defence policy, but how does this fit in with Hungary's priorities for the 2024 Presidency?

The Strategic Compass and the priorities of Hungarian defence policy

In the second half of 2024, Hungary will take over the rotating Council presidency for the second time, in a completely new political and economic context to the last one. In addition to the European Parliament elections, there will also be a change in the institutional cycle of the EU's executive body, the European Commission. The Hungarian Presidency will need to coordinate closely with the outgoing and incoming EU institutional leadership, as well as address the prospect of post-war reconstruction and strengthen the EU's economic and defence base. The Strategic Compass is the first EU document to provide a comprehensive assessment of the situation and proposes new solutions and objectives for the next decade.¹¹ It aims at major organisational and operational reforms in four areas. How does this relate to the priorities of Hungarian defence policy, which will also play an important role during the Hungarian Presidency?

Under the heading "Action", the aim is to strengthen the continuously developing civil-military cooperation, both in terms of faster decision-making, the capability of deploying a 5,000-strong rapid reaction force and the enhancement of command and military mobility.¹² Decision-making would be accelerated on the basis of Article 44 TEU and on constructive abstention. The former states that "the Council may entrust the execution of a mission to a group of Member States willing to participate in the mission and having the capabilities required to undertake it", in which case the Council may take decisions on major issues affecting the mission. This would allow a voluntary coalition of Member States to act with EU approval. Second, constructive abstention, which allows a member state to abstain in case of unanimity without blocking an EU action, could speed up decision-making to allow a rapid response to a conflict on the EU's borders. On the one hand, it is in the vital interest of the EU that the Member States act as a single EU bloc, as this leads to a stronger Europe. On the other hand, it is in the vital interest of the member states to act as one, as co-operating as an EU bloc also strengthens the power of the member states compared to them acting alone. More emphasis should be placed on the quality of decisions rather than on quantity and speed, while avoiding a situation where important decisions are taken by larger countries at the expense of the competitiveness and political scope for action of smaller member states. The EU needs

¹¹ European External Action Service 2022.

¹² European External Action Service 2022: 25.

a complex institutional renewal and new decision-making processes in order to compete with the great powers.

Hungary's *Zrínyi 2026* armed forces development program and a Hungarian-led PESCO project under EUROSIM,¹³ both projects designed to strengthen the capabilities of the European Union while enhancing cooperation between Member States, are important contributions to the EU's defence and security system, which could reach operational capability by the middle of the decade. Domestic defence priorities (modernisation of equipment, capability development, establishing a local defence industry) and defence procurement (interoperability) are also linked to the EU's long-term objectives in several different ways. Emerging cyber threats, disinformation, unconventional hybrid warfare (such as at the Belarus–Poland border or in the Russia–Ukraine war) and the global climate crisis require new approaches that go beyond traditional military doctrines. Civil-military cooperation should be based on the Swiss army knife principle, where the EU can deploy units with adaptable, rapidly changing and specialised capabilities in the military, humanitarian, IT, health and other fields in a multidimensional, complex crisis management framework. As the “single set of forces” principle has to be taken into account for all member states, the conventional military force and the European wing of NATO should be complemented by an EU crisis management unit or units, which are capable of rapidly stabilising a crisis situation while acting upon political authority. Due to its geographical location, Hungary also plays a central role in the region, not only in terms of energy, but also in terms of mobility and infrastructure. The EU also supports civil-military mobility projects, whether by road, rail or air, as it improves connectivity and logistics between member states through the Connecting Europe Facility. The Strategic Compass therefore defines not only a set of instruments and objectives, but also the threats to which an effective common response must be addressed.

Known players, unknown threats

The Strategic Compass identifies threats that will pose even greater challenges to the European Union's ability to act both in the present and in the near future. War, armed annexation, terrorism and extremism, irregular migration as a means of blackmail, deep-fakes, drones and cyber warfare represent a new mix of unknown threats which may have an increasingly uncertain and unpredictable effect on European societies. As a counterbalance, the EU, as a shaper of its own political system, must act with more determination at the international level. The trio presidency program, which brings together the priorities of three successive presidencies, should emphasise the Community's defence policy not only at the local and international level, but also at the regional level. The forthcoming Spanish–Belgian–Hungarian Presidency can thus bring new opportunities for cooperation in the coming period. In terms of tangible results to bolster internal cohesion and security, the European Union could set up defence councils or

¹³ PESCO 2019.

districts with a specific mandate at the regional level on a rotating basis, which would coordinate and consult on immediate and future threats with a mandate from the Council and submit them to the European Council for approval in the form of joint proposals. As a precursor to this, Commission President Ursula von der Leyen, proposed in a speech last year to set up a permanent defence forum that would include senior political and military leaders.¹⁴ This would be a great step towards situational awareness, since there is often a perception that the EU is not aware of the challenges it is facing and responds to them too late or inappropriately – or both.

Russia is currently considered to pose the most serious challenge to the European Union and to the international order since its illegal annexation of Crimea in 2014 and especially since the start of the ongoing Russia–Ukraine war in 2022. The post-war migration crisis, with its potential for blackmail, has also raised the stakes of the crisis that directly affect the EU to a new level, while external disinformation campaigns have become increasingly problematic over the past decade, weakening social cohesion. The European Union has slowly but surely built up procedures, legislation and physical systems, but these need to be constantly adapted to today's challenges. NATO's Strategic Report 2030 identifies the same challenges as the EU, but within the framework of a traditional military doctrine, whereas the Strategic Compass can be integrated into the EU's multifaceted economic, social and political toolbox, which can offer more diverse and flexible solutions that can be better optimised to a crisis situation. For example, the EU's sanctions policy has a negative long-term impact on those against whom it is imposed, while the negative effects on those who impose it is still debated and its complex side effects are difficult to calculate precisely, although Viktor Szép has addressed the economic costs of sanctions in several of his studies.¹⁵ Overall, in the face of known and unknown threats, the trio presidency of 2023–2024, including Hungary, will have to find responses that can protect both Community and societal interests. Societies can lead the way in creating a functioning and innovative hybrid defence policy, where civil-military cooperation can offer new ways of conflict resolution.

Towards a pan-European defence umbrella

While it is true that NATO's role has been enhanced by the ongoing war in the East, the European Union as a *sui generis* actor has changed even more drastically since the Russian invasion. By the humanitarian aid offered, a jointly implemented sanctions policy and the provision of defence equipment, the EU has opened a new chapter in its history. It is no longer possible to focus exclusively on the military dimension of security. For the countries of Central and Eastern Europe, the conflict has not only heightened their sense of threat, but also caused an economic – and social – shock due to the geographical proximity of the conflict. The unilateral expansion of NATO in recent

¹⁴ European Commission 2021.

¹⁵ SZÉP 2019: 863–865.

decades, asynchronous with the enlargement of the EU, has also created an environment in which a pan-European defence umbrella is more difficult to conceive of. Nevertheless, the EU's security and defence policy is by definition Community-based, which means that it is an "open door policy" for non-EU members in Europe seeking alliances. Moreover, European unification can only be fully achieved if the larger member states take into account the economic, social and security interests of the smaller members of the economic bloc on the EU's periphery. Failure to do so could result in a continuous wave of crises emanating from the EU's periphery and its neighbourhood.

The strength of the European Union lies in its ability to redefine security, including defence through the Strategic Compass, with a greater emphasis on civil-military cooperation and the development of specialised capabilities, focusing on basic human needs. The EU Strategic Compass could also be a good point of reference for further reflection on human security,¹⁶ not only serving to strengthen interstate military relations, but also having implications for cooperation between individuals and different social groups, with a clear shift of emphasis towards both subsidiarity and the Community level. The Union's strategy must respond to new challenges such as environmental and climatic factors that destroy housing and health, the protection of human rights, including the right to well-being, the security of households and human communities, pandemics, civil wars and other existential threats caused by the growing technological divide. These issues go beyond traditional interpretations and fall outside the classical notion of security, and therefore require a new set of tools to interpret them. The migratory challenges at the EU's southern borders or Russia's decade-long (self)marginalisation, must be understood in a more uncertain international and European context, since the security of the European Union cannot exist without the security of its southern or eastern neighbours.

The countries neighbouring the EU must be offered concrete and tangible cooperation as a prelude to membership, going beyond general political declarations and setting technical conditions for them to meet. The European Political Community in October offered a common direction that can address the challenges of the age, whether they be physical or digital, with shared political will and strategic vision. Strategic thinking must also address the current Russian aggression and illegal territorial annexation. On the EU side, this is the result of decades without institutional dialogue and in the absence of alternatives; on the Russian side, it is the result of anachronistic power ambitions and unresolved historical traumas. In the context of creating a defence union and, more broadly, a European security umbrella, civil-military cooperation is key, alongside regular political dialogue. In the coming decades, Europe will have to find its own way to consolidate its regional and international role. An important starting point is the recently adopted Strategic Compass, to which several Presidency documents make indirect reference. Ultimately, the European Union must work towards a strong and sustainable defence cooperation architecture, in which the Hungarian Presidency, due in 2024, can play an important role by representing the region.

¹⁶ MISZLIVETZ 1997: 205–215.

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