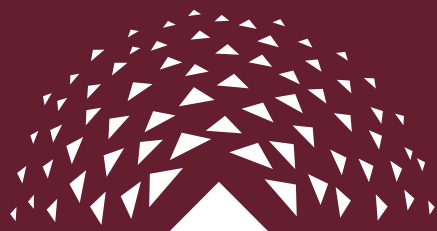


**An Evaluation of European Security and Defence Policy  
Initiatives from the Hungarian Perspective (2)**

Az európai biztonság- és védelempolitikai  
kezdeményezések értékelése  
Magyarország szempontjából (2.)

**ANNA NÁDUDVARI – GERGELY VARGA**



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**Abstract:** The recent negative developments in Europe's security environment and the internal dynamics of the European Union have led to significant changes in European security and defence policies. In this context, the goal of a Europe able to react to geopolitical changes and capable of defending itself on its own has become a recurring theme in European political discourse. The main objective of this two-volume study<sup>1</sup> is to examine and evaluate recent European defence initiatives, placing them in a political and institutional context.

The first part of the study examines the political-strategic context of the European defence initiatives and its relation to NATO, followed by an in-depth analysis of the political and institutional conditions of creating a European army. The second part examines how far recent European defence initiatives have developed (both those devised within the EU framework and those outside of it) and evaluates the developments from the perspective of Hungarian security and defence policy.

**Összefoglalás:** A közelmúlt geopolitikai változásai és az Európai Unió belső dinamikái következtében jelentős változások történtek az európai biztonság-és védelempolitika területén. Ezzel összefüggésben az európai politikai diskurzusnak részévé vált az a tétel is, hogy idővel Európa önállóan is képes legyen a világpolitikában bekövetkező változásokra reagálni és a saját védelméről gondoskodni. A jelen (kétrészes) tanulmány alapvető célja az, hogy a legújabb európai védelmi kezdeményezéseket – politikai és intézményi kontextusba helyezve – megvizsgálja és értékelje.

Az első rész az EU védelmi ambíciójának a transzatlanti politikai-stratégiai kontextusát és a NATO-hoz való viszonyát ismerteti, majd részletesen foglalkozik azzal a kérdéssel, hogy egy közös európai haderő felállításának milyen politikai és intézményi feltételei lennének. A második rész az – EU keretében és azon túl megfogalmazott – eddigi európai védelmi kezdeményezések eredményeit fogja megvizsgálni, s az elemzendő folyamatokat a magyar biztonság- és védelempolitika perspektívájából is értékelné.

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<sup>1</sup> The following experts contributed to the completion of the study: Tamás Csiki-Varga (NUPS ISDS), Alex Etl (NUPS ISDS), Anna Molnár (NUPS FIES), Anna Nádudvari (NUPS ISDS), Péter Tóth (NUPS ISDS), Gergely Varga (IFAT), Péter Wagner (IFAT). The manuscript was closed on the 1st of June 2019.

# SUBSTANTIVE EVALUATION OF EUROPEAN DEFENCE INITIATIVES

## *PERMANENT STRUCTURED COOPERATION (PESCO)*

The present form of PESCO resembles the inclusive, German vision of military cooperation targeting as many member states as possible rather than the exclusive, French version that would prescribe strict conditions of joining.<sup>2</sup> The current PESCO framework fulfils only a limited number of the relevant Lisbon Treaty provisions, as it primarily aims to strengthen military capability development, but not other forms of defence cooperation. By the Summer of 2019, 34 capability development projects were in progress, integrated into two program packages as part of the cooperation. The second program package was accepted on 20 November, 2018. The first package included 18 projects, and it can be considered a pilot project, since these were mostly small-scale, simple programs with rather limited capability development outputs. One exception is project developing armoured personnel carriers led by Italy, in which Hungary has an observer status. Another program aimed to establish a crisis management centre,<sup>3</sup> should also be highlighted, as well as the program led by the Netherlands focusing on military mobility and infrastructural investments, which has received particular attention in the scope of EU-NATO cooperation. A problem of the ongoing projects is that they cannot be used to test or evaluate the real potential of PESCO due to their small scale and limited military significance. The ambitious elements of new project proposals, e.g. the Medium Altitude Long Endurance Remotely Piloted Aircraft System (MALE RPAS), however, show member states' growing commitment to PESCO.

Based on the short history of PESCO, it seems that its present version, alone, will not be able to create a solid ground for the capabilities required by a higher European level of ambition. Although the starting point of the cooperation was the integration of member states willing and capable to join, its current form fits in the line of past European capability development programs, such as Smart Defence. The control and accountability mechanisms, the state of the execution of the projects, and the endurance of member states' commitment will show to what extent PESCO can exceed previous initiatives.

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2 Accordingly, in the current PESCO framework member states make more binding commitments to realize certain military capability development programs, which allow the measurement and accountability of the performance of contributing states. This latter element is new in the CSDP framework, which would not exclude a more ambitious approach in the future.

3 The EUFOR CROC is a compilation of a list which would assist in the establishment of forces executing EU military operations and would accelerate the process, i. e. returning to the capability development goals it would help the compilation of the 60 000 strong quick reaction force. Molnár 2018



In terms of the Hungarian foreign policy aspects and defence capacities, Budapest has supported the German vision of PESCO, similarly to other EU-members in the region (Poland, the Czech Republic, the Baltic countries, and Romania). PESCO does have operational aspects, but the provisions of the cooperation have not resulted in substantive member state responses. Looking for explanations, one can find that the vast majority of member states oppose the EU-level regulation of operational requirements. It should be noted that domestic aspects also play an important role in the strong German support of PESCO beside the security policy aspects. The unavoidable increase of the defence budget can be better presented as an EU initiative to the German electorate, taking into consideration citizens' ambivalent perceptions of military development. Furthermore, the embeddedness of German security policy in European integration is another reason for the support of PESCO.

The particular PESCO project proposals come from the Member States, however, the European Defence Agency (EDA) has played an important role in the development of project packages due to its intergovernmental character. The agency performs the tasks of the PESCO Secretariat in cooperation with the European Union Military Staff (EUMS) and European External Action Service (EEAS). The rules of procedure relating to the execution and evaluation of PESCO projects are still changing and are at the centre of debates.<sup>4</sup>

During the second part of 2018, the hottest debates regarding PESCO concerned the participation of third-party states. A final resolution may be made public in 2019, but a compromise-based agreement reached at the level of the Political and Security Committee (PSC) prescribes strict conditions for this aspect. The post-Brexit situation is a key question, regarding the UK's future integration into PESCO and the EU's Common Security and Defence Policy in general. The conditions of participation for other states, especially the United States of America, Turkey, and Norway, were also on the agenda. In these debates France (with German support) proposed a stricter, exclusive stance, partly to protect the European (French-German) defence industry interests, while the Central and Central Eastern European countries, like Hungary, supported tighter cooperation with third-party states.

## ***COORDINATED ANNUAL REVIEW ON DEFENCE (CARD)***

**C**ARD, as a defence planning and consultative mechanism, could also play an important role in the achievement of European defence policy objectives. Its present form serves as a platform of discourse for member states without any binding power. The structure of defence expenditures, member states' capability development, and multinational cooperation opportunities can be discussed at this platform. CARD also produces annual reports on its topics of discussion. From

4 The package proposed by EDA was defined by the defence policy directors, and the final decision was made at the a ministerial level. All contributing nations prepare a report about the implementation and timing of the national commitments of the PESCO projects currently under implementation within the annual national implementation plan (NIP). On behalf of Hungary, the defence policy department of the MoD is responsible for the completion of the NIP, and the final version is sent to the PESCO secretariat.

the EU's perspective, it would be ideal if PESCO projects were defined based on the CARD mechanism, but the two institutions' relation is not yet formalized. EDA and EEAS have a crucial duty in this field as well because they have been performing the tasks of a CARD Secretariat alongside EUMS since a 2017 European Council decision. The NATO Defence Planning Process (NDPP) plays a decisive role regarding the relevant questions of debate. Most NATO member states, led by the USA, still oppose the development of any duplication between NDPP and the EU's institutional structure. Nevertheless, if the European Union pursues autonomous military capabilities in key areas, like defence planning or a Common European Command, the emergence of parallel structures serving the same functions will be unavoidable.

### *EUROPEAN DEFENCE FUND (EDF)*

Beside the institutions described above, the European Defence Fund should also be introduced. The European Commission (EC) can easily become a new determinant actor of EU defence policy through the EDF due to the size of its financial resources. The so-called Preparatory Action and the European Defence Industry Development Program foresaw 590 million Euros until 2020 and 13 billion Euros for the 2021-2027 cycle for defence procurements and research and development (R&D). This means that it will be the first time when EU funds could be used for defence development as part of R&D funding in the defence industry.<sup>5</sup> The EC will be able to influence European defence policy indirectly through these funds. So far, the EC has had a very limited impact on defence policy, only through the regulation and harmonization of the European defence industry.

If a defence directorate were going to be established to supervise the EC's defence industry resources, and there are concrete plans of such a directorate, the European Committee would have much more influence on shaping both the EU security policy and the whole institutional background of the CSDP. A significant majority of member states is not willing to expand the EC's authority to defence policy. Moreover, these countries would prefer to limit the EC's regulatory role in the defence industry and basically keep the intergovernmental Council as the leader of security policy.

### *EUROPEAN PEACE FACILITY (EPF)*

PESCO and other defence policy initiatives will shape the future of the EU Battlegroup, too. The main drawbacks of the battlegroup concept have posed unsolvable obstacles to funding and difficulties concerning the decision-making mechanisms. The first part of this study already mentioned the Athene mechanism. Recently some proposals have arrived to review the

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5 The legal basis for this initiative is based on article 173 of the EU Treaty. („The Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union's industry exist.”)



mechanism, and its expansion to battlegroups is also under negotiation. Only a fraction – 5-10% – of the given battlegroups' maintenance costs has been financed according to the principle of a common burden sharing, most of these costs were covered by the leading framework nation/ and the partner countries participating in the given battlegroups. The EPF is the proposal of the High Representative of the EU aiming to increase the common share of burden; however, no consensus has been reached about the initiative amongst member states. The EPF would incorporate the Athene mechanism according to the proposal.

## *EUROPEAN INTERVENTION INITIATIVE (EI2)*

**E**I2, an exclusive intergovernmental cooperation, was established as a result of a French proposal. Its objective is to strengthen member states' willingness to crisis management via the development of a strategic culture, or in other words reinforce operational cooperation in the following fields:

- Strategic forecast and sharing intelligence;
- Development and planning of crisis management scenarios;
- Support of operations;
- Sharing experiences and doctrine development.

EI2 basically operates as a network, and it does not form any new EU institutions. Accordingly, it is "resource neutral": EI2 relies on existing crisis management forces available as part of existing cooperations, as well as the network of member states' Liaison Officers, France's officers amongst them. Therefore, it does not form a new framework for rapid response operations, hence it does not require new proposals of national forces.

## *CONCLUSION*

**T**he present European defence initiatives embedded in the EU framework remain intergovernmental cooperations. They focus on capability development, and the structures and procedures to be established do not affect member state sovereignty either in the fields of defence planning, procurements, and maintenance, or the leadership and command of potential military operations at the political, strategic, or military operation level. The presented programs do not challenge NATO's prior role in European defence policy, in other words, no structures parallel with NATO are going to emerge. Yet these initiatives involve a limited duplication of certain procedures, especially those related to CARD. In their current forms, however, they do not challenge NATO' priority, either. These duplications do not result in substantive development in European defence policy, but they tie down resources. Building parallel structures will only

lead to a more effective defence policy planning and execution if it involves some kind of defence integration of the participating member states.

Based on these conclusions, the presented initiatives only enable the maintenance of limited operational capabilities and fulfil a low level of ambition. This is not sufficient to reach operational autonomy and only involves a very narrow scale of capability development activities.

## THE EUROPEAN INTERVENTION INITIATIVE IN THE CONTEXT OF FRENCH AND GERMAN ACTIVITIES

### *MEMBERS OF EI2*

France announced her plans to launch the European Intervention Initiative (EI2) in 2017, and after several rounds of negotiations, Belgium, Denmark, Estonia, France, Germany, the Netherlands, Portugal, Spain, and the United Kingdom signed the letter of intent to join the initiative on 25 July, 2018.<sup>6</sup> Later Finland also signed the declaration during a meeting of the defence ministers of the participating countries. The drafting of the EI2's political directive and the first Military European Strategic Talks<sup>7</sup> were on the agenda of this event. Despite the participation of Estonia, this group carries the shadow of a new Western-Eastern cleavage in the EU and NATO, beside the existing divisions.

### *THE REASONS BEHIND THE FOUNDATION OF EI2*

The initiative is only partly built on the French president's discourse on European reforms. The challenges in the security environment France is facing, the shortages of the institutional structure necessary to handle these threats, and the demand to strengthen the ideal of "European strategic autonomy" also might have triggered the initiative. A significant aspect of the EI2's foundation was to support and release the overwhelmed French combat troops deployed in the Sahara-Sahel region and the Middle East by the gradual involvement of partner countries. Other reasons were that the EU Battlegroup concept turned out to be substantively empty, and the fact that most terms set by France regarding PESCO were ignored (a narrow circle of participating countries, ambitious operational capability goals). It should be noted that France has serious

6 The Italian coalition government of the Liga and the Five Star Movement which came to power after the 2018 elections – contrary to its predecessor's will – refused to sign the initiative.

7 Military European Strategic Talks (MEST) – the forum of the military commanders of the (EI2) contributing member states.





doubts about the deployability of EU battlegroups. British participation in EI2 is an element of outstanding importance, since it can make this form of cooperation highly valuable in a post-Brexit environment. Finally, the initiative can counterbalance the expansion of the German Framework Nations Concept to a certain extent. From a pragmatic perspective, the EI2 projects ensures actionability independent from the common institutional frameworks (EU, NATO), based on the ambitions of laying down European operational readiness and easing the burdens on the French armed forces.

## *CONTENT AND OPERATION OF EI2*

**E**I2 is a flexible (non-binding), exclusive intergovernmental forum without institutional boundaries, and its objective is to achieve operational readiness. The key to the envisioned efficiency of the initiative is its exclusive character and a membership of a maximum of 14-15 countries who are “willing and capable” of acting. Its goal is based on the concept of European strategic autonomy, as it has been described, to increase willingness of crisis management by the construction of a strategic culture. It prescribes cooperation for the member states in the fields of strategic forecast, the sharing of intelligence-based analysis and experience, the development and planning of crisis management scenarios, supporting operations, and the construction of doctrines.

The operation and structure of EI2 resembles a strategic platform organized as a semi-informal network rather than a formal institution. The result of its “resource neutrality”, as it has been mentioned before, is that EI2 relies on the crisis management forces and Liaison Officers of other cooperations, which is coordinated by a Paris-based secretariat with a French staff. The cost-free operational principal has increased member states’ willingness to join, as did the fact that the initiative does not require member states to offer new national troops. According to the EI2 letter of intent, EI2 can contribute to NATO’s Framework Nations Concept (FNC) “without any duplications”. Therefore, EI2 follows the Framework Nations pattern as a formation with smaller national capability packages of one (France) or two (France and the UK). After a while, the cooperation can turn into a practical formation integrating the existing crisis management structures (Joint Expeditionary Force [JEF], Combined Joint Expeditionary Force [CJEF] ).

## *EI2 IN RELATION TO CSDP AND PESCO*

**U**nlike the EU battlegroups, EI2 does not possess any permanent contingency units. Nevertheless, EI2 can become a real challenger of the battlegroup concept if some member states not willing to bind their crisis management duties to the slow CSDP framework choose this ad hoc coalition. EI2’s letter of

intent explicitly affirms that the initiative is independent of the institutional system of CSDP, partly because of the UK's current situation and Denmark's opt-out option. The special status of these two countries serves as an excellent justification why E12 does not want to turn into another PESCO project. On the one hand, E12 conceptually contradicts PESCO due to E12's focus on operational readiness and its flexible and exclusive character. On the other hand, the two initiatives can complement each other because of these very differences.

It reflects the German standpoint that the cooperation "E12 serves the objectives and projects of PESCO to the maximum extent possible," according to E12's letter of intent, and it reassures that the members "will seek to identify, as soon as possible, relevant areas of cooperation" between E12 and PESCO projects. Regarding this objective, the German-led European Union Force Crisis Response Operation Core (EUFOR CROC) can be important. This project could guarantee accelerated power projection opportunities for EU crisis management operations through the construction of a comprehensive force package. This package of different branches of military could also support E12 activity.

### *THE MAIN PARTNERS OF E12*

**N**ATO and the USA have shown their support for E12 in a cautious manner, recognizing France's role in the Sahara-Sahel region. For the UK, E12 is pragmatic and NATO compliant, it is based on strong bilateral relations and links London to the European defence policy outside EU institutions. To calm German worries about the potential transformation of the European defence policy into a two-speed system, E12 aims to work with PESCO as closely as possible "to develop a shared strategic culture". Furthermore, the ambitions of E12 have to be acceptable by Berlin because the members are allowed to fulfil their duties with contributions to strategic planning and forecast or logistic support instead of participation in combat operations. In fact, Germany could not refuse joining the initiative, taking into consideration the strengthening of the French-German defence industry cooperation and the parallel EU reform processes.

### *THE POTENTIAL EFFECTS OF E12*

**E**12 can play a socializing role between PESCO's structure integration, development projects, and the existing European forces, increasing European willingness to engage in crisis management in the long run. This does not make CSDP two-speed, rather it puts European crisis management practice on the agenda and highlights the impotence of institutions and the willingness/capabilities of informal coalitions. France (and the E12 members) could act on behalf of Europe and not the EU when they launch crisis management operations, which also strengthens the leading role of Paris. From a French perspective, E12 represents



a growing space for multilateral actions, a tool to achieve French interests, and strengthening France's central role in Europe. From the EU's and NATO's viewpoint, it is an alternative, though loose form of cooperation, which could play a more significant role in a tighter British-French cooperation. The potential dividing effect of EI2 should be considered cautiously, since its future will depend on the participating states' willingness. Without this willingness, due to its flexible character lacking any mandatory elements, EI2 will remain a paper tiger in the European defence policy jungle.

## **HARMONIZING HUNGARIAN CAPABILITY OBJECTIVES WITH EUROPEAN DEFENCE INITIATIVES**

### *GENERAL SECURITY POLICY ASPECTS REGARDING PESCO*

Foreign and security policy considerations have driven Hungary's participation in PESCO. These objectives include shaping the direction of the evolution of CSDP, preventing the emergence of a two-speed Europe, strengthening the military-defence dimension of the European Union (beside the primacy of NATO's collective defence guarantee), and demonstrating Hungary's commitment to the EU. It should also be noted that the security and defence dimension has become more important in the Hungarian-German relations, hence a Hungarian support for the German approach towards PESCO's basic goals is important. This is especially significant considering that Hungarian defence procurements will prioritize European and German suppliers.

However, Hungary's present position regarding PESCO's third-country policy differs from that of Germany. The Hungarian position on CSDP and PESCO could change if the security and defence dimension of the Hungarian-German relations became even more important, and the Hungarian reasons behind strengthening the EU's autonomous defence capabilities became more dominant, depending on the potential change of Budapest's relations with NATO and the USA.

### *HUNGARIAN CAPABILITY DEVELOPMENT OPPORTUNITIES IN PESCO*

To achieve Hungary's national capability development objectives, as they are defined by the allies' contributions (as part of NDPP), it is important to see whether particular elements of the Hungarian "Zrínyi 2026" program could be integrated into PESCO. There would be potential advantages of such a move (for instance, cost efficiency, involvement of EU funds, broadening military development possibilities). An EDF harmonized with PESCO could be the basis of strengthening the capacities of the Hungarian defence industry and its integration into the supply

chain of the European defence industry (to the extent of Hungarian capacities). This needs possible linkage points between PESCO and “Zrínyi 2026”, or in other words, setting capability development goals achieved as part of cooperation, identifying potential partners, as well as the proper notification of the Hungarian defence industry actors and their involvement in the preparation for decision making.

Hungary takes part in the following PESCO programs which have already launched:<sup>8</sup>

- Unmanned Ground System (UGS);
- Chemical, Biological, Radiological and Nuclear (CBRN) Surveillance as a Service (CBRN SaaS)
- Network of Logistic Hubs in Europe and Support to Operations;
- Military Mobility;
- Cyber Threats and Incident Response Information Sharing Platform.

It is not yet known to what extent “Zrínyi 2026” is planning to cooperate with PESCO. However, it is a key question from the Hungarian perspective how the EU funds of the EDF budget could be accessed. A few basic conditions should be met for Hungary in order to successfully access these funds:

- granting the necessary resources for co-financing;
- the establishment of appropriate governmental capacities;
- the development of appropriate governmental mechanisms;
- support for Hungarian defence industry actors by strengthening technical know-how and the flow of information.

A comprehensive governmental strategy would be necessary that would cover all the aspects involving planning and execution, and all levels of flow of information. The limitations of governmental human resources are logically determinant factors, but it should be kept in mind that participation in EDF can be used to call on supplementary EU funds and achieve cost efficiency.<sup>9</sup> Information sharing related to capability development plans, the possession of the necessary capacities, and internal coordination are all essential for another important condition: finding appropriate international partners and maintaining efficient cooperation with them.

These conditions are of high importance to accomplish the following government objectives:

- military capability development;
- the development of the national defence industry, including support for technological-innovation developments of dual used items and items intended for Hungarian military use;
- incentivizing investments;
- help achieving foreign policy goals.

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8 EU Council regulation 2018/1797

9 In order to develop a proper government structure which would guarantee a successful participation in PESCO and EDF, it is suggested to take into consideration the experience gained in EDA.



If the necessary governmental structure is established to enable successful participation in PESCO and EDF, the participation in EDA will be worth building upon. Hungarian access to EDF funds will be realistic if Budapest shows strong and credible commitment to execute its promises and join future PESCO projects. These commitments should concern both political, financial, and technical aspects.

However, foreign and security policy aspects should also be taken into consideration for setting Hungarian military capability development objectives. As a result, certain cooperations would be prioritized, such as the Hungarian-German cooperation, the Visegrad Group (V4), and other Central European formations (Central European Defence Cooperation). Only two projects led by Central Eastern European member states have been included in the two PESCO packages, which shows the present limits of regional proactivity. A present, structural V4 defence cooperation would be a valuable new asset improving the V4's European reputation. A basic precondition of this cooperation would be joint participation in a PESCO project. There are significant political and technical barriers of such military cooperation, but joint V4 participation should be considered in certain existing capability development projects (e.g. the Infantry Fighting Vehicle (IFV) project led by Slovakia).

To deepen defence cooperation with Germany in the PESCO framework, joining the German-led European Medical Command and European Union Training Mission Competence Centre would be a short-term opportunity. PESCO-based cooperation with Germany should also be considered in the field of military procurement. Generally speaking, the capability development demands of the Hungarian Military defined by alliance structures (NDPP) should be the basis of a potential Hungarian participation in European programs.

## CONCLUSION

The future direction of European defence policy, similarly to that of the EU, will be determined by France and Germany. If these two powers decided to develop either a more intense defence integration or a two-speed European Union, it would strongly define the further development of the EU as well as its future character. Such a decision would be based on political, strategic, and economic considerations regarding the whole integration, and it would be the result of a shift in the perception of outside threats and a change in the role of the United States in Europe. Small states could prevent the execution of these plans only united in a wide coalition, potentially limiting the depth of the integration.

All member states should calculate with the trade-off between the meaningful reinforcement of European military capabilities (ambitious operational autonomy) and European defence and security integration on one side, and national sovereignty on the other side. Therefore, steps can be taken towards independent European military capabilities and actionability, especially the establishment of an EU army, only by reducing national sovereignty and deepening defence integration to a

certain extent. The present, mainly intergovernmental European structures, which do not interfere with national sovereignty, only enable limited improvement of military capability developments.

France and Germany want to maintain NATO's role in the European security system for now, and they require US military presence in Europe, which is one of the main barriers of a more integrated European security and defence policy. Growing French and German openness towards European options is the result of the recent uncertainty surrounding a US commitment. However, Paris and Berlin want to expand the European security playing field inside the existing European security structures without its radical transformation.

The direction of the mainly German and French initiatives is influenced by aspects related to the United States, other EU member states' preferences, and the United Kingdom's still significant role in European security policy. Beside Poland, some "core states" like the Netherlands, Sweden, and Austria are sceptical about deepening European defence integration due to a range of security policy considerations.

Beside Hungary's own efforts, NATO and especially the collective defence of the alliance remains the main pillar of Hungarian security and defence policy. The present forms of European defence initiatives cannot do more than strengthen NATO's European pillar. Even so, it remains a question what level and subject of the evolving European defence cooperation can still guarantee the survival of the primacy and cohesion of NATO. EU member states have diverging strategies regarding European initiatives, which include the following:

- low-intensity participation in CSDP capability development and low level of added value;
- strengthening CSDP structures with active participation;
- strong support (either by active participation or by outside support, considering future participation) of initiatives which aim to gradually deepen defence integration (or even to achieve operational autonomy) in the long run.

Within Hungary's strategy regarding European defence initiatives, certain foreign policy considerations played a significant role, namely, not to be left out of those programs which aim to strengthen European cooperation, in order to influence their evolution. By joining these programs, Hungary wanted to clearly demonstrate the leading role of NATO in Hungarian security and defence policy. The Hungarian foreign policy interest is the prevention of a two-speed European integration as a foreign policy objective is a key driver of Hungarian security and defence policy, including the attitude towards the European capability development initiatives.

Further negative changes in the EU's geopolitical environment, the escalation of security threats, or a decrease in US willingness of crisis management can result in a shift of Hungarian interests towards accelerating significant European capability developments as part of operational autonomy. In this context, deepening political



and economic relationships with Germany in the long term could benefit Budapest and be an important objective for Hungarian foreign and security policy. This would require a more significant emphasis of European and Hungarian military capability development objectives in Hungarian security and defence policy in relation to the EU. In the case of further deterioration of the geopolitical circumstances, the potential advantages of a deeper European defence integration will be appreciated better by European countries, including Hungary. In such a scenario, the consideration of supporting a more ambitious defence integration, either by participation or by joining in later to such which is not on the agenda yet, could be a possibility.

More ambitious Hungarian participation in the present European defence policy structures, (multilateral capability developments related to significant weapon systems beside other targets, a more dynamic presence in the PESCO projects in which Hungary participates) should be designed based on national military capability development goals. The example of highly pro-Atlantic Poland proves that active participation in European defence initiatives and capability development programs expands the country's playing field in its defence policy and increases its international leverage. Extra funds to meet military capability development targets will be available in the following years. This is a great opportunity to deepen European and regional security and defence partnerships, which could increase Hungarian leverage inside both the EU and NATO.

An important condition of the co-financing of potential PESCO programs is both to guarantee the necessary governmental capacities and to support Hungarian defence industry actors' participation in European projects. Potential capability development cooperation with Germany and Central-Eastern European partners should be considered, keeping in mind the Hungarian foreign and European policy aspects. The importance of strengthening transatlantic relations is unchanged from the Hungarian security policy perspective; therefore, defence partnerships with the United States are needed to be fostered in the future as well. The defence policy agreement between the two countries is a sufficient starting point in that regard.

It is a visible trend of European defence policy that there are an increasing number of bilateral and multilateral cooperation structures which are outside EU and NATO; nonetheless, they support the objectives of these organizations. Therefore, it should be examined which bilateral or multilateral military cooperation outside the CSPD framework Hungary could join and benefit from in the form of modular or integrated military units.

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