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COVID-19 AND EUROPEAN DEFENSE – VOICES FROM THE CAPITALS

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The COVID-19 pandemic poses unprecedented challenges to decisionmakers across the globe. It certainly affects European and transatlantic defense cooperation. DGAP aims to generate valuable insights into the pandemic's effects on European defense. Therefore, we have asked leading experts from key EU and NATO partner countries for their views. Together, the contributions provide an overview that reveals trends and tendencies in European defense in a changing security environment.



Consequences for national
defense budgets



Changes in the security
environment



Changes in force structures



Effects on defense
cooperation in
multinational formats



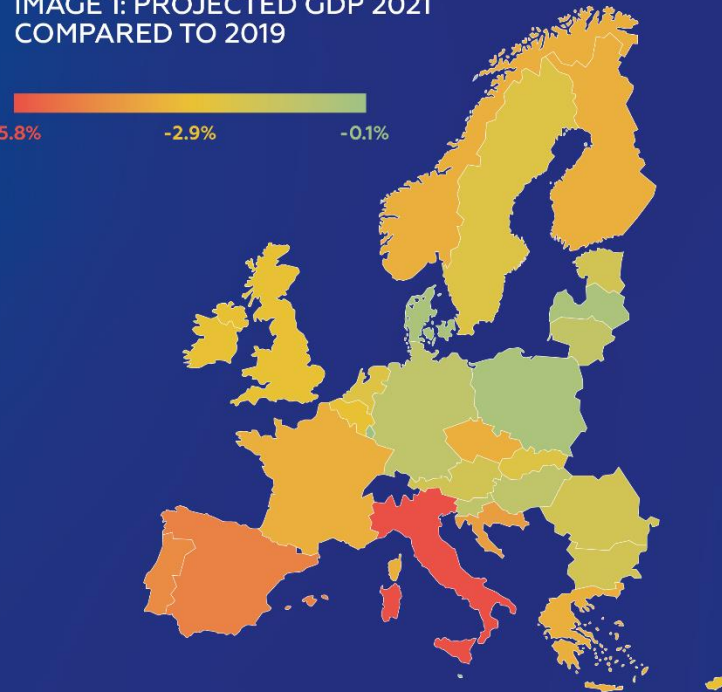
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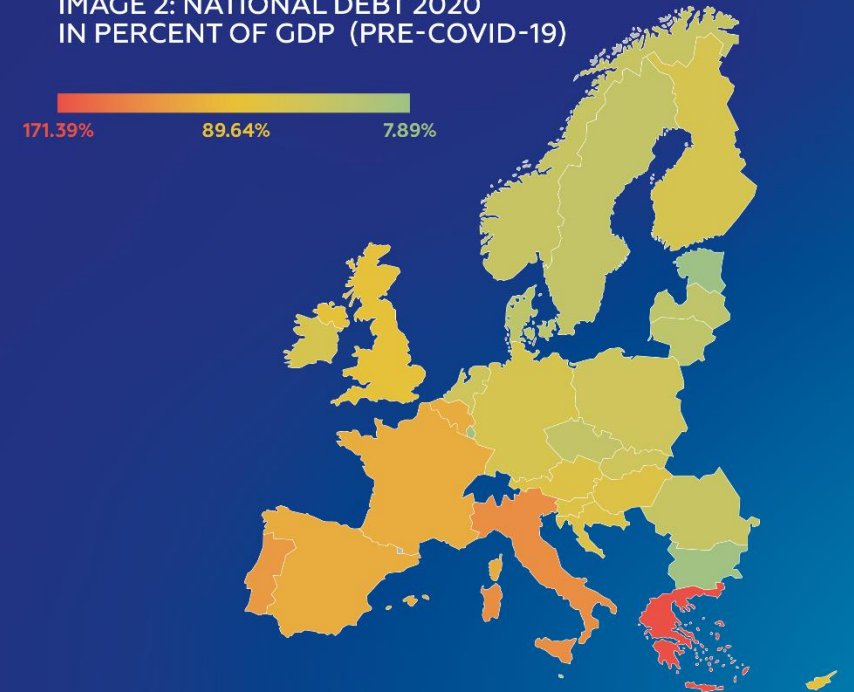
The COVID-19 pandemic has thrown Europe into a severe economic crisis. But not all Europeans are affected equally. Countries in the southwest have generally taken a harder hit than countries in the northeast. Given the varying levels of public debt, some European countries have limited room for maneuver when it comes to cushioning the blow of this new downturn. Public budgets are often severely strained, making it hard to fund crisis relief by taking on more debt. Defense budgets will certainly not be spared when Europeans will try to make ends meet. The two following heatmaps provide a sense of the bigger picture in which Europe is operating.

IMAGE 1: PROJECTED GDP 2021
COMPARED TO 2019



Source: EU-Comission's "European Economic Forecast Summer 2020"

IMAGE 2: NATIONAL DEBT 2020
IN PERCENT OF GDP (PRE-COVID-19)



Source: IMF World Economic Outlook Database October 2019

CZECH REPUBLIC

Lukas Dycka, Researcher,
Baltic Defense College



The defense budget is expected to remain stable. Nevertheless, MoD is preparing for cuts.



"General threat perception remains the same, focusing mainly on the state actors Russia and China and threats of terrorism and illegal migration."



"So far, only minor effects – namely, within the State Material Reserves Administration acquiring stocks of personal protective equipment."



"There is a perceived slowing down of the pace of cooperation due to the necessity of conducting meetings via VTC and generally online. This hampers trust building and makes cooperation less flexible."



Defense budget



Security environment



Armed forces



Multinational cooperation

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ESTONIA

Sven Sakkov, Estonian Ambassador to Finland; Former Director, International Centre for Defense and Security (ICDS)



There are two options in case of a decreasing public budget: either a contraction of the defense budget in line with the spending target of 2% of GDP for defense or abandoning the 2% target to maintain a higher spending level on defense. Option two is more likely.



Stocks of medical equipment will play a greater role in the security strategy. The Finnish Emergency Supply Agency functions as a role model.



"If the Estonian defense budget is going to be decreased in real terms, it will lead to the abandonment of new acquisition and capability development programs and possibly atrophy of existing capabilities." Recent proposals, however, indicate an adherence to the previously planned budget increase.



For a small country like Estonia, multinational cooperation in acquisition and capability is crucial. The pandemic has not changed that underlying logic. Nevertheless, if the defense budget decreases, there could be cuts on multinational projects.



Defense budget



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FINLAND

Charly Saloniuss-Pasternak, Senior Research Fellow,
Finnish Institute of International Affairs (FIIA)



"At the moment, the COVID-19 pandemic is not expected to cause significant pressure to reduce the defense budget; rather, 2021 to 2024 will see large increases."



"Plans and preparations for a pandemic have been included in national emergency plans for many years. Thus, COVID-19 has not affected the general view of the security environment."



"COVID-19 has not had any notable impact on the Finnish Defense Forces reform or capability development plans."



Negative effects on defense cooperation due to more complicated communication

Negative effects due to the cancellation of multinational exercises



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FRANCE

Bruno Tertrais, Deputy Director, Foundation for Strategic Research (FSR)



"The buzzword in the Ministry of the Armed Forces by mid-June was 'so far, so good.'"
No budget cuts are expected; the defense budget should rise as planned.



"My fear is that the world after will furiously look like the world before, but worse." – French Foreign Minister Jean-Yves Le Drian
The underlying security environment is still the same, but some threats are accelerating: "entrenchment" and "military adventurism" could be the results.



No major effects on reform plans
Acceleration of deliveries planned as means to support the defense industry



"There is no reason to believe at this point that the pandemic will significantly affect France's European defense cooperation policies."



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GREECE

Yvonne Stefania Efstathiou, Political Officer,
European Union External Action Service (EEAS)



"The defense budget will face a significant increase. ... Greece's increased defense budget will focus on acquisition and will address shortfalls stemming from the 2008 financial crisis repercussions on defense."



"Decisions vis-à-vis the armed forces and their financing are not triggered by the pandemic, but instead are the result of Greece's perceptions and security environment in face of an increasingly assertive Turkey."



"Envisioned changes in the headcount, structure, and formations should be seen through the country's threat perception lenses, rather than the COVID-19 pandemic. ... The pandemic could potentially affect the evolution of the country's defense procurement cycle."



Despite the current situation, Greece is very keen and active with its defense cooperation and aims to remain so in the framework of both EU and NATO initiatives.

* The views expressed here are the author's own and do not represent the position of the EEAS.



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HUNGARY

Tamás Csiki Varga, Research Fellow, Centre for Strategic and Defence Studies (CSDS)
Alex Etl, Researcher, Centre for Strategic and Defence Studies (CSDS)



The defense budget will be increased as planned.



"The new National Security Strategy expects a deteriorating global and regional security environment in the mid- to long-term, in which the competition between various centers of power will increase, leading to instability."

Short-term effects of COVID-19: increased migration to the EU, enhanced understanding of pandemics as a security threat



"Publicly available information does not reflect mid-term contingency planning so far."



"The pandemic will not directly affect Hungary's stance on multinational security cooperation."



Defense budget



Security environment



Armed forces



Multinational cooperation

ITALY

Alessandro Marrone, Head of Program Defense, International Affairs Institute (IAI)
Ottavia Credi, Junior Researcher, International Affairs Institute (IAI)



2021 defense expenditure is set at 23,006 million euro, 86 million more than 2020. Investments in procurement and R&D account for 18.4% in 2020 and 21% in 2021. The defense industry has been considered one of the industrial drivers of economic recovery.



"The general understanding is that the COVID-19 pandemic would probably act as catalyst for ongoing trends rather than reshaping the international security environment."

Most importantly: rising tensions between the USA and China result in an unstable multipolar system. Hybrid warfare by China and Russia becomes more effective; European focus could shift inward which could lead to a stalemate in EU defense cooperation.



"The pandemic and the immediate Italian response have had a very marginal effect on the armed forces."

Future budgetary constraints as potential influence on capability development



"Since Italy has remained committed to NATO and EU cooperation in 2020, it is likely to continue to do so also in the next months despite a severe second COVID-19 wave."

Short-term consequences: slowing down of activities due to lockdowns and remote working



Defense budget



Security environment



Armed forces



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LITHUANIA

Liudas Zdanavičius, Policy Analyst,
Military Academy of Lithuania



In 2021, the defense budget will be the same as in 2020 (even though the share of GDP will be higher). In the mid-term, there will still be an increase of the budget in order to meet the national 2.5% target in 2030.



There are no new official documents yet, but a preliminary risk assessment would be: Russian ambition in the Baltic region remains the same, China's aspirations need monitoring, and the transatlantic link could possibly weaken.



"The decisions in this field are still under way."

Main goal: rapid capability building (major acquisitions, new military infrastructure, growth of the troop numbers)



"Lithuania is a supporter of defense cooperation projects, but they should be well coordinated."



Defense budget



Security environment



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THE NETHERLANDS

Dick Zandee, Head of Security Unit of the
Research Department, Clingendael Institute



"The 2021 State Budget of the Netherlands [...] shows growth in order to mitigate the negative effects of the novel coronavirus." However, the State Budget forecast shows a decrease in the year 2022.



"The pressure on Europe to take more responsibility for its own security will further increase."



It is unlikely that the pandemic will have a major impact on the structure of the Dutch Armed Forces.



So far, no direct effects on Dutch defense cooperation projects are visible in the immediate future.



Defense budget



Security environment



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NORWAY

Paal Sigurd Hilde, Associate Professor, Norwegian Institute for Defence Studies (IFS)
Robin Allers, Associate Professor, Norwegian Institute for Defence Studies IFS



"The long-term impact on the defense budget is uncertain."

The economic impact of COVID-19 could serve as a disincentive for a further increase of the defense budget even though long-term plans call for it.



"It is too early to conclude what impact the pandemic will have on the international security environment. It is, however, widely seen to have reinforced certain worrying trends, especially the global power shift toward Asia, great power competition, and pressure on the rules-based multilateral order."

"NATO and the EU are likely to further develop a comprehensive understanding of security and to pay greater attention to resilience and civil preparedness."



"The government submitted its new long-term defense plan to parliament on October 16. While noting increased uncertainty due to COVID-19, the plan makes no fundamental adjustments to the original plan submitted in spring."



Possible negative effects on major capabilities cooperation projects if the situation deteriorates:

"How the EU emerges from the COVID-19 crisis and to what extent it will maintain its ambition in the area of defense will also affect Norway's participation in different programs and projects."



Defense budget



Security environment



Armed forces



Multinational cooperation

POLAND

Justyna Gotkowska, Program Coordinator Regional Security, Centre for Eastern Studies (OSW)



"The defense budget will grow in real terms and stick to the level of 2.2% from 2021 to 2023.
But the increase in real terms will be slower than planned before the pandemic."



"The pandemic seems not to have influenced the security policy thinking; pandemics are seen as an additional factor affecting the health sector and economy."



"The budget will not grow as much as expected. Therefore the MoD will have to modify mid-term modernization plans."

"Personnel and structures of the armed forces will be untouched."



"The pandemic will probably only moderately affect Poland's participation in multinational defense cooperation."



Defense budget



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ROMANIA

Rufin Zamfir, Program Director Security and Asymmetric Threats, GlobalFocus Centre
Octavian Manea, Managing Editor *Eastern Focus Quarterly*, GlobalFocus Centre



"There is no indication so far of any budget cuts for the defense sector."
The budget will continue to rise as planned.



"Infodemic": disinformation campaigns targeting the credibility and effectiveness of the government and public administration
"The COVID-19 crisis might increase the tendency to focus inward of some major Western powers that could be more inclined to deal with their own internal problems first, at the expense of EU and NATO solidarity."



Core reform plans are likely to remain untouched.



"At this stage, there is no foreseeable shift in Romania's participation in PESCO projects."



Defense budget



Security environment



Armed forces



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SPAIN

Félix Arteaga, Senior Analyst,
ElCano Royal Institute



"No major changes are expected in the defense budgets, except for cross-cutting reductions or occasional delays in the delivery and payment of defense procurement."
If the economy does not recover quickly, new commitments will be difficult to finance.



The COVID-19 pandemic has highlighted the importance of developing health capabilities for national defense.

A potential decrease of multinational missions may lead to the strengthening of terrorist movements in the Sahel.



The budgetary situation is expected to become more complicated; uncertainty about defense planning rises.



Defense cooperation in NATO and EU formats loses momentum.

"Bilateral and minilateral partnerships could be an alternative to multilateral frameworks of defense cooperation."



Defense budget



Security environment



Armed forces



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UNITED KINGDOM

Trevor Taylor, Professorial Research Fellow,
Royal United Services Institute (RUSI)



No cuts on defense budget expected in the immediate future since that would result in creating unemployment in a relatively stable sector.



More resources will be dedicated to prevention and mitigation of pandemics.



Mid- and long-term planning processes are not yet finalized.



"The COVID-19 crisis has not had any noticed effects on UK defense cooperation aims and intentions with regard to the Continent, but this may be because the issue has not gained much high-level attention."



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