

Global Strategy PhD Prize 2019 Awarded to Antonio Calcara

Summary of the Thesis:

The Decision-Making Dilemma of Arms Procurement Policy

In June 2015, the European Council commissioned the High Representative of the Union for Foreign Affairs and Security Policy to draw up a **Global Strategy for the European Union**. The main objective of the EU Global Strategy is to adapt the external role of the EU to a profoundly changed (geo)political reality, both from a European and an international point of view. In this context, defence-industrial cooperation has taken central stage in the current European debate. On the one hand, Brexit and Trump's election are perceived as historical windows of opportunity for strengthening the EU as a military power; on the other hand, the relaunching of the Permanent Structured Cooperation (PeSCo) on defence and the new European Defence Fund have been considered as proofs of a revived interest in defence cooperation. Actually, European governments and EU institutions have repeatedly highlighted the inefficiencies created by redundancies, the lack of interoperability among similar weapons systems and the economic resources wasted in the development of armament projects. Defence-industrial cooperation would therefore seem an appealing strategy for developing sophisticated weapons systems, given its economic (lower costs and economies of scale), operational (interoperability and standardization of military equipment) and political (strengthened European security and defence cooperation) positive externalities.

In the current European context, European governments have agreed on joint procurement initiatives for the development of advanced weapon systems and, at the EU level, the European Commission and the European Defence Agency (EDA) have promoted initiatives aimed at safeguarding a European Technological Defence Industrial Base (EDTIB) and reinforcing European industrial and military capabilities. Nevertheless, protectionism, oligopolistic strain on markets and a tendency to privilege domestic suppliers have prevented more structured defence-industrial cooperation. In other words, defence-industrial relations among European countries are characterized by **inter-state competition** and **European cooperation**. In order to come to terms with this puzzling mix, I propose to answer the following research question: (1): despite strong geopolitical and economic incentives for defence cooperation, why do European countries sometimes decide to cooperate with their partners, while in other instances they decide to refrain from acting cooperatively?

In contrast with the predominant focus on the systemic factors that discourage or encourage greater defence-industrial cooperation at the EU level, I propose to study whether the **public or private governance of the industrial suppliers** and the **domestic market size** might be the two independent variables that shape EU Member States' preferences towards defence-industrial cooperation. In order to identify public or private governance of the industrial supplier, I focus on **three fundamental properties of state-defence industry relations**: a) the degree of protection by the government; b) the degree of interpenetration between public and private sectors elite network; and c) the status and autonomy of the procurement agency from the defence industry's influence. Through these three properties, it is possible to compare different types of defence-industrial ecosystems and to analyse the degree of influence that corporate actors have over defence-industrial policy making.

In order to study cooperation and competition in European defence procurement, I employ a comparative case-study research design, focussing on four different instances of European defence-industrial cooperation: the **NH-90**, the **Eurofighter**, the **A400M** and the establishment of the **EDA**. The selection of these case-studies allows for a comparison of different degrees of defence cooperation, and also permits to consider cross-time variation, given that the four case-studies cover both a first (1980s) and a second phase (2000s) of European defence-industrial cooperation. Within

this **comparative case-study research design**, I employ **historic process tracing** to explore British, French, German and Italian preferences towards defence-industrial cooperation. As regards to the sources, I triangulate primary and secondary literature with 30 semi-structured interviews conducted from 2016 to 2018.

My PhD dissertation permits to shed light on the **decision-making dilemma of defence procurement**, a policy area that acts as an interface of industrial, technological and defence policies and lies at the intersection of IR's traditional distinction between low and high politics. Theoretically, this study points to the need for European security and defence studies to **pay attention to the heterogeneous politico-economic base of European Member States**. The distinction between public and private governance of defence firms helps to unpack the relation between the political and the industrial sector in defence-industrial decision-making. The research project is also important to investigate the **impact of interest groups on European defence-industrial activities**.

For what concerns the policy relevance of this work, the study sheds light on some unexplored aspects of European defence-industrial cooperation. While the focus has been largely on the inefficiencies of past multinational armaments programmes, little research has been conducted to investigate the **political decision-making process** of these collaborative initiatives. More broadly, on European defence there is a wide debate about systemic incentives that are pushing for greater cooperation in this field. However, **systemic incentives clearly do not constitute sufficient conditions for more defence-industrial cooperation**. This research therefore analyses intra-European state-defence industry differences. Moreover, this dissertation contributes to address the **fundamental dilemma in the EU defence policy debate**: European Member States have intuitively a strong interest in sharing military resources and cooperating at the European level, but, at the same time, they are unwilling to give-up sovereignty in such a secretive and sensitive area.