



HOUSE OF LORDS

Select Committee on the European Union

External Affairs Sub-Committee

Corrected oral evidence: Brexit: Common Security and Defence Policy (CSDP) missions

Thursday 25 January 2018

10.05 am

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Members present: Baroness Verma (The Chairman); Baroness Armstrong of Hill Top; Lord Dubs; Lord Horam; Baroness Manzoor; The Earl of Oxford and Asquith; Lord Risby; Lord Stirrup; Baroness Suttie.

Evidence Session No. 2

Heard in Public

Questions 11 - 25

Witnesses

I: Dr Nicholas Wright, Teaching Fellow in EU Politics, University College London; Professor Anand Menon, Professor of European Politics and Foreign Affairs, King's College London.



Examination of witnesses

Dr Nicholas Wright and Professor Anand Menon.

Q11 The Chairman: Good morning, Dr Wright and Professor Menon. Thank you very much for coming in to give evidence to this session today. This is our second session of the Brexit: Common Security and Defence Policy missions inquiry. The evidence will be in public and will be transcribed. At the end of the session, you will be given a transcript to see if there are any corrections that need to be made. The Committee has your biographies and you will have had sight of the questions, but would you like to take a couple of minutes or so to do an opening statement before we start?

Dr Wright: First of all, many thanks for the invitation. As a framing statement, very briefly, I would just like to say that, with all the things that we talk about in the context of Britain's future relationship with the EU in security and defence co-operation, one of the things that we need to keep in mind is the longer-term issues around budgetary constraints that have faced the FCO¹ and the MoD,² in terms of our ability to perform our foreign policy more broadly. These are issues that, while they may not be specifically discussed within this inquiry, do overshadow the future arrangements and the credibility of the commitments that we can make. That would be the only thing I would like to caveat everything that follows.

Professor Menon: I would just make a couple of general comments. First, there has always been a tendency, particularly on the European side, to view CSDP through the lens of European integration as a tool to build Europe, rather than as something to enhance European security. I hope that, in this country, as we are obsessed with Brexit, we do not fall into the same trap. We need to keep the bigger picture in mind, and the picture is about security. It is not about a relationship with the EU—that is a means to an end—and we just need to be aware of the danger of getting sucked into that trap.

The second thing I would say, as someone who spends an unhealthy amount of time thinking about Brexit these days, is that, compared to virtually any other area of Brexit, this strikes me as relatively straightforward in many ways. If you compare it to the economic side or to the security side related to terrorism or data exchange, because of the nature of CSDP, I would hope that we could arrive at a solution post Brexit that works for both sides far more easily than is going to be the case in many other sectors.

Q12 The Chairman: If we may go into some of the questions that you have had sight of, may I start by asking you how important you feel that the CSDP missions are to the UK's pursuit—and you have already alluded to it—of its foreign policy priorities? What do you see as the main

¹ Foreign and Commonwealth Office

² Ministry of Defence



advantages to its participation in these missions?

Dr Wright: I would approach that question at two levels. First, there is the specific mission-related level. What we find, in general, when we look at CSDP missions is they have been relatively small-scale, involving a relatively low commitment in both military and civilian personnel, achieving quite specific goals around peacebuilding and capacity-building in post-conflict situations. In that sense, I would suggest they probably form quite a small component of the UK's broader set of objectives.

Where CSDP is probably more important is in the broader strategic environment it creates for the UK to engage with its European partners. That exists through NATO and through other multilateral contexts, but CSDP brings the Member States together to talk about issues around security, defence, co-operation and interoperability. That has been quite important for the UK in seeking to set agendas and the direction of travel, to try to influence what our partners in the EU are seeking to do. It is probably in that latter, more strategic context that it has been more important for the UK.

Professor Menon: I would agree with all of that and just say a couple of other things. First, it has always struck me that Britain's engagement with CSDP had one overriding priority, which was, if you like, *pour encourager les autres*. One of the reasons we set this up was as a way of nudging European partners to take defence and security more seriously. That has always been an important objective of ours: getting the Germans to realise that deploying military force might be necessary at certain stages, and they need to think about it more seriously. In that sense, it has been an important plank of our efforts to shape our European neighbourhood and to persuade our European partners to be a bit more like us. As Nick says, the process is crucial in terms of the networks of interaction that have been created because of CSDP. I remember the cultural shock in Brussels when people in uniform turned up in the late 1990s, but they have created strong networks now, and that is important.

The one thing I would add is one of the losses of CSDP was that, as part of the process of setting it up, the regular meetings of political directors of the EU Member States stopped; that group ceased to exist. One of the things we should be thinking about in the future as part of our broader strategic planning is to find a way to ensure that, at political-director level, we are plugged in with the other European states, even if it is bilaterally. That level is absolutely fundamental.

The Chairman: That is one obvious disadvantage that you have highlighted. Are there other areas that you feel have put us at a disadvantage or have been disadvantageous to us in being involved, or will we continue to benefit from advantage even outside of the EU?

Professor Menon: We will miss out on the process, given the noises coming from Brussels at the moment. Of course, we do not know for certain what Brussels might put on the table with CSDP, but the strong



impression is that we will be outside of decision-making and of the routine interactions of people in Brussels. If you talk to any person who has represented Britain in Brussels, they will say that the informal is every bit as important as the formal, so we need to find ways of replicating that. We need to make sure that we have the staff on the ground in Brussels to continue to try to do that informally. The advantage that we have, of course, is that we are doing it anyway in NATO. This is one reason why this sector is different to others, so the loss will be smaller, but we need to be aware that we need to have access to those networks, even when we are out. As a mode of information-sharing, they are absolutely crucial.

Dr Wright: If I may just add a couple of points to that, the other thing to keep in mind is that, after the initial burst of enthusiasm in 1998 following the historic St Malo agreement with the French, which set in motion this whole process, we have somewhat fallen out of love with CSDP over the last 10 years. I am not saying that we have been isolated in that sense, but we have sometimes operated in a somewhat semi-detached manner, I would suggest. Our enthusiasm for what has been going on has not necessarily always been there, and that needs to be factored into this.

Q13 **Baroness Manzoor:** I hear what you say about NATO and our importance in NATO. Coming back, then, to CSDP in Europe, we heard evidence from Mr Angus Lapsley, Director for Defence and International Security for the FCO. He told us that the UK's principal contribution to CSDP missions has been intellectual and strategic leadership. Do you agree with him and what would be your assessment of the UK's contribution? Is it more than that and, if it is, what is it?

Professor Menon: I have never disagreed with Angus but it does strike me that this is a slightly "Yes, Minister" way of saying that we did not contribute, in practical terms, as much as we perhaps might have, which is true, in terms of our commitment of troops, for instance, to CSDP missions, and that is partly for good reason. We have been engaged in Iraq and Afghanistan whilst most of the EU's military missions were going on. In so far as we had troops available, they were troops that were resting in between deployments and, for good reason, we did not want to deploy them.

I would characterise it as, we have approached CSDP from the position of the 'manager' rather than of a 'player'. We have been there to give guidance, we have been there to talk strategy, and we have been there, in a sense, to offer advice, and we are in a very good position to do so because we are far more experienced at this than most Member States. Our practical contribution in terms of personnel, particularly on the military side and less so on the civilian side, in a way, has been limited.

Dr Wright: One of our chief contributions, certainly in the last few years, has been financial. We are paying quite a lot of money to support missions that are then being performed or pursued by our partner states.



The 'manager rather than player' analogy is quite useful. As well, certainly from some of the people I have spoken to, there is a tendency to see NATO as where the serious business of security and defence takes place. CSDP is maybe what some of the other states that are not so involved want to get involved with, and that is all right. We will keep an eye on it and, if we need to step in if things are not working or if they need a steer, then fair enough. We have been quite happy to let other states, particularly if there is a potential issue that they are interested in or that they want to pursue, take the lead on that, partly because our strategic attention has been focused on Iraq and Afghanistan.

Q14 Lord Horam: I was interested in Professor Menon's description of Angus Lapsley's way of putting our contribution to CSDP; it is probably rather accurate in the way you have described it. Angus Lapsley also said that the framework for third-country participation, including the so-called Committee of Contributors, has not really worked very well. That was a view expressed to us. It started with some enthusiasm but that has clearly waned, and now they are probably going through the motions and second-tier people are being sent there. Why is that, and is that important?

Professor Menon: It is important because, particularly for a country of the size and military weight of this country, being able to participate but not being able to shape the missions in which you are participating is not a great outcome. I would absolutely agree with Angus that the Committee of Contributors is far from ideal when it comes to Britain post Brexit. Even if you think back to when CSDP was first created, the Turks were absolutely appalled because they lost a degree of influence via the old Western European Union; they were deprived of it under the new structures put in place for the CSDP.

As with most things, with Brexit, it is virtually impossible to know what the EU might offer Britain in terms of a partnership once we have left. At the moment, they seem to be drawing a very clear distinction between membership and non-membership. Whether you look at the terms on the table for transition or at the talk about how we will interact with them post Brexit on economic issues, you do not get a seat at the table if you are not a member. That would put us in a very uncomfortable situation and is something we should try to avoid. The question is how flexible the European Union are willing to be. They might be more flexible when it comes to defence than other sectors, because our contribution is far clearer and there is no EU law.

Lord Horam: Exactly, there is no EU law. It is an area where, as you said, flexible networks and common sense prevail, other than the legal framework which is sometimes primary in the economic and social spheres. Crispin Blunt, former chairman of the Commons Foreign Affairs Committee, suggested that Britain might try to get a permanent seat at these committees, for example, and be there—even though technically not there—as an observer or whatever. Is that possible?



Professor Menon: The simple answer to that is that I do not know. It depends on what the EU is willing to offer.

Lord Horam: Is it something we should play for?

Professor Menon: Absolutely. We should play to be as present in as many of the rooms as possible post Brexit. What I would say is that one of the things that worries me slightly is this mistaken belief amongst some on the continent that European defence can now forge ahead, freed from the British veto. That is a story you hear in some capitals.

Lord Horam: What is mistaken about that?

Professor Menon: It is not true. There are very specific instances, like the operational headquarters, where we wielded a veto but, in general, we have been a facilitator, not a blocker, when it comes to defence. The idea that they are going to be more effective by somehow leaving us to one side strikes me as fanciful, given our strengths when it comes to—

Lord Horam: It is a bit of an illusion among the other members.

Professor Menon: Some sections of some of the other Member States, yes. If you talk to the Scandinavians, they would be horrified by the idea. They want us to be as closely involved as possible. One of the things we just do not know is who is going to negotiate this defence aspect of Brexit for the European Union. That will make a big difference.

Dr Wright: That opens up an opportunity for the UK to try to get ahead of this and to take the initiative. We had the future partnership paper³ and the Prime Minister's Florence speech, where we talk about this deep and special relationship post Brexit. So let us try to start that discussion by setting some of the terms—what would we offer; what could we get out of that; how do we see this developing in the future?—rather than simply reacting to what is coming from Brussels, which, in many senses, are very legalistic interpretations of the treaty.

This is a context where there is perhaps more room for manoeuvre, and it does not seem to me to be beyond the realms of possibility that we could start initiating some quite interesting conversations. For example, regarding whether we could get a permanent observer position on the Political and Security Committee or the working groups, it might be difficult but, in theory, why not? It all comes back to what we are willing to do and the flexibility within that. In part, our EU partners will be looking to us and asking, "What do you want? What do you want to do here?" Let us take the initiative. That would be one way forward.

Professor Menon: I have to say, if I may, that, to date, we have missed a trick in the way we have framed this. To make this part of Brexit work,

³ Department for Exiting the European Union, Foreign policy, defence and development: a future partnership paper (September 2017)
<https://www.gov.uk/government/publications/foreign-policy-defence-and-development-a-future-partnership-paper>



I would have thought the way to do it from the start would have been to say, "Look, we are allies. We share strategic interests. The threats that you face are the threats that we face. Whatever happens amongst the minutiae of the Brexit negotiations, we want to emerge from this with a strong defence and security partnership with you". The Government intimated that this was something we were willing to take away if the talks went badly, which struck me as exactly the wrong way to go about framing this debate, if we wanted good will from the other side of the table.

- Q15 **Lord Stirrup:** This inquiry is confined to CSDP but, if you are a good Clausewitzian, all of this is essentially a reflection of broader foreign policy objectives. Without overcomplicating the thing too much, one can envisage third-party co-operation in terms of EU missions and the discussions around those, although it might be difficult to achieve. How far up the chain does one need to go with this? Does one not need to have some kind of locus within the broader foreign policy-setting framework within the EU, rather than just coming in at what is a relatively late stage in the process when it has got down to the security and defence level?

Dr Wright: We should be aiming for some form of relationship—institutionalised or whatever—between the UK and the EU, or the UK within these structures, to be able to engage in those strategic discussions. There are no threats that I can perceive that we are going to face that our continental partners are not also going to face, so there seems to me a clear rationale in doing that. If we take how we have operated with our partners in dealing with the Iranian nuclear programme; that is a clear example of this working at the strategic level. That has filtered down to the substructures in terms of putting it in place.

The EU is very much about institutions and structures. There is also quite a lot of flexibility in there, and they are very good at producing fudge. It seems to me that, with a bit of pragmatism in thinking about how we can add value, how we can engage with our partners and what we can get out of it, we should be aiming for something more strategic, rather than just, as you said, coming in once a mission has been focused and set, and a mandate has been set, saying, "We could do this" and "We could do that". We want to try to be part of that conversation as early as possible.

Professor Menon: I would agree with that. One of the problems in these negotiations is that it seems to me that the EU is obsessed with its own fragility, by which I mean the idea has taken root in some quarters that, "If we give Britain a really attractive post-membership deal, everyone else is going to want the same". There is no evidence to suggest that anyone else is going to want the same. If you look at patterns of public opinion post Brexit, support for the European Union has strengthened across Member States.



Because of that, there is a reluctance to be seen to be giving us a special status, if you like. In this area particularly, that is very damaging, because I do not see why we should not have observer status within the European External Action Service or some form of systemic, institutionalised information-sharing that allows us, as you say, long before we are thinking of putting boots on the ground, to think about broader foreign policy priorities and to think about missions in the context of those priorities and so on. That would be a positive-sum game: it would help them and it would help us. I hope that, in the negotiations to come, both sides view this in terms of outcomes rather than defensiveness.

Dr Wright: The reality is that, further on down the line, if we do not have anything like that in place, we are still going to be seeking to have those conversations with the European External Action Service or whoever, and vice versa. It is grasping the opportunity now rather than reacting later on down the line, I would say.

Q16 **Baroness Suttie:** I just wanted to ask about something that Professor Menon said, which I thought was very interesting. You said that it was not clear yet who would be negotiating on the Brussels side on this. You cannot give the details but can you say a little more on that? Can you say who you think might be negotiating on the Brussels side? That is going to have a major impact on the outcome.

Professor Menon: I do not think I can, to be honest. What strikes me at the moment is that there are two different visions for how the endgame plays out. The Article 50 team have always insisted that the Brexit settlement will be incorporated in a deal but, of course, the Prime Minister, in her Florence speech, talked about a security treaty, and it seems to me that, there, we have two very different visions. If we negotiate a security treaty, we could conceivably do it with the Member States individually. We could do it with Mogherini on the other side of the table, perhaps. If we do it as an omnibus, where trade and everything is incorporated in the same document, it would be the same person negotiating from the EU side, which would either be the Trade Commissioner or Barnier, depending on how they decide to go forward with this. It is spectacularly unclear.

One of the problems with defence and foreign policy more broadly is, because everyone is so wrapped up in details of the customs union and Single Market, this does not seem to have been given the level of attention that it merits. One of my fears about this is that defence and security is done at the eleventh hour because someone thinks, "Oh my god, we had better put a chapter in on that". That is not the way to do it. What is useful about hearings like this is that it puts it on the agenda a little bit, because we need to start thinking about who we are going to be negotiating with, as well as what we are going to be negotiating with them.

Q17 **Lord Risby:** It seems to me that, as we look at our relationship and what



lies ahead, we have had, particularly hearing from you, something of a 'known unknown' situation. The point that both of you make, in different ways, is about shaping the discussion and engaging and coming up with ideas.

May I just make a bit of a quantum leap? Countries like Finland and Sweden have difficulties with their big neighbour—we have had maritime incidents and everything else—so there is a common problem, but, of course, they are not in the same membership process as we are, for example, with NATO. This is not, I hope, going to be the situation for the United Kingdom in the context of CSDP and their relationship with the European Union. But can you perhaps draw for the Committee some ideas of their relationship, in the context I am talking about, that would be instructive in understanding how they deal with this matter in practice in co-operation with other European countries?

Dr Wright: Are you talking about the relationship with Russia or more broadly?

Lord Risby: There is a common problem, and everybody faces this particular issue, but they are not members of NATO in that sense. I would just be interested in how this works in practice.

Dr Wright: One of the initial challenges for these states—and, I suppose, any state—is to be able to persuade, as partners, that this is something that needs to be dealt with in the first place. One of the issues within CSDP more historically has been a degree of apathy in terms of doing things. What might be a priority for one state may not necessarily be a priority for another, so that is the first thing.

The other thing is the capacity of comparatively smaller states to shape agendas and to put resources in that will back up any plans for future action, whatever it might be. I would suggest it is really that agenda-shaping issue that is quite challenging. It is hard enough to do that when you are in the room and interacting with your partners, but if you are outside the room, that is when it becomes very complex. That is, I would suggest, where the UK is going to have particular challenges.

Professor Menon: My sense is that there are real contextual differences with the Scandinavian situation in relation to NATO. In their case, you are talking about states that are massively interdependent in the face of a very clear and present threat to their national security. Of course, CSDP is not about those kinds of threats, which makes it far more diffuse. It makes it harder to get agreement. It makes it a lot harder to act decisively and quickly. Scandinavian states know they have to work together. They have very close bilateral and multilateral ties amongst themselves and with the Baltic states. They understand that, if everyone is not on the same page, it could be fatal. I have a Finnish friend who always maintains that the Swedes will fight the Russians to the last drop of Finnish blood, which gets the message across that, "We need to get everyone tied in to this common purpose and we all agree what the common purpose is".



Of course, NATO is different to the EU because there is a hegemon, which makes it a lot easier to resolve this sort of problem; you do not have the finickity legal issues that you have in the EU—you have the Americans, who carry so much sway within NATO that problem-solving for things like this is far easier. To be honest, I do not think we will necessarily find it as smooth in arriving at a situation where we work together very closely, as the Scandinavians have with NATO.

Lord Dubs: You mentioned Turkey earlier on. Is there anything about Turkey's position that is of interest to us?

Professor Menon: We should try to avoid it as an outcome, in that sense. The Turks feel maltreated by the way European security co-operation has developed, not least because, as I said, they felt they had a better deal with the Western European Union before this. The Turks are a salutary lesson across the board when it comes to Brexit. They are a salutary lesson about what happens if you are in a customs union and the dangers of being exposed to EU trade policy with no say, and the same thing in defence: "You can join in once we have decided" is not a very attractive model.

Q18 The Earl of Oxford and Asquith: You have probably covered this in much of what you have said about a possible permanent observer position in EU CSDP missions. The Government clearly want to be involved with what might be called "mandate development" in CSDP missions. How do you see this in practice, in terms of this rather unusual position of being outside the EU, and realistically being able to develop the mandate for CSDP missions?

Dr Wright: One of the big challenges is this tension between legal and formal structures versus pragmatism and saying, "We need to involve one of Europe's two biggest military powers". I would suggest that the finer points of how that would happen will be a priority for the negotiations. We talked about the Committee of Contributors; there are also Framework Partnership Agreements that the EU has with third states to facilitate their engagement with CSDP. For the most part, these seem to be very much coming in later on, once the thing has been set.

The UK is, I would say, going to want to say, "If we are going to commit our blood and treasure to a particular mission in support of a particular objective, you cannot expect us not to be involved in setting that mandate". Equally, on the other side, from the European perspective, there is likely to be a willingness to entertain that, simply because of what we bring to the table. We are good at this. This is something we are long-practised in. It is finding a way of facilitating that.

The Earl of Oxford and Asquith: You are saying they might come to us.

Dr Wright: Not necessarily come to us but they might be open to finding a way of making that happen. Again, that comes back to my earlier point



about taking the initiative here and making some serious and bold suggestions about how we can make this relationship happen.

Professor Menon: Of course, a real structural constraint is that the EU is a law-based organisation, and the kind of participation that you were hinting at, I suspect, might require treaty change, because the treaty structures of the EU and the membership of those treaties are laid down in the founding treaties of the European Union. Frankly, anything that involves treaty change is not going to happen because you will need referendums in some Member States. The notion that the EU, in the near future, will be able to ratify a treaty amendment strikes me as fanciful, so the trick will be to find an informal mechanism for achieving the same end, without breaching the treaty, which would not allow us to sit in EU committees, certainly as a voting member, once we are not a member state.

Q19 **Lord Horam:** You said it was “spectacularly unclear”, Professor Menon, whether the UK was treating foreign policy and CSDP-type issues separately from the Brexit economic and social negotiations, or whether it was looking at them together. Do you have a view as to how that should be happening? If they were part of the Brexit official negotiations with Barnier, et cetera, there would be a time limit on it, first of all, which there would not be if it was a separate issue. How would you see that working out from our point of view in the most favourable way?

Professor Menon: Are we talking about post Article 50, when we are negotiating a trade deal and the future relationship?

Lord Horam: Yes.

Professor Menon: To be honest, I would like to hear more about what the Prime Minister had in mind when she talked about a security treaty, because it was rolled out in the Florence speech and, as far as I know, it has not been fleshed out at all subsequently. If we get some more clarity over that, we can start wondering whether that is the best way to do it or whether it should be omnibus.

Lord Horam: What do you mean by ‘omnibus’?

Professor Menon: By “omnibus” I mean that some people I talk to in Brussels seem to think that the long-term relationship between the UK and the EU will be mapped out in a treaty, a document or an agreement as one agreement, and that will include the totality of the relationship.

Lord Horam: That will be done by March 2019.

Professor Menon: I am not sure how wedded either side is to this particular vision. The notion of a new security treaty strikes me as interesting, but I would like to see a bit more detail before I commented on whether I think it is the best way of going forward.

Q20 **Lord Stirrup:** One of the ideas that seems to be emerging from the discussions we have had and the evidence we have taken, including this



morning, is perhaps an aspiration in EU foreign, security and defence policy terms for an 'EU+1' arrangement, which, going back to some of the things you said earlier about the apparent desire on the part of some people or nations to punish Britain, could fit in quite nicely. Although the punishment regime, if you like, is dealt with under the aegis, "You cannot be a member if you do not accept the rules, and the rules are the four freedoms", all of which apply to the economic and social issues you talked about earlier as being extraordinarily difficult, but not in this area, there would appear to be more freedom to manoeuvre in such an area.

One of the things we have sought to do in this inquiry from time to time is to try to see ourselves as others see us, not as we think they should see us. I realise it is very difficult for us and it would be difficult for you too, because you are not them, but I wonder if you could give us some idea of how you think the other EU Member States view this issue. How attractive would they regard having the UK closely involved in CSDP and perhaps in foreign policy considerations? Would they wish to pursue this in their own interests, rather than ours? While the UK's contribution to CSDP might not have been substantial in terms of boots on the ground, do they see it as nevertheless important to strategic thinking and, indeed, to strategic assets, which have been used on a number of occasions?

Professor Menon: Here, it is very important to stop talking about the EU and start talking about the 27, because attitudes vary massively between national capitals. At the risk of simplifying massively, the further east you go, the more support you will get for having a very close military and security relationship with Britain, regardless of what the nitty-gritty of the treaty has to say, because this is about a clear and present danger to those countries.

Lord Stirrup: Is that not true of France?

Professor Menon: The French are much more relaxed about doing this bilaterally. In countries like Poland, there is a desire to see Britain kept in as much as possible as a reinforcement, which brings me back to the point about it really mattering who we negotiate with. If the 27 negotiate security with us, it will lead to a different sort of outcome than if there is an EU negotiator negotiating with us, it strikes me, because those differences will play out a lot more if we are negotiating with the Member States.

In general, the reaction I heard to the security co-operation paper,⁴ when it came out, was two-fold: one was, "Why are you leaving, then?" That paper very much says, "Everything is great. We are a great contributor. This has worked really well. Look at what we have done together on Iran. Let us keep doing it". The second was a slight sense of

⁴ Department for Exiting the European Union, Foreign policy, defence and development: a future partnership paper (September 2017)
<https://www.gov.uk/government/publications/foreign-policy-defence-and-development-a-future-partnership-paper>



'cake and eat it'. That is to say, "You want to fundamentally change your relationship with us whilst keeping those bits that you are happy with", to which the answer is, "Yes". That is a very logical position to have. Whether or not, politically, the mantra that has been repeated throughout the talks—that membership has to look better than non-membership—will be applied to security and defence, I do not know, because there has been so little discussion about it as yet.

Dr Wright: The French example is quite interesting because the bilateral relationship is important. But that also reflects a certain level, on the part of the French, of equally growing scepticism about the value of CSDP and whether it is going to amount to more than a series of new institutions, a little bit of this and a little bit of that, and whether Germany is ever going to do anything. There is a pragmatic recognition in London and Paris, particularly in defence ministries, that we are the only two serious players around. If we can do things bilaterally that will feed into this, great; so it is not necessarily vital for the French that we are there.

I would agree with the general idea that the further east you go, the more concern there is as to Britain's involvement. We have stepped up our engagement via NATO in terms of the contribution we are making to the states right on the border with Russia, so it is quite a fluid picture, I would suggest. Certainly from conversations I have had, there are no states that are particularly enthusiastic to see us go. These big eye-catching developments, with the moving ahead on the operational headquarters or PESCO,⁵ that we saw towards the end of last year, are more about Member States trying to signal, "We are still doing something. We are still co-operating. These are areas where we could find some level of agreement". Whether or not that produces meaningful development in CSDP is a slightly different matter.

It is going to be, I would suggest, a loss to both parties that we are not going to be in there. It is about trying to mitigate and minimise that.

Q21 **Baroness Manzoor:** I want to move on to transitional arrangements. I was very interested in what you said about the bilateral relationship between France and the UK. Despite that—and I hear what you said about the growing importance of NATO—is there still a role for CSDP to play during the transitional period? If so, what would that be in relation to the UK?

Dr Wright: There is, in the sense that, where we have already made commitments to particular CSDP missions and operations, and where the mandates are ongoing, it would seem to me that the only course of action is to follow that through to the end during the transition period. We cannot suddenly pull out and say, "We are not part of this anymore". That is not appropriate and it would undermine our reputation and our credibility if we did that. The question then becomes: if there is a sudden emerging crisis during that period and there is a proposal for a CSDP mission, how does that then play out? Given the particular nature of

⁵ Permanent Structured Cooperation on security and defence



security and defence, that would come back to whether we feel we have a particular security interest in being involved, beyond saying, "Yes, good luck. We can give you some advice", or whatever. In that sense, transition in security and defence is probably a less challenging issue, because we just carry on doing what we are doing. I do not see any reason why we would not.

Baroness Manzoor: Would that be strategic leadership?

Dr Wright: For example—as required, and depending on the nature of the crisis. Let us take Kosovo as an example. If there was a crisis emerging there, it would be in our interests that that be dealt with. Then the question becomes, as it would in any situation: is that better dealt with through NATO or via the EU and CSDP? Those conversations would happen, regardless of whether there was a transition process for us.

Professor Menon: It is worth bearing in mind that no one really knows how to do transition. Just from a legal and practical point of view, it strikes me that it is far from clear that transition is going to happen as smoothly as some people are assuming, because there is an awful lot to sort out. What is clear from what we have seen from the EU—the European Council and the Commission produced some rough guidelines in December, before Christmas—is that transition raises all the problems we have been talking about before. They are very happy for us to continue as if we were a Member State, except we do not get to participate in decision-making bodies.

It takes us straight to the nub of that problem, which is that their view is, "Yes, you can keep on going just as you were but you do not get to vote on anything", so it automatically becomes difficult for us. It is very important, during transition, to ensure that we still have access to the European Defence Agency and to European research funding, of course. The EU is in the process of slightly blurring the lines between civilian and military when it comes to things like research funding, so it is more important than ever.

There are going to be real problems in thrashing out a deal that satisfies our Government when it comes to our right to have a voice, and the European Union when it comes to what transition should mean for a country that is heading towards the exit door. Yes, CSDP should be included but whether it can be included on current terms, I very much doubt.

Q22 **Baroness Suttie:** If we turn now to the specific missions EUTM Somalia and Operation Atalanta, how much do these contribute to UK foreign policy in Somalia and the Horn of Africa? Could these objectives be achieved by other means? Once—and if—we leave the European Union, do you believe that the UK's continued participation in these two missions would be in the UK's interest?

Professor Menon: To the second question, yes, in two ways: first—and I will come back to it—because they are useful missions that serve our



strategic objectives; and secondly, because it is very important politically, as we leave, that we signal our continued solidarity with our allies. About 100 years ago, I wrote my PhD on France leaving NATO. When the French left NATO they beefed up, both at the rhetorical and the practical level, their solidarity with their allies, because there was a sensitivity to being seen as leaving everyone else in the lurch. We should learn a lesson from that, in the sense that one of the things we need to make absolutely clear as we leave is, "This does not mean in the least that we are going to lessen our security co-operation with you because we have shared security interests and shared values, et cetera".

In that sense, yes, absolutely, but also because both those missions, it strikes me, have been very successful, partly because they have been handled via the European Union. The great advantage that the EU has over other international organisations is that it does everything. It can do the building of security forces in Somalia and it can do the soft security in Somalia, whilst doing Atalanta off the coast of Somalia. It is the joined-up nature of what the EU can do that provides its value-added when contrasted with other international organisations, so I would say, very much so.

Dr Wright: I would agree with that and just briefly add that the perception of the EU as an international organisation is very different from something like NATO, which is primarily military-focused. The EU is, for the most part, regarded as non-threatening and is able to wrap its comfort blanket of money, capacity-building and support around any particular crisis. It is good, in that sense, to be involved in this. Also, we are essentially dealing with the issues of failing states, and those are challenges that the UK would want to deal with from its own particular national interests anyway. Also, as a Security Council member, it has a responsibility more broadly for dealing with these kinds of issues. The short answer is "yes" and I would agree with Professor Menon.

Baroness Suttie: Would you agree that it is easier for us to remain involved with missions that are already set up—that that would be a simpler thing to do than future EU missions, where we have not been involved with the setting up?

Dr Wright: In principle, yes, it would seem to me to be more straightforward. It is already there, it is already in motion, the mandate has already been agreed, and our contributions have already been agreed. It is only when you start getting into, "We need to change that", or "We need to extend or renew the mandate", that it might become complicated.

Q23 **Lord Horam:** I heard what you said on Somalia and Atalanta. Would the same apply to the EULEX mission in Kosovo?

Professor Menon: Yes, because it is in our interests for there to be stability and security in the Balkans. We are probably less credible proponents of EU enlargement once we have left than we are as a member state. We share the interests of other Member States in seeing



that region flourish, develop economically and become secure and stable, so I would not see an obvious reason why we should stop participating in that mission.

Q24 **Lord Horam:** Coming back to your PhD thesis on France, should we stretch it as far as David Owen, a former Foreign Secretary, suggested, and increase our military expenditure to 2.5% of GDP in order to *encourager les autres*? My colleague said 3%.

Professor Menon: That, of course, is the elephant in the room. According to most economists, this is all going to be taking place within the framework of a shrinking economy, shrinking tax revenues and less money for the state to play with, once we leave the Single Market and the customs union.

Lord Horam: A smaller contribution to the European Union.

Professor Menon: Plus increasing costs on the defence budget for stuff that we are buying from overseas, because of the weakness of the pound. It is going to be a tighter fiscal environment that we are operating in. In an ideal world, yes, we should spend more on this and we should spend more on the NHS. We are going to face exactly the same choices as we do now, although, chances are, with less money to go around, so that will be quite hard to do.

Lord Horam: The European Union has less money too when we pull out, and there is incredible resistance, as far as I can see—maybe you do not agree—in Berlin to increasing their—

Professor Menon: Absolutely. There is resistance on both sides: resistance on the part of the net contributors to paying more, and resistance on the part of the net recipients to receiving less.

Lord Horam: Particularly as regards defence spending, Berlin seems to be very resistant to increasing it to 2%.

Professor Menon: Absolutely. The coalition document was incredibly disappointing when it came to defence policy. It would be a very good idea, as part of this process—this goes back to my earlier answer—to reaffirm our commitment, and doing so financially would be one obvious way.

Dr Wright: That sends a very important signal not just to the continent but also the other way, to Washington. The US commitment to NATO has been called into question over the last year. If we are pulling out of the European Union, NATO assumes an even greater importance in the multilateral security nexus we are part of. We need to signal our ongoing strategic relevance, which means putting more money into defence and into our diplomatic service, et cetera. The question is, how are we going to pay for that? These are discussions that we need to have quite urgently, I would suggest.

Lord Stirrup: Just following up on what Professor Menon said, it is



important to be clear on this in the evidence. There are two things: first, if one is talking about percentage of GDP and if the economy shrinks, the amount of money you spend shrinks. It can go up or down.

Secondly, you said there is going to be less money to go around. I am not clear that very many economists are saying that we are going to have a smaller economy as a result of Brexit. There certainly seems to be consensus that growth will not be as great as it would have been had we remained in the EU, but I have not seen much evidence to say that we are just not going to have any growth. While there might not be as much money to go around as there would have been had we stayed in the EU, it does not seem to me that we will have less, which is what you were saying. I just want to be clear that that is what you were saying.

Professor Menon: A number of forecasts have been made but economists at the LSE predicted a few months ago that the impact economically of our leaving the single market and the customs union will be approximately 3% of GDP, year on year, just because of a dramatic reduction in the trade volumes between us and the European Union. The IFS has done a number of studies on this, in which it predicts that the combined impact of leaving the Single Market and the customs union, and a fall in migration, will result in Exchequer revenues dropping dramatically. Some 90% of professional economists think that the economy will take a hit because of Brexit—particularly the form of Brexit that is being planned—and the Treasury will receive less than it would have done otherwise in terms of receipts, which will tighten the public finances.

Lord Stirrup: Yes, but that is not the same as receiving less.

Professor Menon: That is not the same as the proportion of GDP—2% of GDP is a different target, absolutely. If our GDP shrinks, we need to spend less to achieve a 2% target.

Baroness Manzoor: Of course, if I may, economists' predictions have been wrong to date.

Professor Menon: This is outside the remit of this Committee but it is very important to make the distinction between short-term and long-term forecasts. Economists making short-term forecasts is a far less tried and tested, proven sort of economics than the longer-term trade forecasts, which suggest that reducing trade with the European Union—which leaving the Single Market and the customs union will—will impact your economy. I have far more faith in that than the short-term forecasts, which, as you say, have been proved wrong.

Q25 **The Chairman:** Thank you, Professor Menon and Dr Wright. Just as we conclude this session, if you were to have a moment with the Prime Minister, what advice would you offer her?

Professor Menon: About CSDP?



The Chairman: I will leave it in your gift, but this session is about CSDP.

Dr Wright: Get ahead of the curve. Take the initiative. Make a bold proposal and see where it goes.

Professor Menon: Come out with a speech that stresses the shared interest, the shared threats and the fact that, regardless of Brexit and the negotiations going on, ultimately we are partners and allies, and we need to work together as closely as possible.

The Chairman: Thank you very much for coming this morning and sharing this session with us. It has been very illuminating. As I said earlier, we will send you the transcript to see if you have any corrections. Thank you very much indeed.