The Political Economy of European Security
[Arms, Business and Politics in the 21st century]

Session 1
2 December 2019

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Outline

• Opening remarks (syllabus)

• Drawing a big picture: Quantitative data to introduce the political economy of European security
Opening remarks (syllabus)

• I. Contact information
• II. Topic
• III. Questions
• IV. Aim
• V. Approach
• VI. Assessment
• VII. General reminders
• VIII. Programme (and guests)
• IX. Sources
• X. Twitter
I. Contact information

https://samuelbhfaure.com/
## I. Contact information

<table>
<thead>
<tr>
<th></th>
<th>samuel_bh_faure (at) alumni.harvard.edu</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Website</strong></td>
<td><a href="https://samuelbhfuaure.com/">https://samuelbhfuaure.com/</a></td>
</tr>
<tr>
<td><strong>Twitter</strong></td>
<td>@samuelbhfuaure</td>
</tr>
</tbody>
</table>
II. Topic

• From the European security...
  • On political-military coalitions

• ... to the political economy of European security
  • To produce, procure and transfer armaments

• Comparative political economy
  • Seminar/Lecture given by Lindemann + Faure
II. Topic: How could we define the political economy?

- Capitalism
- Interdependence

https://www.youtube.com/watch?v=YJZa90g9WSk (8’30)
II. Topic: How can we define the political economy of European security?
II. Topic: What are the four branches of the defence industry?
II. Topic: What are the four branches of the defence industry?

- Aeronautics
- Land-based
- Naval
- Weapons Systems

Defence industry
II. Topic: What are the four branches of the defence industry?

Defence industry

Aeronautics

Naval

Land-based

Weapons Systems
III. Questions

• **Who** governs the defence industry in Europe - democratically elected political actors or the **lobbies** that form part of what is called the ‘**military-industrial complex**’?

• Are France, Germany and the UK’s decision-making shaped by the **same** political economy?

• **Why** does a State sometimes decide to acquire armaments sometimes through **European co-operation**, and sometimes through a **transatlantic partnership** with the USA?

• **How** does the state regulate the arms trade and why do some states **regulate more than others**?
In social sciences, a sharp question always starts with...

III. Questions

Who

How

Why
IV. Aim

• Preparing students for a professional experience (i.e. internship)

• Developing **practical skills** (know-how), based on the **body of knowledge** produced by the field of political science (political economy)

• **Body of knowledge** that constitutes a resource for understanding the forms and transformations of political economy in the European security arena and for understanding how decisions are made and implemented, i.e. its **governance**
IV. Aim

• **Developing professional habits** (‘good practices’):
  • Working in English and in teams
  • Seeking verifiable information through cross-references
  • Producing rigorous and original analyses
  • Developing creative strategies
  • Taking the initiative
  • Adapting oneself to an often chaotic and sometimes conflictual work context
  • Asking questions to guests in front of 50 people
V. A comparative approach
V. A sociological approach

The political economy of European security’s stakeholders

Political stakeholders

Industrial stakeholders

Military stakeholders

Non-state stakeholders

Bureaucratic stakeholders

International stakeholders

Lorenzo Guerini (IT)

Sir Stuart Peach, Chief of Defence Staff (UK)

Direction générale de l’armement

Organisation conjointe de coopération en matière d’armement

LEONARDO

ASD

OCCAR
Any questions?
VI. Assessment: two mandatory exercises

• One individual exercise: drafting a paper (50%)

• One collective exercise: Taking part in a simulation (50%)

• Oral participation (compulsory readings, guests)
1. Drafting a paper (50%)

- Each student chooses **one** of four different options:
  - A policy paper
  - A speech
  - A factsheet/summary sheet
  - A review article

- In English or French
- Must not exceed 1,500 words (four pages), without footnotes and bibliography
- This note should be sent before **Tuesday, February 4 at 9 pm**
- Each hour of delay will result in a penalty of one point
A. Policy paper

• The objective of a policy paper is to advise a stakeholder in the field of armaments policy and defence industry

• The introduction to the policy paper presents the problématique, its context and the main policy challenge that result from it

• Then, the development can be structured in two or three parts. Each part presents a strategy (what to do?) or a scenario (what will happen?)

• In each policy paper, the last part should present a few recommendations/guidelines
B. Speech

• The purpose of a speech is **to craft a narrative** on a strategic issue related to the field of armaments policy and defence industry

• The objective of this exercise is twofold:
  • To get a message across
  • To use the power of words to do so
C. Factsheet/Summary sheet

• The aim of a factsheet/summary sheet is to highlight and to explain a strategic issue in an educational way based on definitions, key figures, diagrams, tables, references, etc.

• Anything that can simplify (without being simplistic) a complex issue so that it is understandable by as many people as possible (how to make a first year student understand this political challenge?)

• These factsheets will be proposed to the OERI to upload them on the website.
Evaluation

• Beyond the respect of the rules of form and the quality of the writing, **three criteria are taken into account** to evaluate the policy paper, the speech and the summary sheet:

  • Coherence

  • Originality

  • Realism
D. Review article

• Formulating an analysis based on the evaluation of two or three bibliographic references (articles or books) that relate to the same subject of study

• The first part of a review article presents the argument and results of the scientific articles or books selected

• The second part outlines the contributions and limitations of each bibliographic reference. In this second part, additional references can be mobilized to support your demonstration and formulate a research agenda
Evaluation

• Beyond the respect of the rules of form and the quality of the writing, three criteria are taken into account to evaluate the review article:

• **the clarity** of the presentation of the arguments resulting from the bibliographical references discussed

• **the scientific relevance** of the theoretical and methodological discussion
2. Taking part in a simulation (50%)

• A group of **six or seven students** writes a position paper (2,000 words, 5 pages)...

• ... in English or in French

• Defining the **position** formulated by an actor (politicians, civil servants, military and industrialists)...

• ... according to a major political issue that is summarized in the form of a **scenario** by the professor
Taking part in a simulation

• The position paper is structured in three parts:
  
• The strategy to be developed to achieve a defined objective (the shortest: one paragraph)
  
• The contextualized implementation of the strategy by revealing its strengths (the longest)
  
• The risks of this strategy, in order to anticipate the reactions of other actors
2. Taking part in a simulation

• **24h**
  • Composition of each group
  • Third or fourth weeks of January 2020

• **Three goals:**
  • Using the knowledge presented in the first six sessions of the seminar
  • Working as a team in a stressful situation
  • Developing a strategy by implementing a set of skills

• Evaluation criteria: the coherence, originality and realism of the strategy developed
VII. General reminders

• Class starts at 4.30 pm

• Seminars are mandatory

• Activate the ‘silent’ mode of your phone

• Three 55-minute sequences and a five-minute break

• Guests: Chatham House Rule
VIII. Programme

Session 2 (12.9) – Who governs the defence industry in Europe?

Compulsory readings

Elective readings
VIII. Programme

• **Session 1** – Introduction: Arms, Business and Politics in the 21st century

• **Session 2** – Who governs the defence industry in Europe?

• **Session 3** – The civilian-military relationships in France: Opening the black box

• General Henri Bentégeat, Former Chief of French Defence Staff
VIII. Programme

• **Session 4** – The differentiated integration of defence companies in Europe
  - Renaud Bellais, MBDA
  - Axel Nicolas, GICAT
  - Naval Group (tbc)

• **Session 5** – Arms trade and export control
  - Lucie Béraud-Sudreau, IISS (tbc)
VIII. Programme

• **Session 6** – A new arms race? International perspectives on arms policy in the 21st century

• (tbc)

• **Session 7** – Nuclear deterrence, non-proliferation, disarmament?

• **Session 8** – Conclusion: Back to the simulation and mapping out research avenues
IX. Sources

• Where can you find data and analyses concerning the political economy of European security?
X. Sources

• Syllabus

• Scientific references: handbooks, books, articles

• Think tanks

• Specialized information websites
## Think tanks (syllabus)

<table>
<thead>
<tr>
<th>Think Tank</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRI - Annuaire français des relations internationales</td>
<td><a href="http://www.afri-ct.org">http://www.afri-ct.org</a></td>
</tr>
<tr>
<td>Brookings Institution</td>
<td><a href="http://www.brookings.edu/">http://www.brookings.edu/</a></td>
</tr>
<tr>
<td>Bruegel - Brussels European and Global Economic Laboratory</td>
<td><a href="http://www.bruegel.org">http://www.bruegel.org</a></td>
</tr>
<tr>
<td>CEPS - Centre for European Policy Studies</td>
<td><a href="http://www.ceps.be">http://www.ceps.be</a></td>
</tr>
<tr>
<td>CER - Centre for European Reform</td>
<td><a href="http://www.cer.org.uk">http://www.cer.org.uk</a></td>
</tr>
<tr>
<td>Chatham House (The Royal Institute of International Affairs)</td>
<td><a href="http://www.riia.org">http://www.riia.org</a></td>
</tr>
<tr>
<td>CSIS - Center for Strategic and International Studies</td>
<td><a href="http://csis.org/">http://csis.org/</a></td>
</tr>
<tr>
<td>DGAP - Deutsche Gesellschaft fur Auswärtige Politik</td>
<td><a href="http://www.dgap.org">http://www.dgap.org</a></td>
</tr>
<tr>
<td>ECFR - European Council on Foreign Relations</td>
<td><a href="http://www.ecfr.eu/">http://www.ecfr.eu/</a></td>
</tr>
<tr>
<td>EPC - European Policy Centre</td>
<td><a href="http://www.epc.eu">http://www.epc.eu</a></td>
</tr>
<tr>
<td>Fondation Robert Schuman</td>
<td><a href="http://www.robert-schuman.eu">http://www.robert-schuman.eu</a></td>
</tr>
<tr>
<td>FRS - Fondation pour la recherche stratégique</td>
<td><a href="http://www.frstrategy.org/">http://www.frstrategy.org/</a></td>
</tr>
<tr>
<td>German Marshall Fund of the United States</td>
<td><a href="http://www.gmfus.org">http://www.gmfus.org</a></td>
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<tr>
<td>IFRI - Institut français des relations internationales</td>
<td><a href="http://www.ifri.org">http://www.ifri.org</a></td>
</tr>
<tr>
<td>IISS - International Institute for Strategic Studies</td>
<td><a href="http://www.iiss.org/">http://www.iiss.org/</a></td>
</tr>
<tr>
<td>IRIS - Institut de relations internationales et stratégiques</td>
<td><a href="http://www.iris-france.org/">http://www.iris-france.org/</a></td>
</tr>
<tr>
<td>IRSEM - Institut de recherche stratégique de l’École militaire</td>
<td><a href="http://www.defense.gouv.fr/irsem">http://www.defense.gouv.fr/irsem</a></td>
</tr>
<tr>
<td>ISS - Institut for Security Studies of the EU (Chaillot Paper)</td>
<td><a href="http://www.iss-eu.org">www.iss-eu.org</a></td>
</tr>
<tr>
<td>Notre Europe, Institut Jacques Delors</td>
<td><a href="http://www.notre-europe.eu/">http://www.notre-europe.eu/</a></td>
</tr>
<tr>
<td>RAND Corporation</td>
<td><a href="http://www.rand.org/">http://www.rand.org/</a></td>
</tr>
<tr>
<td>SIPRI - Stockholm International Peace Research Institute</td>
<td><a href="http://www.sipri.org/">http://www.sipri.org/</a></td>
</tr>
<tr>
<td>SWP - Stiftung Wissenschaft und Politik</td>
<td><a href="http://www.swpberlin.org/">http://www.swpberlin.org/</a></td>
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<tr>
<td>Woodrow Wilson Center</td>
<td><a href="http://www.wilsoncenter.org/">http://www.wilsoncenter.org/</a></td>
</tr>
</tbody>
</table>
Sources (quantitative data)

• SIPRI*, Trends in world military expenditure, 2018 (April):

• SIPRI, The top 100 arms-producing and military services companies, 2017 (Dec):

• SIPRI, Trends in international arms transfers, 2018 (Feb):

• Ministry of Defence (DGA, FRS), Notebook on International Defence Companies, 2017:

• IISS, The Military Balance:

• Annual reviews of lobbys (GIFAS, GICAN, GICAT, ASD)

* Stockholm International Peace Research Institute
X. Twitter
Any questions?
Drawing a big picture

• Quantitative data to introduce the political economy of European security:

• I. Demand: data on global military expenditures by states (SIPRI, 2017)

• II. Supply: data on the world's leading companies (SIPRI, 2016)
I. Demand: What do you know about global military spending by states?
States' global military expenditures: trend since the end of the Cold War

Figure 1. World military expenditure, 1988–2017

Note: The totals are based on the data on 172 states in the SIPRI Military Expenditure Database as of May 2018. The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.
State military expenditure in Europe (2007-17): East/West divide

### Table 5. Military expenditure in Europe

<table>
<thead>
<tr>
<th>Region</th>
<th>Spending, 2017 ($ b.)</th>
<th>Change (2016-17)</th>
<th>Change (2008-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>342</td>
<td>-2.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Central Europe</td>
<td>24.1</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>72.9</td>
<td>-18</td>
<td>33</td>
</tr>
<tr>
<td>Western Europe</td>
<td>245</td>
<td>1.7</td>
<td>-5.7</td>
</tr>
</tbody>
</table>

^a Changes are in real terms.

### Table 2. Military expenditure in Africa

<table>
<thead>
<tr>
<th>Region</th>
<th>Spending, 2017 ($ b.)</th>
<th>Change (2016-17)</th>
<th>Change (2008-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa^b</td>
<td>42.6</td>
<td>-0.5</td>
<td>28</td>
</tr>
<tr>
<td>North Africa</td>
<td>21.1</td>
<td>-1.9</td>
<td>105</td>
</tr>
<tr>
<td>Sub-Saharan</td>
<td>2.1</td>
<td>0.9</td>
<td>-6.8</td>
</tr>
</tbody>
</table>

^Q = uncertain estimate.

^a Changes are in real terms.

^b Total excludes Eritrea and Somalia for which it was not possible to make a reliable series of estimates.

### Table 3. Military expenditure in the Americas

<table>
<thead>
<tr>
<th>Region</th>
<th>Spending, 2017 ($ b.)</th>
<th>Change (2016-17)</th>
<th>Change (2008-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas^b</td>
<td>695</td>
<td>0.0</td>
<td>-11</td>
</tr>
<tr>
<td>Central America</td>
<td>7.6</td>
<td>-6.6</td>
<td>39</td>
</tr>
<tr>
<td>Central America and Caribbean^b</td>
<td>7.6</td>
<td>-6.6</td>
<td>39</td>
</tr>
<tr>
<td>North America</td>
<td>630</td>
<td>-0.2</td>
<td>-13</td>
</tr>
<tr>
<td>South America</td>
<td>57.0</td>
<td>4.1</td>
<td>17</td>
</tr>
</tbody>
</table>

^a Changes are in real terms.

^b Total excludes Cuba.

### Table 4. Military expenditure in Asia and Oceania

<table>
<thead>
<tr>
<th>Region</th>
<th>Spending, 2017 ($ b.)</th>
<th>Change (2016-17)</th>
<th>Change (2008-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia^b</td>
<td>477</td>
<td>3.6</td>
<td>59</td>
</tr>
<tr>
<td>Central and South Asia</td>
<td>82.7</td>
<td>3.0</td>
<td>47</td>
</tr>
<tr>
<td>East Asia^c</td>
<td>323</td>
<td>4.1</td>
<td>68</td>
</tr>
<tr>
<td>Oceania</td>
<td>29.9</td>
<td>-0.6</td>
<td>32</td>
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<tr>
<td>South East Asia</td>
<td>41.1</td>
<td>0.1</td>
<td>39</td>
</tr>
</tbody>
</table>

^a Changes are in real terms.

^b Total excludes North Korea, Turkmenistan and Uzbekistan.

^c Total excludes Turkmenistan and Uzbekistan.

^d Total excludes North Korea.
States' military expenditures worldwide in 2017

$1.739 trillion
(2.2% GDP)
Which state spends the most on defence?
The state that spends the most on defence: the United States
Military expenditure (2017): Uneven global distribution

Figure 2. The share of world military expenditure of the 15 states with the highest spending in 2017
Top 15 State spenders (2016): A few ‘players’

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Country</th>
<th>Spending, 2017 ($ b.)</th>
<th>Change, 2008–17 (%)</th>
<th>World share, 2017 (%)</th>
<th>Spending as a share of GDP (%) b</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2016</td>
<td>USA</td>
<td>610</td>
<td>-14</td>
<td>35</td>
<td>3.1  4.2</td>
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<tr>
<td>2</td>
<td></td>
<td>China</td>
<td>[228]</td>
<td>110</td>
<td>[1.3]</td>
<td>[1.9]  [1.9]</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Saudi Arabia</td>
<td>[69.4]</td>
<td>34</td>
<td>[4.0]</td>
<td>[10]  7.4</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Russia</td>
<td>66.3</td>
<td>36</td>
<td>3.8</td>
<td>4.3  3.3</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>India</td>
<td>63.9</td>
<td>45</td>
<td>3.7</td>
<td>2.5  2.6</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>France</td>
<td>57.8</td>
<td>5.1</td>
<td>3.3</td>
<td>2.3  2.3</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>UK</td>
<td>47.2</td>
<td>-15</td>
<td>2.7</td>
<td>1.8  2.3</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Japan</td>
<td>45.4</td>
<td>4.4</td>
<td>2.6</td>
<td>0.9  0.9</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Germany</td>
<td>44.3</td>
<td>8.8</td>
<td>2.5</td>
<td>1.2  1.3</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>South Korea</td>
<td>39.2</td>
<td>29</td>
<td>2.3</td>
<td>2.6  2.6</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Brazil</td>
<td>29.3</td>
<td>21</td>
<td>1.7</td>
<td>1.4  1.4</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Italy</td>
<td>29.2</td>
<td>-17</td>
<td>1.7</td>
<td>1.5  1.7</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Australia</td>
<td>27.5</td>
<td>33</td>
<td>1.6</td>
<td>2.0  1.8</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>Canada</td>
<td>20.6</td>
<td>13</td>
<td>1.2</td>
<td>1.3  1.2</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>Turkey</td>
<td>18.2</td>
<td>46</td>
<td>1.0</td>
<td>2.2  2.2</td>
</tr>
</tbody>
</table>

Total top 15: 1 396

World total: 1 739

Remark #1
2 states: + 10%
In total: 48%

Remark #2
10 states: + 2%
In total: 72.9%

Remark #3
West: -
Africa, Asia, Middle-East, Russia: +

Remark #4
EUR4: 10,2%

[] = SIPRI estimate; GDP = gross domestic product.