



By: **Ferry Biedermann**

Europe's defence and tech misses might be mounting



Just as the need for European cooperation on defence and technological independence is becoming glaringly obvious, the EU is facing the implosion or 'scaling back' of several crucial projects.

Most prominently, the Future Combat Air System, **FCAS** – a joint Franco-German-Spanish next-generation integrated fighter, drone and AI platform – is threatening to go off the rails.

France and Germany have given the main industrial partners involved, Dassault, Airbus and Spain's Indra, until mid-December to reach agreement on how to proceed.

Options under discussion include reducing the project's scope and even outright cancellation.

The dispute revolves mostly around the division of labour, with some reports claiming Dassault demands an 80% share in building the fighter component of the estimated €100 billion project, which it has denied.

At the core, though, lie fundamentally different visions on a political level over sovereignty, independence and a corresponding strategic-industrial policy.

The pressures of a war in Europe

France is loath to lose its independent capability to produce a fighter, along with the associated defence-industrial capacity and control over export policy. Germany and Spain object to becoming junior partners in the project.

In the past, and this happened on several occasions, both sides could relatively easily part ways and find alternatives.

After initial overtures, Dassault decided in the 1980s not to join the Eurofighter consortium and developed its own fighter, the Rafale. Eurofighter now produces the Typhoon.

A project that keeps getting delayed by internal disagreements is clearly not the way forward

Yet, the increased complexity of these defence systems, mounting costs, worsening national finances might make a break-up at this point much more problematic. Even more so when considering the pressures of a war in Europe and increased geopolitical uncertainty.

A project that keeps getting delayed by internal disagreements is clearly not the way forward either. There's a strong argument that speed is of the essence now.

FCAS was conceived in 2017, with the target date for the system to become operational originally set for 2040. Now, that seems likely to become 2050 or later.

Splitting up is not likely to improve on this, given the above-mentioned complexity and the budgets required.

Diverging visions and interests

By comparison, the Typhoon's successor, **Tempest**, being developed by the UK with Italy and Japan, is meant to be operational by 2035.

Europe's Airbus is a crucial partner in the successful Typhoon fighter, but post-Brexit both sides opted not to embark on a joint new project.

Thus, the European fighter jet saga not only lays bare the continued inability of Europe's main players to set aside diverging visions and interests in order to quickly implement a crucial defence project. It also shows the ongoing corrosive impact of Brexit.

The timeline on this project has even been longer, with many doubting it can stay unchanged if it is to remain relevant

Not surprisingly, the same dynamic is replicated almost exactly in some other defence and tech projects. Most clearly, this is the case with the development of the Main Ground Combat System, MGCS.

This is not only meant to replace Germany's Leopard and France's Leclerc tanks, but also to come up with an FCAS-like platform for unmanned ground vehicles and a command system.

The timeline on this project has even been longer, with many doubting it can stay unchanged if it is to remain relevant. It has also encountered the same workload division disputes and political and industrial disagreements as FCAS.

Clashing Franco-German visions

Away from defence but not any less important for Europe's security and sovereignty, the **Gaia-X project**, a cloud computing project, has also been scaled back.

When conceived in 2019, it was aimed at creating a federated European alternative to cloud computing services dominated by the American 'hyperscalers' Amazon, Microsoft and Google.

This has not at all materialised, with one French former CEO, Yann Lechelle of Scaleway, telling Politico that **Gaia-X** has been "a crushing failure, a colossal waste of time, and just as many years gained for the hyperscalers — in other words, an industrial disaster."

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Lechelle pulled Scaleway out of Gaia-X in 2021, in an echo of Dassault not joining in the Eurofighter project. Although one bigger

French provider and some smaller ones have remained on board.

Others dispute the characterisation of Gaia-X as a failure, pointing to substantial achievements in interoperability, standards and data spaces that have been reached.

Particularly the offshoot Catena-X for the automotive industry is being credited with, among others, making supply chains more resilient. Yet, this falls well short of initial expectations.

As with the struggling defence projects, critics largely blame clashing Franco-German visions for the disappointment of Gaia-X.

Especially the German insistence on allowing Amazon, Microsoft and Google to participate is widely seen as a big misstep, effectively allowing them to form a lobby within the project.

The stakes have become a lot higher

France and Germany presumably are aware of the problems that their divergent visions cause for policies that have been stated priorities for the EU for some time.

At least, that appeared to have been one of the reasons for convening the recent European Summit on Digital Sovereignty in Berlin, attended by **Friedrich Merz and Emmanuel Macron**.



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There, they once more promised to streamline decision-making, reduce or coordinate regulation and even, maybe, a buy European approach. Also, tech-leaders announced €12 billion of investments in key technologies like AI, quantum, and cloud computing.

Yet, the summit was short on action, resorting in most cases to the familiar tactic of setting up task forces. This approach has proved itself in developing the EU into a mighty trading bloc but is often inadequate when it comes to quickly addressing a crucial issue that requires joint action.

While some joint projects, such as the global navigation satellite network Galileo, have encountered obstacles and delays but have then been completed successfully, others have suffered more from the EU's inability to push a strategic-industrial agenda.

Arianespace, owned mostly by Airbus, was not that long ago dominant in the international space launch market but now lags badly behind SpaceX and other US rivals.

While it's a commercial operation – unlike Galileo, which is owned outright by the EU – Brussels could have done more to demand quicker and more agile decision-making from Arianespace, given the strategic interests at stake.

Yet, some of the same workload division considerations and national interests as with the other projects prevented that from happening.

Delays, as with Galileo, misses, as with Arianespace, and fudges, as with Gaia-X and possibly FCAS and MGCS, might once not have carried very serious consequences. But Europe's big hitters should realise that the stakes have become a lot higher in recent years and act accordingly.