Conference Summary

European Defence and Security 2012: Commitments, Capabilities and Cash

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Introduction

The European Defence and Security Conference series was created to assess the current and possible future defence and security commitments facing Europe internally and internationally, and examine how defence and security priorities and capabilities should be shaped to meet the challenges ahead.

Europe is currently in a difficult context. With the US involved in other pressing priorities – in East Asia, in Pakistan and Afghanistan and in the Middle East as well as addressing a multi-trillion-dollar deficit at home, the appetite for subsidizing Europe’s security and defence interests through NATO is waning. While alliances are likely to remain, the support and apparatus for collective action on common priorities is likely to change.

In light of current changes and challenges, the 2012 conference asked: what are Europe’s response options? Is Europe capable of deterring current and future threats to its security? What are the future criteria for successful deterrence of real and potential adversaries? Is Europe willing to finance its defence and security needs? This paper reports some of the key debates and findings that came out of the two-day conference’s speeches and other contributions.

Context: A ‘wealth of interventions’ and a ‘shortage of capabilities’?

Europe’s presence and contributions in the Balkans, the Gulf of Aden, and Afghanistan over recent years have shown that it is committed to regional and neighbouring security. European countries have provided for approximately 85% of troops in Kosovo, a sustained force in Afghanistan (e.g. 90% of non-US troops in 2011, namely 140,000 troops from 23 European countries), and over 70% of ships in the Gulf of Aden. During the summer of 2011, Germany and Austria were the first countries to send battalions to Kosovo to appease tensions there. The Libyan crisis was another illustration that Europe can make a positive difference in its neighbourhood: European countries conducted 75% of the strike sorties, 90% of the strikes and contributed 85% of the ships and naval aircraft in Libya.

However, the Libyan crisis also highlighted the limits of Europe’s defence capabilities: the US provided roughly 75% of Intelligence, Surveillance and Reconnaissance (ISR) capabilities, 75% of aerial refuelling and 90% of targeting, despite its willingness to take a back seat in the military operations.
European countries also proved dependent on US precision guided munitions. Additionally, a number of European NATO countries did not participate in the mission, simply because they lacked the capacity to do so.

**Europe's key concerns: capabilities and political will**

This shortage of capabilities is partly related to the levels of defence spending across Europe. In 1990, 6 out of 16 NATO member countries spent at least 2% of their GDP on defence. In 2012, only 3 to 5 do (depending on the measuring method used), out of 28 Allies. Norway and Estonia are currently the only NATO countries that are not cutting back on spending.

Beyond Libya, Europe’s frequency and scope of military interventions are in fact decreasing (more than 20 CSDP missions were launched between 2003 and 2008, but only one since 2008). In sum, Europe’s ‘wealth of interventions’ is in fact decreasing, while its shortage of capabilities is worsening.

As much as a quantitative problem, there is a profound, qualitative problem in Europe security and defence. Europe does spend a fair amount on defence (approximately €200bn – i.e. comfortably more than China and Russia combined); it has approximately 1.6 million soldiers and significant capabilities (including tanks and aircraft carriers). However, the problem is not so much ‘how much’ Europe spends on defence but ‘how’ it spends: approximately 70% of Europe’s ground forces are not deployable. While European defence spending is only a third of that of the US, it gets in return far less than a third of US capabilities. In fact, Europe spends 50% of its defence expenditure on personnel, as opposed to only 25% in the US. Over 75% of Europe’s defence programmes are done nationally, without any type of coordination with other European countries. This spending pattern has created a fragmented Europe, which suffers a clear lack of interoperability. For instance, while the US currently holds 600 air-to-air refuelling aircraft of 4 different types, Europe has 47 of 10 different types. Moreover, the ongoing defence cuts are occurring in an uncoordinated way, without any mention to the NATO Council for instance.

While in some areas Europe ‘can’t’ contribute, another key issue is that at times Europe ‘won’t’. Two main reasons can be outlined to explain this situation: first, the economic downturn, the Eurozone crisis and their related budgetary pressures have captured the majority of policy makers’ attention and decreased their budgetary capacity. Second, the issue of sovereignty remains a central problem in the European Union (EU): as stated during the
conference discussions, ‘We can only make progress if we give up some sovereignty. If we don’t, let’s just stop complaining’.

**A turning point?**

European security and defence has seemingly come to a crucial moment in its history. If the current trend, marked by less spending, fewer interventions and less cooperation continues, Europe’s ability to provide security will be questioned. Libya, for example, was a relatively small operation – only a fifth in size of the aerial mission in Kosovo. However, it remains uncertain whether Europe will be able to undertake another Libya in the years to come.

The biggest incentive for Europe to change may be coming from the US. The US defence budget will decrease by at least $450bn in the next ten years and the US strategic focus is clearly shifting away from Europe and towards Asia and the Pacific. Following a decade of extensive military commitments in Afghanistan and Iraq, and because of economic constraints, the US is clearly showing fatigue in its role as “the world’s policeman”. As a result, Europe must be prepared to do more (in providing for their own security and its neighbourhood’s) with less (money and US support) in an increasingly unpredictable world.

**NATO and EU responses to austerity**

Given the aforementioned current strategic and economic context, there is an overall recognition that Europe and the transatlantic community are facing a strategically significant moment. Although the US has other security and economic priorities in Asia and the Pacific, the transatlantic relationship remains a key stabilising instrument. For instance, combined NATO economies account for 52% of the world’s GDP. In addition, NATO and the EU are, in a way, victims of their own successes. Europe is now largely pacified and there are fewer incentives to spend on defence, given the absence of urgent territorial threats. Therefore defence spending has been decreasing since the end of the Cold War, hampering Europe’s ability to be an effective partner in crisis management operations across the globe, as indicated by former Defence Secretary Bob Gates in his speech in Brussels in June 2011.

The so-called ‘transatlantic bargain’ has always been in question. The difference this time is that there is no common unifying threat. While the unpredictability of the strategic environment is another crucial challenge for
Europe to deal with, austerity nonetheless serves as an opportunity for European countries as well as NATO and the EU to align their strategies.

NATO Secretary General Anders Fogh Rasmussen recently announced the launch of the Smart Defence Initiative (SDI), designed to help the Alliance to ‘do more with less’. In the meantime, the EU’s European Defence Agency (EDA) is looking into ‘Pooling & Sharing’ military capabilities to avoid duplications and cuts. In both processes, the economic crisis and the budgetary austerity era were identified as a clear opportunity to reassess: what countries need or don’t need (in other words set out priorities); who should do what (i.e. specialisation ‘by design’, not ‘by default’); and how to revive multi-national cooperation (e.g. through what mechanisms?).

Regarding the first key goal, there are further discussions to be had as to what the Alliance must prioritize. In this respect, efforts are currently being made within NATO. Instead of isolated national processes, a Europe-wide defence and security review within the NATO framework would indeed be most valuable to clearly set out each country’s priorities and how they each relate to their European partners.

Secondly, who should do what within the Alliance? Has Libya provided a good model for the future in this regard? The military operations in Libya were arguably quite inexpensive: for instance, it only cost the UK £260m\(^1\), or 1.6% of the cost of the operations in Afghanistan. Additionally, the US could continue to act as an enabler, ‘leading from behind’ as it is in Libya. However, there seem to be disagreements even within the US (between the Pentagon and the State Department for instance) as to whether the US should continue to provide enabling capabilities such as ISTAR\(^2\) and air-to-air refuelling, and on what the US wants from other Allies on a range of key issues (for example, what role should Europe play in the Arctic, the Middle East, or Africa?).

During the discussions, participants highlighted that the US will continue to do a fair share but will also look at Europeans to do more on radars (sensor and tracking capabilities for missile defence), strategic airlift, air policing, multi-role fighters as well as soft capabilities (training and education in particular). However disagreements remain not only on ‘who should do what’ but also, more fundamentally, on whether specialisation is a desirable and realistic course of action. Crucially, how can individual allies be relied on politically to provide essential capabilities to others when the call to arms comes? The SDI includes compromise elements, including the possibility for countries to retain

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1 This figure does not include the cost of weapon stock replenishment
2 Intelligence, Surveillance, Target Acquisition and Reconnaissance
redundancies in some cases – but does this defeat the purpose of specialisation? Are middle-ground solutions possible in this area?

Thirdly, what mechanisms should be used to further cooperation? De facto, NATO is already a multi-tier organisation with smaller groups of countries working closely together (e.g. France and the UK; Nordic Defence Cooperation; Belgium and the Netherlands; the Baltic States). There have been numerous discussions as to what the best format for defence cooperation is – bilateral, trilateral, mini-lateral, regional, or multilateral? However this is not a black and white issue. Success of cooperation largely depends on the political will to use combat capabilities individual countries are investing in, the system to operate it (full authority over systems and software), and the market, which is what drives defence companies. The industrial dimension is in fact a crucial one in the area of defence cooperation which tends not to be built into governments’ considerations at a sufficiently early stage. How do you take account of the industry to ensure that political acts do not skew the deeper dynamics on which the generation of military capability actually rests, in terms of such areas as R&D, creation of intellectual property and development engineering, for example in the aerospace sector?

Moreover, unlike sovereign states, NATO does not have an institutional relationship with the defence industry by which to inform its acquisition policy. Rather, individual programmes, which themselves are limited in number, are treated on a case by case basis with bespoke interfaces being created as the moment demands.

Finally, how can the Alliance resolve the difficulty which underlies much of Europe’s underperformance arising from the persistence of conscription in a number of countries and the consequent lack of properly equipped deployable forces? This raises domestic political issues which cannot be resolved by the SDI.
Franco-British defence cooperation: What does it mean for the broader transatlantic community?

In November 2010, the UK and France signed wide-ranging treaties on defence and security cooperation and have been cooperating very closely in this area since then, in particular in the military operations in Libya. These pragmatic treaties, focussed on a number of cooperation programmes, were partly the result of clear economic incentives on both sides of the Channel (the partnership was even qualified as an ‘Entente Frugale’). However the partnership is also a strategic one: the first decade of the 21st century has in fact highlighted the limits of defence cooperation at a broader multi-lateral level in Europe, and of the UK’s influence within its relations with the US. In response to these economic and strategic challenges, a cross-Channel partnership between two countries with similar profiles (similar sizes of army, defence spending, and willingness to use military force when needed) and goals (to retain military capabilities to continue to fight against a range of shared threats and security challenges, to preserve a global role in defence and security and retain an audience in the US) made sense.

However, differences remain between France and the UK, in terms of defence procurement styles (between a largely directive approach in France and a more free-trade approach in the UK), decision-making processes (more direct ‘chain of command’ in France) and electoral cycles in particular. Moreover, it has been argued on numerous occasions that in isolation, France and the UK won’t provide the capabilities that Europe needs. Questions remain as to whether the two countries are seeking to preserve exclusivity in the relationship or whether the Franco-British partnership aims to expand to other countries. This issue of broader cooperation within Europe could become contentious: both countries appreciate the need for other European partners to get more committed to defence and security. However should the Franco-British partnership act as a ‘bridge’ (and therefore include other partners whenever possible) or a ‘model’ (for other countries to engage in similar yet separate ventures)? In other words, it seems uncertain whether the Franco-British partnership aims to expand the agreement to others and/or lead by example and encourage others to do the same. Additionally, the future presidential elections in France have created uncertainty over the impact of a potential shift to a socialist government for Franco-British relations. In the longer term, can the bilateral partnership survive further political shifts?

Conclusion: The future of international security

Europe and the US are facing a number of security challenges: the transition period in Afghanistan, the instability and uncertainty in the Middle East, the security situation in Kosovo, the proliferation of ballistic missiles, key presidential elections across the world (e.g. US, China, Russia and Mexico in addition to the aforementioned French elections), terrorism, drugs, organised crime, piracy, cyber security, and natural disasters will be among other key challenges in 2012.

Additionally, the enduring economic crisis and its subsequent impact on budgets across the transatlantic community are altering the way the US and Europe each deal with security challenges. The US wants to intervene upstream, through a combination of covert and overt operations with strong intelligence, remotely-piloted systems (or more commonly referred to as ‘drones’ or ‘Unmanned Aerial Vehicles’) – in other words, to define enemy combatants and remove them. However Europe does not seem to be prepared to opt for this approach, based on its own concerns over human rights and the rule of law.

In conclusion, Europe faces a number of economic and strategic challenges. In this context, how can it avoid becoming over-ambitious, under-resourced, unduly introspective and insufficiently active in promoting its wider interests? In a sense, as was stated during the discussions, ‘we already know what our future look like: it will be unpredictable’. Nonetheless, European governments must ensure that the current lack of resources does not lead their strategic choices. The upcoming NATO Summit in Chicago will be a test of whether the Alliance can hold convincingly together under pressures and chart a future in which both sides of the Atlantic are seen to pull their weight in confronting common security challenges.