Evaluating the 2010 Strategy Review

October 2010
These scorecards provide expert assessment of different aspects of the 2010 UK Strategy Review. Ranging from counter-terrorism to cyber security to conflict prevention, the cards review the government’s approach as detailed in the National Security Strategy and the Strategic Defence and Security Review. The cards evaluate the way in which the government explains its strategy and assess the likelihood of success. Against a marking grid shown at the bottom of each card, the government’s performance is graded for clarity, coherence and deliverability.

Dr Paul Cornish

Head, International Security Programme and Carrington Professor of International Security, Chatham House

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Evaluating the 2010 Strategy Review

Indecision by Design

Dr Paul Cornish,
Head, International Security Programme and Carrington Professor of International Security, Chatham House

Overview

The 2010 UK strategy review is a tale of promises and fears. In a speech made in July 2010 the Foreign Secretary promised a strategy review that would be ‘a fundamental reappraisal of Britain’s place in the world and how we operate within it’. But as the review progressed, the chances of meeting this promise diminished steadily – there was not enough time for a root-and-branch reassessment. And with the financial crisis pressing hard, what was feared instead was that the Treasury would demand very deep and narrow cuts which would make no strategic sense but which would at least help to maintain the ‘Triple A’ national credit rating.

The outcome was neither what the country appears to have been promised, nor what the Ministry of Defence and many defence commentators most feared. Instead we have a review characterized by indecision or ‘muddling through’. But all is not lost: this is a higher form of indecision known as risk management.

Evaluation

The review was delivered in two parts: the National Security Strategy published on 18 October and the Strategic Defence and Security Review the following day. The sequence in which the documents were published makes an important point. A strategy review can only begin with a sense of national purpose and with an account of the way the world is and is likely to be for the foreseeable future. Ways and means – doctrine, tactics, manpower, weapon systems, equipment, technology and so on – are critical to the achievement of national goals. But these are not the best place from which to begin a strategic review – these are the inputs of defence rather than the outputs (what needs to be done, why, where and when). In other words, these are second-order issues which should not drive a strategy review but which should be decided as a consequence of that review. And a strategic review driven entirely from a defence perspective would, in any case, overlook too many other, non-military areas of national security.

The NSS provided plenty of strategic vision and purpose. Perhaps too much: it is difficult to identify one new and/or bold strategic narrative which underpins the NSS. But that might be because any such narrative would be noticed more for what it did not say than what it did: the world of the early 21st century is too complex and too volatile to be reduced to a simple blueprint. As for the future, the NSS provides a risk assessment methodology with which to categorize security threats and challenges. Those challenges that offer a worrying combination of high likelihood and high impact – i.e. an international military crisis involving the UK, a major accident or natural hazard, a cyber attack and international terrorism – are the ones with which, in October 2010, the government is most concerned. The methodology is sophisticated and persuasive, but will only remain so if it is reviewed on a regular basis (as is planned) and rigorously.

The test for the 2010 strategy review is how well the two documents – NSS and SDSR – fit together. In other words, are the ends of national strategy described in the NSS supported by the ways and means set out in the SDSR? This is where the SDSR’s Defence Planning Assumptions (DPAs) become critically important. The DPAs describe the type, intensity and number of military operations the government believes the MoD should be able to mount. The DPAs must match in broad terms the outlook of the NSS, and they seem to. The DPAs must also be enabled by the size and shape of the ‘Future Force’ laid out in the SDSR. Here there are oddities and controversies – the carrier strike saga, for example. But what matters more is...
that the DPAs must be adaptable to meet a changing national strategic outlook and threat assessment and, in turn, that the Future Force has the flexibility (and funding) to enable any changes to the DPAs to be supported.

The 2010 strategy review could be characterized as yet more ‘muddling through’ – an outcome which was foreseeable and to which the UK seems innately predisposed in some way. But what we have is a higher form of muddling through, which could be a great improvement on past experience. There is indecision, but deliberately and knowingly so: the government seems to be saying that some decisions cannot and need not be made today, or that it would be imprudent to do so. In other words, we have the beginnings of a risk-based approach to national strategy. This is to be welcomed: national strategy must be concerned with a vast array of challenges and it is inconceivable that preparations could be made to meet every one of them. Priorities must be reassessed as circumstances change. This is merely the beginning of a long and difficult process, one that will require frequent reconfiguration of strategic resources. But a start has been made in the right direction.
Evaluating the 2010 Strategy Review

Politics, Process and Organization

Claire Yorke,
Manager, International Security Programme, Chatham House

Core Issue

In light of the attention given to the process by which the 2010 Strategy Review was conducted, what does the review promise for the future organization of defence and security policy in the United Kingdom?

Overview

As the first formal strategy review in over twelve years, the new Strategic Defence and Security Review (SDSR) has been much anticipated and much needed. For the new coalition government, the SDSR is an opportunity to place distance between itself and the previous government. It has therefore been driven by the need to resolve long-running debates about the shape of UK armed forces, the future of defence projects such as aircraft carriers and Harrier jets, and the position of the UK in the world following the interventions in Iraq and Afghanistan over the past decade. Moreover, given the defence budget deficit of around £38bn and a number of well-publicized delayed and costly procurement projects, and clear inefficiencies, the review has been heavily influenced by the Treasury's guiding overarching priority to rebalance the defence budget, reform the MoD, and demonstrate a commitment to efficient government spending.

Expectations

It was always going to be hard to deliver a coherent, comprehensive and thoroughly considered Strategic Defence and Security Review within such a short time. For a process that took at least a year in 1997–98, it would have been a lot to expect many of the difficult and complex questions concerning the UK's defence and security priorities to have been answered convincingly.

Regular meetings of the National Security Council indicated a desire for a more integrated approach across government, but tensions between the services and the rumoured disagreements between senior government figures and officials in the weeks preceding publication had suggested that the outcome would lack a clear vision and be dominated by the imperative for cuts, to the detriment of policy.

Perhaps surprisingly, and despite notable political power plays, the coalition partners appeared to work well together during the process regardless of their intrinsic differences and the need for compromises, particularly over the renewal of Trident.

Evaluation

In many ways, the review provides broad brushstrokes and recognition of the main themes of security and defence policy and the challenges faced. The insistence that defence is but one part of national security, and the incorporation of a risk assessment methodology, are positive additions, enabling a broader picture to emerge of the security landscape. However, the devil will, as ever, be in the detail.

Many new structures have been established in an attempt to bring coherence and coordination to the delivery of priorities. The National Security Council has proved to be a welcome effort to integrate relevant departments and should provide guidance in the implementation phase provided it can seek external advice and listen to constructive criticism. The allocation of ministerial and departmental responsibilities driven by the centre should further facilitate consistency, so long as the process is not stifled by bureaucracy and personal rivalries.

Clarity

6

6  Topic not mentioned.
1  Passing reference only.
2  Coverage is insubstantial and unimpressive.
3  Topic misunderstood or policy not communicated convincingly.
4  Topic has at least been thought about.
5  Predictable. Coverage is routine and unimaginative.
6  Some useful points but lacking conviction.
7  Works reasonably well but not up to expectations.
8  Well-reasoned coverage of the issue.
9  Outstanding and imaginative.
10  Nothing more could be expected: a model for other governments.

Coherence

7

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Deliverability

6
For the military, the final outcome could arguably have been a lot worse, though it is in no way ideal. The real test will be whether the rivalries which seemed to appear in the final weeks – and made it easier for officials to find cuts – can be put aside to implement the outcome under the leadership of the new Chief of Defence Staff.

The next phase of the review process will be to communicate the conclusions to the public. Decisions such as retaining the carriers despite the absence of fast jets may make sense to policy planners but seem at odds with reminders made throughout the NSS and SDSR of the importance of efficient spending. The loss of over 40,000 defence jobs will hit some regions harder than others and the rationale will need to be explained. And the government will need to reassure people that the ‘age of uncertainty’, where terrorist and cyber attacks are likely, will be met by strong, coherent and well-coordinated responses.

Though the government may not have all the answers, it has been wide-ranging in its questions and seems sincere in its commitment to improve the organization of defence across Whitehall and overseas. This is no bad thing. However, time will tell whether ‘leaner [and] better coordinated structures and processes’ can be established in order to deliver a defence and security policy that is significantly different from that of the previous administration.
Evaluating the 2010 Strategy Review

Royal Navy, Army and Royal Air Force

Dr Andrew Dorman,
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Chatham House
Senior Lecturer, Defence
Studies Department,
King’s College London

Overview

The challenge, according to the outgoing Chief of the Defence Staff, Air Chief Marshal Sir Jock Stirrup, is to achieve a strategy that matches ends, ways and means. The new National Security Strategy and the accompanying Defence Planning Assumptions set out the ends; the question is whether the planned force structure will provide the means of achieving those ends. The decisions about force posture will profoundly affect Britain’s involvement in Afghanistan in the short term and the government’s ability to use the armed forces as a tool of the state (whether at home or overseas) over the long term. They will also have significant consequences for Britain’s manufacturing base and local economies at home as well as for allies and potential adversaries abroad.

Evaluation

The Strategic Defence and Security Review (SDSR) makes clear that the fiscal realities currently confronting the coalition government have forced it to make cuts in capabilities that it would rather not have done. There is an acceptance that there must be significant levels of risk in some areas. The force posture is supposed to be geared towards supporting current operations in Afghanistan, with significant risk accepted in terms of the ability to project military power to other areas such as the Falklands. In the longer term there is an acceptance of an order of magnitude reduction in Britain’s ability to undertake strategic power projection.

Most disturbingly, the three services appear to be gearing their respective capabilities towards different missions in the long term. The Royal Navy seems to have geared itself towards conducting a repeat of the 2000 Sierra Leone operation and retaining a minimal presence across the globe. As a result, its newly acquired amphibious fleet will be significantly reduced; the fixed-wing capability of the Navy will be permanently lost (scrapping of the RN/RAF Harrier force), with the Royal Air Force providing aircraft for the Navy’s aircraft carriers in a decade’s time; and its overall force numbers will be reduced.

In contrast the Army will remain focused on the Afghanistan campaign as the conflict of the future, but on a reduced scale. Reductions to the Army will mean that, following its reorganization, it will only be able to sustain a single brigade on an enduring stabilization operation. More problematically, the reorganization into five multi-role brigades (plus 16 Air Assault Brigades at light readiness) that contain a little bit of every capability will mean that the Army could lose the capability to conduct operations across the full spectrum of potential conflict.

The Royal Air Force seems to have focused its attention on potential conflict with certain states, and the defence of UK and Falklands airspace, at the expense of its other capabilities. Thus it is retaining the Tornado GR4, rather than the Harrier, because of its ability to carry the Storm Shadow air-to-ground cruise missile. At the same time a significant number of other platforms will be scrapped without replacement, among them the Hercules (including the relatively new C-130Js), the recently acquired Sentinel R1 force (once the Afghanistan campaign ends), and the about to be acquired Nimrod MRA4 force. The purchase of support helicopters will also be reduced (12 Chinooks, not 24). As a result the ability to provide airborne surveillance and command will be reduced, the anti-submarine warfare and long-range search and rescue missions will be lost and the capacity to sustain operations by air in the long term will be reduced.

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Clarity: 7
Coherence: 5
Deliverability: 4

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For more information about the International Security Programme or to read the report Strategy in Austerity: The Security and Defence of the United Kingdom by Dr Paul Cornish, Carrington Professor of International Security: www.chathamhouse.org.uk/security
Overall, the force posture is in many ways an extremely predictable step-change reduction in the overall force posture, with the services giving preference to the capabilities they most prefer. The principal problem is that each of them has sought to prioritize a different type of defence mission.
Evaluating the 2010 Strategy Review

Ethics and Values

Dr Alexis Crow, Associate Fellow, International Security Programme, Chatham House

Core Issue

According to the 2010 Strategy Review, Britain no longer faces an existential enemy, nor is it likely to engage in wars of survival. Ideology, therefore, does not have a place in a ‘Strong Britain in an age of uncertainty’. What role, then, do ethics and values play in defence and security policy? If the UK is not geared toward an ideological struggle with Islamic fundamentalism – what Tony Blair called the ‘battle for global values’ – then how do Britain’s liberal democratic values inform its standing on defence and security?

Overview

It is important to note that the concepts of security and defence cannot be divorced from a language of values. When we seek to make our country or our citizens more secure, we make an inherent assumption about values. As the Strategic Defence and Security Review (SDSR) highlights, Britain’s ‘national interest requires us to stand up for the values our country believes in – the rule of law, democracy, free speech, tolerance, and human rights’. Yet with regard to defence, there is a vitally important difference between going to war in the name of values – for example, to impose order or justice – and cultivating an active defence posture in order to defend and uphold those values at home. The former – clearly illustrated by the Iraq War in 2003 – is a dangerous and costly option that has arguably endangered Britain’s interests in the long term. The latter, however, indicates a way in which societal values underpin and inform foreign policy-making decisions without necessarily sending Britain to war.

Evaluation

What remains unclear from the SDSR is whether the UK might risk going to war to protect these values in the future. According to the Conservatives’ Green Paper, ‘A Resilient Nation’, published in January 2010, one key theme informing the party’s approach to foreign affairs is ‘the upholding of our own values, not by imposing them on others but by being an inspiring example of them ourselves’. As he delivered the paper at Chatham House, David Cameron stressed the importance of scaling back from the Blairite interventionism of the 1990s, and replacing military intervention with preventive action. However, the SDSR fails to carry over this common theme and remains ambiguous on Britain’s need, or indeed capacity, to impose values abroad in order to defend them at home.

It must also be recognized that interests do not often match up with values – in fact, the two rarely coincide. If, as the SDSR claims, it is in Britain’s national interest to uphold, advance and defend its values in the world, then what does this say about its policy towards countries that do not currently share those values, such as Russia and China? As London will be forced to bend towards Moscow with regard to energy resources and to cooperate with China on matters such as climate change and nuclear proliferation, will interests trump values? The SDSR takes little notice of this inevitable clash. In a speech in September at Lincoln’s Inn, Foreign Secretary William Hague – perhaps seeking to reassure his Liberal Democrat partners in the coalition government – spoke of this tension between economic interests and human rights in foreign policy. Human rights, he claimed, would remain central to the government’s foreign policy, despite Cameron’s push towards an economic diplomacy. And according to the SDSR, Britain must project its role in the world and continue to advance its values. However, a – if not the – definitive point of the
document is that this strategy ‘sets out how we will continue to protect our security while rebuilding our finances’. What happens, then, when the two priorities – that of the economy and that of security – cannot be reconciled? On this note alone, the SDSR leaves much to the imagination.
Core Issue

Given the current financial climate, the need for cuts to the defence budget is no great surprise. But it remains to be seen if the defence review will effectively balance strategic thinking with financial imperatives. This is a difficult but not impossible task, and one that the coalition should aspire to achieve.

Overview

The hurried 2010 Strategy Review was dominated by the debate over cuts to the defence budget. This left little time for sober reflection and strategic thinking about the nature of Britain's place in the world, or about the appropriate security and defence posture required to maintain that place. The government faced intense pressure to trim the national budget – as it was fond of saying – ‘to reassure the markets’. To some extent this pressure is real, yet shifting responsibility for cuts onto the broad yet fickle shoulders of the market arguably does not make for sound strategy.

With these demands for fiscal austerity lying at the heart of defence cuts, it was hoped that the government would explain not just where the cuts are being made but why. Ideally it would situate and position these cuts around a coherent strategic template, thereby guiding the UK's force structure over the next decade.

Evaluation

The MoD is facing a grim financial future, with unfunded liabilities of nearly £38 billion over the next ten years. This is more than the MoD's 2010–11 budget of £36.9 billion. Much of this woe is self-inflicted. The 2009 Defence Acquisition report by Bernard Gray did not mince words, declaring that the MoD had a 'substantially overheated equipment programme' that 'almost never cancels an equipment order' and is 'unaffordable on any likely projection of future budgets'. Given the trajectory of defence procurement over the past decade, this circle was never going to be squared, and strategic cuts driven by strategic thinking are the most that could be expected from the Strategic Defence and Security Review (SDSR).

While presenting the review to the House of Commons, Prime Minister David Cameron announced that the armed forces defence budget will be cut by 8% over the next four years, a lower figure than the expected 10% (or possible 20%). This was done in part to allay deep unease among service chiefs that cuts would affect operations in Afghanistan. To reassure the US that Britain will remain a reliable partner, the Prime Minister also committed the country to meeting the NATO target of spending 2% of gross domestic product on defence, though this will be achieved in large part by including the cost of operations in Afghanistan and other defence expenses. The question remains, will the UK maintain 2% after it leaves Afghanistan?

Savings will be made by retiring the carrier HMS Ark Royal and the Harrier jump jet, and the number of Challenger 2 main battle tanks is to be cut by 40%. To some extent this is recognition of receding Cold War threats, and the review gives priority to new and emerging threats. Leading the list is expenditure of £650 million over the next four years for a new National Cyber Security Programme. This encouraging development is designed to counter the threat of cyber attacks and the significant damage they could cause to both the public and private sector. On this front the SDSR and its combative creators can claim a measure of success.
The review stumbles when it tries to quantify new non-front line savings of ‘at least £4.3 billion over the Spending Review period’. These vague statements include the ‘rationalisation of the defence estate’, ‘contract re-negotiations with defence industry’, and ‘reductions in the civilian workforce’. No details are provided for these items, leading to uncertainty over how much can be saved in each category. Some of the most difficult financial questions have been postponed. The country will be left with new aircraft carriers but no Harriers to fly off them, and a decision on replacing Trident warheads has conveniently been postponed until the next election.

Many issues that today weigh heavily on the armed forces will look very different in five years, not least the conflict in Afghanistan and the financial crisis. In the light of this, the government’s apparent indecision may not be entirely unwarranted, though the process of conducting this review could have been done in a way that inspired much more confidence. Perhaps most encouraging is the commitment to conduct a Strategy Review again in five years. By then the implementation of many of the current decisions will be well under way, some are likely to have been discarded, and others will be increasingly unavoidable.
Evaluating the 2010 Strategy Review

Defence Acquisition

Andrew Simpson, Associate Fellow, International Security Programme, Chatham House

Core Issue

Defence acquisition has perennially borne the brunt of criticism from the National Audit Office (NAO), from the Defence Select Committee and from the Audit Commission over its apparent inability to deliver equipment to the correct specification at the right time and to an agreed cost. Most recently, this has come to a head with identification of a £38 bn over-commitment in the equipment programme. This can make it appear that Defence Equipment and Support (DE&S), the defence acquisition organization, is particularly vulnerable to criticism, and that the Strategic Defence and Security Review (SDSR) would be a good opportunity to put in place measures to address the perceived failings in the system. Does the SDSR do so?

Overview

The aim of defence acquisition is to deliver the appropriate capability to the right user at the right time and at a cost commensurate with the available budget. This is not something at which the UK has excelled in recent years. Defence acquisition is an area which has already received considerable attention. Bernard Gray's incisive report, produced almost exactly a year ago, identified key causes for the persistently poor performance of the defence acquisition process. One of the principal issues was the underestimation of project costs and timescales by project sponsors, frequently to further single service aims. This was fed by a lack of coherence in a national defence strategy which could only be resolved by regular strategic defence reviews. The very fact that SDSR has taken place therefore addresses one of the great perceived holes in defence acquisition planning – identifying a consistent strategy within which equipment was being procured. The provision for regular reviews in the future suggests that Gray's advice has been taken. Gray also identified the particular strengths of defence acquisition in the UK – that it worked best under pressure, procuring Urgent Operational Requirements (UORs) against a tight timeframe.

Expectation

Resolution of the challenges facing the defence acquisition programme is critical to the success of the SDSR. Not only must it resolve the anomalies which have caused such an enormous bow-wave of acquisition commitments, it must also lay a solid foundation for future planning, while ensuring that, where relevant, the resources exist within the UK to meet key capability requirements. To this end, industry must be given far greater confidence in the durability of the defence equipment programme and, in return, industry must be able to give the customer realistic expectations of what can be achieved, when it can be delivered and how much it will cost.

Evaluation

The SDSR has taken a number of steps which address these key areas of concern. First, future acquisition commitments have been reduced in line with both the available budget and the aims of the National Security Strategy. Second, a commitment has been given to keep in place the capability to procure equipment through UORs (although it should be stressed that this is principally an ad hoc adaptation of the structure used for equipment programme procurement.) Third, a Green Paper laying down the government's Industrial and Technical Policy will be produced by the end of the year, with a White Paper following in 2011. Fourth, the government has given a commitment to designing new equipment with exportability
in mind. This is of particular interest as it suggests a greater level of pragmatism in equipment specification, accepting an 80% solution (with greater export potential) rather than an entirely bespoke 100% capability.

In combination, these measures are promising. The promised White Paper should lay down a firm future technology and programme plan which will encourage confidence in industry (where trust of the MoD is currently in short supply), and will take some of the guesswork out of planning by both customer and supplier. The fact that some of the key planning issues have been deferred to the Defence Industrial and Technology Policy (DITP) paper should be regarded as realistic: consultation is essential and it would have been impractical to have generated a coherent strategy in the foreshortened timeframes of the SDSR.

The SDSR has acknowledged the problems associated with defence acquisition and has made some good headline decisions which may deliver promising results in the future. The DITP is particularly to be welcomed and represents a useful step beyond its predecessor, the Defence Industrial Strategy. There is, however, insufficient material to wholly condemn or commend the 2010 review. Concern remains that, one year on, there is no mention of some of the key reforms proposed by the Gray Report, nor any announcement of how these may be taken forward.
Energy Security

Core Issue

What does the 2010 Strategy Review tell us about the future of UK energy security? And how is security of supply to be achieved?

Overview

Energy security has arisen as a key priority across political, economic, and national security and defence agendas during the past decade. This has been driven by dramatic increases in oil and gas prices, gas pipeline disruptions, the increased awareness of terrorism, the conflict in Iraq and the blackouts that have affected electricity networks across Europe. Key threats to national security are often considered to be the price of energy and its availability. But security concerns over energy are not purely about the push and pull of supply and demand. Defining energy security within the UK becomes yet more complex when challenged by political and environmental concerns. Certain types of threat such as gas disputes and power blackouts can disrupt the supply of energy to consumers and businesses, while others are likely to affect the price of energy, as for example with the tension in Middle East and the shortage of UK onshore gas storage capacity. There has been a tendency in the past for government to carry out policy decisions without a clear analysis of all the dimensions of energy security, and its inherent polysemic nature, and without understanding the importance of such analysis for a coherent and advanced energy policy.

Expectations

The government's answer to energy challenges was expected to involve the diversification of energy supplies with an emphasis on new nuclear energy technology and renewable resources in order to reduce some dependency on gas- and oil-producing countries. This stance was expected to be combined with low carbon energy measures to stifle demand for fossil fuels.

In addition, the UK's increasing dependence on gas and oil imports from the Middle East and Russia has been an important concern for energy security. In recent decades foreign relations with Russia, the EU's key natural gas supplier, have deteriorated as a result of gas disputes, compounded by a record of indifference in values and interests within the energy dialogue which threatens the security of supply in the long term.

The 2010 Strategy Review could have addressed the foreign policy dimensions of energy security through the development of a common European approach. Given increasing interdependency, no government can be expected to prevent an energy security crisis by acting alone. The UK's energy interdependence with the Middle East and Russia is a reality that must be continually monitored and prioritized in national security terms. For political and historical reasons there has been a strong awareness that the concentration of oil and gas in these areas contributes to insecurity. The requirement for a long-term dialogue between all stakeholders on an international level is fundamental to progress for the future security of gas and oil energy supplies, and for the successful resolution of problems with politically unstable energy-producing countries. In this way energy security becomes more resilient to outward pressures within an interdependent context.
Evaluation

Giving energy security a higher priority on the UK foreign and security policy agenda is a necessary development in a policy document that seeks a long-term solution to the security of supply. Proposals to work more closely with the EU and the International Energy Agency will promote a strengthened external approach to energy security concerns for the UK. They also acknowledge the importance of an EU Energy Strategy, itself vital to secure a consistent and successful dialogue with energy-rich nations. In addition, the new emphasis on the importance of key mineral components such as rare earth materials, which are crucial for use in low carbon technologies, is a welcome addition to the energy security strategy, especially since it is known that the increasing dominance of China in the rare earth element industry is likely to promote future security concerns.

The non-committed and open-ended nature of the specified changes in the SDSR proposals is a typical approach to energy security strategies which reveals hidden uncertainties within the agenda. For instance, there is a lack of detail on how diplomatic relations are to be reprioritized in the coming years, and with whom. In addition, there is a vagueness about how low carbon energy and efficiency are to be promoted. The government’s apparent reluctance to explain in detail changes to domestic energy supply, including the new drive for nuclear power generation and renewable energy, is curious. Furthermore, although low carbon policies demonstrate some environmental concern there is no mention of developments within the renewables sector – a necessary part of ensuring the security of the UK’s future energy supply and reaching lower emission targets. The SDSR is by no means an exhaustive account of all the energy security challenges faced by the UK government, both internally and externally, but it is a marked improvement in terms of addressing the concept of the multi-dimensional nature of energy security.
Evaluating the 2010 Strategy Review

Conflict Prevention

Dr Joanna Spear, Director, Security Policy Studies Programme, George Washington University, Associate Fellow, International Security Programme, Chatham House

Core Issue

Prime Minister David Cameron has promised to move Britain ‘from a strategy over-reliant on military intervention to a higher priority for conflict prevention’. Has the 2010 Strategy Review set up the government to achieve that goal?

Overview

The government’s aim is ‘to tackle threats at source’. Its logic is that it is both cheaper and more effective – though not easy – to tackle issues such as poverty and state fragility before they become security issues manifesting as either local crises spilling over borders or terrorist threats to Britain and its territories. Therefore the government’s approach to conflict prevention is primarily geared to strengthening states and can include activities such as joint military exercises and ‘capability building in priority countries’, in addition to more traditional conflict-prevention activities.

The government’s approach to conflict prevention as laid out in the National Security Strategy (NSS) and the Strategic Defence and Security Review (SDSR) has two core elements: better interdepartmental organization for the mission (a so-called integrated approach) and increasing the resources and focus on conflict prevention. The intention is to foster an integrated approach through the establishment of the National Security Council to coordinate departments, the perpetuation of the Conflict Prevention Pool (a backhanded compliment to the previous government) and flexible, appropriately staffed Stabilisation Response Teams in the field.

The government sees money spent on development as contributing to conflict prevention. The logic behind such a view was laid out in the NSS, which stated the intent to ‘promote development and combat poverty to reduce the causes of potential hostility’. In this sense development is instrumentalized rather than seen as an end in itself. There are dangers in this as aid may be allotted with conflict prevention rather than economic growth in mind, and it may thus fail to deliver either or both. Moreover, the relationship between poverty and conflict is not a direct one. It is perfectly possible that poverty reduction might be successful but that the threat of conflict might still exist or even intensify.

Evaluation

The SDSR shows that the government is ‘putting its money where its mouth is’, in terms of a move towards more, and more effective, conflict prevention. For instance, the government will ‘create a larger Conflict Pool by increasing funding from £229 million in 2010/11 to around £300 million by 2014/15’. Moreover, in his House of Commons statement the Prime Minister promised that nearly a third of the resources of the Department for International Development would be devoted to conflict prevention, up from one-fifth at present, and with double the amount of money being focused on fragile and unstable countries.

At a time when other areas of defence have taken severe cuts, the extra money for conflict prevention is an endorsement of its importance as an idea and as an element of national security strategy.

As the government notes at several points in the NSS and SDSR, Britain has built up an excellent reputation for its approach to combating poverty and its innovative approaches to development and conflict prevention. This government is hinting that
Britain's expertise in this area is a form of 'soft power'. This is true in two ways. First, conflict prevention work obviously gives Britain influence within the countries it is providing with aid and assistance. However, it is soft power on another dimension; it gives Britain continued credibility as a positive example to be emulated by other advanced states seeking ways to retune their defence, diplomacy and development for a conflict-prevention mission.
Evaluating the 2010 Strategy Review

Counter-terrorism

David Livingstone, Associate Fellow, International Security Programme, Chatham House

Core Issue

Has a change in the UK government had a progressive effect on Counter-terrorism (CT) policy, or are we witnessing either ‘more of the same’ or simple adjustments to reduce financial burdens on the public purse?

Overview

The National Security Strategy (NSS), issued 24 hours in advance of the Strategic Defence and Security Review (SDSR), sets the strategic context clearly, and effectively manages expectations for the detailed policy guidance which followed in the SDSR. There were some identifiable themes: the early signs of a conversion to an integrated risk management approach to reflect the breadth and uncertainty of security challenges; the more positive engagement of the machinery of government via the new mechanics of the National Security Council; and the attempt to involve wider society in a ‘bigger umbrella’ approach. The admission that insecurity stems from a fuller set of risks than has been encompassed in former security strategy development is to be welcomed as symptomatic of revitalized thinking at the centre of government.

The NSS is a simpler document than its predecessors, and detail on CT strategy has been removed to the SDSR. The assessment methodology covering ‘Threats, Actors and Domains’ has been removed and replaced by a simpler methodology of ‘Tiers’ in which security threats and challenges are categorized according to the priority of risks: CT remains, rightly, high in the national security consciousness, but what can be criticized is the absence of a clear explanation that many of the risks are intrinsically connected – for instance, international terrorism (Tier One) is enabled in part through the cyber domain (Tier One) as is organized crime (Tier Two), and the threat of disruption to energy supplies (Tier Three) may stem from a terrorism campaign, and so on.

In terms of CT strategy, a significant effort can be detected to ‘left shift’ national intervention to prevent (a word used advisedly) conditions developing in which terrorism can take root – for example in failing or failed states, or in discontented elements of minority communities in the UK. The methods described, such as the bolstering of our diplomatic outreach, adjustments to international development budgets, and the reallocation of the CONTEST ‘Prevent’ strand to the custodianship of the Office for Security and Counter Terrorism are evidence of this transition.

The shift to a risk management approach cannot take place in a single act of transformation; there will need to be a gradual and informed change in both government and public attitudes to the likelihood, if not certainty, that risks will be manifest and become incidents and emergencies. How will the public be ‘fully informed of the risks we face’ to instil greater resilience in society?

The likelihood that the terrorism picture will become more unpredictable is self-evident, as is the implication that the Al-Qaeda movement may inspire other groups and causes. The ambition to review and in some ways relax CT-related legislation, to take account of some perceived civil liberty considerations, is worthy but hostage to fortune; gainsayers will no doubt emerge if and when an incident occurs in the future. Terrorism legislation is constantly subject to adjustment to cater for outside influences, and there is probably no optimal legislative condition which suits the panoply of current and emerging (and unknown) threats.

Clarity 6

Coherence 6

Deliverability 7

| 0 | Topic not mentioned. |
| 1 | Passing reference only. |
| 2 | Coverage is insubstantial and unimpressive. |
| 3 | Topic misunderstood or policy not communicated convincingly. |
| 4 | Topic has at least been thought about. |
| 5 | Predictable. Coverage is routine and unimaginative. |
| 6 | Some useful points but lacking conviction. |
| 7 | Works reasonably well but not up to expectations. |
| 8 | Well-reasoned coverage of the issue. |
| 9 | Outstanding and imaginative. |
| 10 | Nothing more could be expected: a model for other governments. |
Overall, the revised strategy is positive, rather than retrograde. Of particular note is the desire to involve more departments, agencies, organizations and people in the CT mitigation strategy. It is worth noting, however, the absence of a terrorism-related industrial strategy, which would provide the policy latch for closer involvement of the UK industrial base, with its embedded research, development and delivery capability. (By contrast, the defence section of the review does make such a provision for the military.)

In the mechanics of the policy, the National Security Risk Assessment (NSRA) methodology to compare a more complete set of risks to national security is welcome, but there is likely to be more work needed on ‘Impact’ modelling, and the lexicon of harm and risk, to ensure intellectual rigour in future decision-making surrounding resources.

It does not appear that there will be an serious impact on CT through a reduction in resources; the SDSR alludes to the need for more efficiency. Moreover, there is likely to be some interesting debate on the National Crime Agency, and how this new organization will deliver operational effect, in particular with regard to the operational level of command, and its ability to provide ‘tasking with teeth’.
Evaluating the 2010 Strategy Review

Cyber Security

Dave Clemente,
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International Security Programme,
Chatham House

Core Issues
Cyberspace is a complex and multifaceted terrain, and one that consistently presents challenges for government ministers, the private sector and the general public. Cyberspace is the most dynamic of terrains, and utilizing it safely and securely remains a constant challenge.

Expectations
Society is increasingly reliant on cyberspace and cyber-enabled technologies in an interdependent and interconnected world. Governments, corporations and individuals around the globe are grappling with the challenges of operating safely in cyberspace, and the UK is no exception. Whitehall has repeatedly emphasized the need for greater cyber security in both the public and private sector, with numerous statements from senior ministers and government officials.

The challenges are numerous: overly technical language poses a barrier to understanding; there is a danger of complacency because cyber attacks appear less destructive than acts of physical terrorism; and the rapid pace of change can overwhelm all but the most agile. After releasing the UK's first Cyber Security Strategy in 2009, which created cyber-related departments in both the Government Communications Headquarters (GCHQ) and the Cabinet Office, the government could be expected to make further progress in strengthening its cyber security institutions and in preparing civil servants and the public for threats which emanate from cyberspace.

Evaluation
To some surprise, cyber security shares top billing in the 2010 Strategy Review. The National Security Strategy ranks 'hostile attacks upon UK cyberspace by other states and large-scale cyber crime' as a Tier 1 Priority Risk, along with (in no particular order) international terrorism, large-scale accidents or natural hazards, and an international military crisis between states. Both documents that comprise the Strategy Review make numerous references to 'cyber' (National Security Strategy – 29 times, Strategic Defence and Security Review – 79 times).

Backing up this high-priority status is a budget commitment of £650 million over the next four years for a new National Cyber Security Programme, which will work to establish 'one national programme of activity with supporting strategies in other departments'. This encouraging development is designed to counter the threat of cyber attacks and the significant damage they could cause to both the public and private sector. As part of the Programme a new Cyber Operations Group will be formed, which will 'bring together existing expertise from across Defence, including the Armed Forces and our science and technology community'.

The Strategy Review also refers to the recently discovered Stuxnet worm, a highly advanced (and very likely state-sponsored) piece of malware that reportedly targeted the industrial control equipment in Iran's nuclear infrastructure. This is the sort of highly advanced yet rarely-seen 'cyber weapon' that gets the attention of governments, and convinces them to allocate resources to defending their own critical national infrastructure.

Securing UK cyberspace has added benefits beyond the military domain. The NSS calls this 'a great opportunity for the UK to capitalise on our national economic and security comparative advantages'. These advantages are subtle and are often

Clarity

8

Coherence

8

Deliverability

7

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9 Outstanding and imaginative.
10 Nothing more could be expected: a model for other governments.
intangible – they come in the form of intellectual property and other highly valuable data such as Google's search algorithms or Microsoft's Windows source code. All too often, however, they can leave open a back door through which intrusions and even espionage can arrive; a serious concern for both the public and private sector.

The Cyber Security Programme will also fund increased cyber security education and skills for the benefit of the public and businesses. Long-term measures such as this lay the foundation for the highly educated, cyber-literate and cyber-secure workforce that will power the UK into the future. The review also addresses the need for partnership with the private sector, an essential step if critical national infrastructure is to be secured.

However, some issues are left untouched. How will this new National Cyber Security Programme complement already existing structures such as the Cybersecurity Operations Centre (GCHQ) or the Office of Cyber Security (Cabinet Office)? This Programme encompasses a wide variety of departments and tasks. Who will sit at the top, leading and guiding this new machinery? Will it be the Home Office, the Cabinet Office, or another department?

The long-term success of an initiative such as this will ultimately be dependent on the authority it holds within Whitehall, and the review is silent on this point. No incompatible spin-offs and rogue initiatives can be allowed to flourish if the government is serious about addressing these complex issues. This review contains all the early signs of a well-balanced and (now) better-funded approach to UK cyber security. Now comes the hard part – implementation.
Evaluating the 2010 Strategy Review

Nuclear Deterrent

Benoit Gomis,
International Security Programme,
Chatham House

Core Issue

Considering the country's renewed interest in the fate of Trident, the UK's sea-based nuclear weapons system, the Strategic Defence and Security Review should have included an in-depth study of the nuclear deterrent issue. What does the SDSR mean for the debate about the deterrent?

Overview

Trident was always going to be the 'elephant in the room' within a coalition government with such divergent views on the topic. Amid growing doubts within one of the coalition parties and parts of the extended security and defence community over the actual benefit of a nuclear deterrent in a post-Cold War era, and in the context of necessary budget savings, the government nonetheless initially excluded Trident from the Strategy Review.

However, the crucial nuclear issue remained a key topic of discussion. Chancellor George Osborne announced in late July that the cost of Trident's replacement should be funded within the budget of the Ministry of Defence, and no longer be borne by a special fund provided by the Treasury. This caused widespread discontent across an MoD already under significant financial pressure. More importantly, it became widely understood that for a security and defence review to be comprehensive, the UK's nuclear deterrent system had to be included. In the end the government granted 'The Deterrent' a three-page section in the SDSR; it claimed this was based on a review of the country's nuclear declaratory policy, scrutinizing the 'Trident replacement to ensure value for money', in parallel with the Strategic Defence and Security Review.

Expectations

More than a decade after the last Strategic Defence Review, the least that could have been expected was a thorough analysis of the past and current impact of Trident as a deterrent against threats to the country, its value for money and appropriateness against the new range of threats facing the UK, and an assessment of potential alternatives. The most that could have been expected was an actual decision on whether or not to replace the programme.

Evaluation

On 12 October, David Cameron announced to parliament that the UK would retain a nuclear deterrent, but that the replacement of Trident would be postponed until after the next general election. In the meantime, budget savings estimated at £1.2 billion will be generated and another £2 billion of spending deferred. Vanguard class submarines will be extended and the number of missile tubes cut from 12 to 8. Additionally, the number of warheads per submarine will be reduced from 48 to 40 and the stockpile of warheads reduced from fewer than 160 to under 120. These measures could be construed as a positive step towards nuclear disarmament.

The three-page section about Trident in the final document is more than was expected. The Liberal Democrats are clearly the first to be disappointed about the commitment of the government to renew it in three to five years, especially only a few days after Nick Clegg announced a politically dangerous shift of policy on tuition fees as a compromise with the Conservatives. Some may argue that there will still be a window of opportunity for the smaller coalition party to make its Trident policy distinctive during the next general election campaign.
However, the government's assurance to BAE Systems that seven Astute-class submarines and three Trident replacement submarines will be built clearly jeopardizes the party's ability to make cases for alternatives. Military and political figures, within the Royal Navy for instance, have argued that decisions on the replacement of submarines need to be made soon, as the Vanguards are coming to the end of their service life. However, the government took the risk of not implementing these decisions in the short term, in order to make savings. Perhaps more importantly, the chapter on Trident in itself fails to make a convincing case that decisions have been based on a clear, transparent and wide-ranging review of the country's nuclear deterrent. Nevertheless, the capability cuts could potentially ease tensions within the coalition, pursue a long-term effort towards nuclear disarmament and demonstrate the government's political pragmatism. The government has proved to be strategically hesitant yet tactically astute.
Core Issue

Forewarned is forearmed. What does the Strategy Review tell us about the role of intelligence in managing the global environment of threats, in enabling reductions of expenditure on military capability or in contributing to smarter foreign and defence policies?

Overview

The National Security Council, bringing together the Defence Secretary with the Foreign and Home Secretaries – who are accountable for the activities of the UK’s civilian intelligence community – offers for the first time a forum in which trade-offs between expenditure on tanks and on civilian intelligence officers could be decided. Is there evidence that this is now happening? What do the outcome of the Strategic Defence and Security Review (SDSR) and the publication of the new National Security Strategy (NSS) reveal about investment in the role of intelligence in the defence of the realm?

For the intelligence community (MI5, MI6 and GCHQ) uncertainty is good for business. It brings attention from government, from across departments and in particular from the defence industry. The two dominant themes of the new NSS – managing uncertainty, and the unqualified commitment to Britain maintaining a global strategic presence – promote the contribution of a scale of intelligence capacity that has the quality and global reach to continue to attract the closest US partnership.

International intelligence and security partnership – not only with the United States – remains the key to managing the risks to the UK from terrorism, nuclear proliferation, cyber attacks and organized crime. But these partnerships can deliver for the UK only if its own intelligence community can sustain an independent capacity to produce the reliable secret information that may subsequently be shared.

Expectations

From earlier defence reviews nobody would have expected the intelligence community to be prominent in the new strategy. The secret agencies have a necessary professional reticence. Their funding, under the umbrella of the Single Intelligence Account (SIA), is anyway entirely separate from the defence budget. Planned expenditure on the SIA was expected to show a level of protection from cuts at least comparable to that awarded to defence. Funding of some of the £650 million increase in investment for cyber work will go to GCHQ and may originate in defence, but £650 million is a big number for the SIA and a small number for the MoD. Any reduction of planned expenditure on the SIA that was markedly more severe than in a protected areas of government spending such as defence would signal an incoherent approach to enabling the ‘strategic notice’ about future threats that the new National Security Strategy seeks.

Intelligence can play an important part in putting government on notice about developments of which it needs to be aware. The community has to return the great investment made in it since global terrorism took off: according to recent evidence to a House of Commons Committee, expenditure on the intelligence agencies has increased fourfold since 2001, whereas the UK’s defence expenditure has increased only 11 per cent in the same period.1 (In the same period, the increase in the US defence expenditure was 109 per cent, and in China’s 247 per cent.)
Evaluation

**Good:** the National Security Council structure does appear to be bringing together departments and agencies to common purpose in managing the UK’s national risks. The SDSR has a welcome and full summary of the implications of the review for intelligence. The promised annual review of the National Security Strategy will sharpen the routine focus of the intelligence community in concentrating resources on the key requirements for secret information. The new concentration on cyber security is welcome, as well as a reminder of the quality of the UK’s national asset in GCHQ.

**Bad:** the open-ended unqualified commitments in the SDSR and the NSS to project power globally, to have a strategic presence wherever it is needed; and therefore by implication to continue to make the contribution – arguably now disproportionate – to global security and global public goods that the post-war settlement and permanent membership of the UN Security Council demanded sixty years ago. It was to be hoped that a strategic defence review, which was to be led by foreign policy, might make clearer choices about where the UK’s specifically national interests lay when it came to contributing to the management of global problems and risks. A nation with two new outsized aircraft carriers – even with no planes on them – is a nation that also needs the size and scope of its current foreign intelligence capacity. But the clear rationale for this level of appetite is not in the documents. Grand strategy is not only about security. Nor should foreign policy be. Grand strategy requires a better correlation of the UK’s international aims with its national capacity.
Evaluating the 2010 Strategy Review

Organized Crime

Bob Baxter,
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International Security Programme, Chatham House

Core Issue

Organized crime touches upon the interests and lives of British citizens at home and abroad. At present there are around 38,000 individuals involved in organized crime affecting the UK, at a cost of between £20 billion and £40 billion per annum. With cyber crime estimated at $1 trillion worldwide, organized crime represents a significant threat to the view that ‘our national security depends on our economic security and vice versa’.

Overview

The UK is one of the most open and outward-facing nations in the world, making it a target for the illicit trafficking of people, drugs and other illegal goods. In 2009 more than 220 million people and 450 million tonnes of freight passed through UK ports and airports. With a projected 70% increase in passenger journeys by 2013, border security is therefore more important than ever.

Globalization, underpinned by increased reliance on the internet and other communications technology by individuals, institutions and states alike, means that the threat from organized cyber crime in particular will increase exponentially. Criminals can operate from a safe distance, with very little risk of being apprehended.

Criminals (like terrorists) can exploit instability in fragile and failing states. Lawless regions such as in Somalia and Yemen provide a haven for terrorists and organized criminals. Hence there is a link between Counter-terrorism initiatives such as CONTEST and the prevention of organized crime. There is also a need to use diplomacy and international development to tackle the root causes of organized crime and terrorism simultaneously.

Expectations

Previous versions of the National Security Strategy (NSS) recognized the impact that criminals and organized crime have on individuals and the economy but these concerns did not feature in the UK’s National Risk Register. It was to be hoped, therefore, that the new NSS, underpinned by the Strategic Defence and Security Review (SDSR) would place organized crime near the top of the UK’s agenda and ensure that it has a profile similar to that of counter-terrorism, with similar mechanisms employed to ‘predict, prevent and mitigate the risks’ associated with it. Given the global nature of organized crime and its proximity to terrorism in terms of the conditions under which it flourishes, it is not unreasonable to expect that the UK should use its ‘global reach’ to combat organized crime.

Evaluation

In producing the NSS, a National Security Risk Assessment (NSRA) has been carried out that presents an ‘all risks’ view of the threats to the UK over the next five to twenty years. Organized crime features alongside related risks such as terrorism, instability and conflict overseas, cyber security and border security. This is a welcome change, providing a platform for ensuring that strategies to combat organized crime are properly resourced and funded.

In addition, eight cross-cutting National Security Tasks, underpinned by detailed Planning Guidelines, have been identified. These reflect the full life cycle of
‘predicting, preventing and mitigating risks’ associated with organized crime (and other threats), and provide the ingredients for an international/domestic, multi-agency, CONTEST-like framework for organized crime prevention. A good outcome would be that for this approach to be ‘formalized’ and embedded in the upcoming Organised Crime Strategy. This would signal that the prevention of organized crime was held in the same regard as, and have a similar profile to, the UK’s counter-terrorism initiatives.

The SDSR introduces a National Crime Agency (NCA), to be in place by 2013. Given that the prevention of organized crime will be increasingly dependent on the mechanisms put in place for counter-terrorism, international development, cyber security and border security, the boundary of the NCA and its interaction with the agencies involved in these related areas will have to be thought through very carefully for it to be ‘all-embracing’ and effective.
Evaluating the 2010 Strategy Review

Science, Technology and Innovation

Steven Bowns, Associate Fellow, International Security Programme, Chatham House

Core Issue

The key to assessing Science and Technology (S&T) investment is to know what it is for. There needs to be a clear statement of the purpose of defence S&T, together with an articulation of what the consequent outputs should be. With a clear understanding of the purpose and outputs, the route to achieving these can be laid out, and the focus of activity, priorities, sourcing and so on can then be addressed. Does the Strategic Defence and Security Review (SDSR) achieve this aim?

Overview

The strategic purpose of defence S&T is not stated in the relevant section of the SDSR – merely that ‘It is a key element of our overall capability’. There is no clear statement of purpose. What should the purpose be?

A senior MoD scientist once said: ‘If it is not to improve equipment quality, then what is it for?’ Ensuring the quality of future equipment for UK forces, relative to likely potential future opponents, must surely be the main purpose at the centre of an S&T strategy. There are other related but subordinate objectives, such as assisting in intelligence work, ensuring intelligent customer decisions in procurement and avoiding enemy ‘technology shocks’. Some of these are alluded to but there is no clear articulation. Nevertheless, it seems from news reporting and from the Prime Minister’s answers to questions in the House of Commons on 19 October that S&T funding will be fixed, without further cuts.

Expectations

It would have been good to have seen a clear statement of purpose, which would then allow a clear articulation of what the outputs of defence S&T should be. Without this, it is difficult to address issues such as the value for money of S&T outputs, the consequent sourcing strategy and the balance between short-term and longer-term work.

Evaluation

The important background issue that has not been addressed, however, is the decline in UK S&T investment since the mid-1990s. As the UK took a larger than average peace dividend, the military customer’s lack of appreciation of the purpose and outputs of S&T led to a string of cuts, so that the UK now spends less than half of what it spent in 1997. It is thus starting on the back foot compared with France, Germany, Spain and the United States, all of which either took lower cuts or have since increased S&T investment, or both.

Owing to the long-term nature of the pull-through time of S&T, the full impact of these cuts is still to be felt in the UK, probably around 2017–20.

Some of the lack of military backing for S&T has come from a view that the delivered value has been poor. This has not improved with the privatization of the major defence S&T supplier QinetiQ in the early 2000s. Commercial companies in sectors such as pharmaceuticals and oil are constantly measuring the delivered value of their Research & Development (R&D) investments, adjusting their sourcing strategy accordingly. The Ministry of Defence has been unwilling or unable to do this in the absence of any hard output measures. Some attempts have been made to improve S&T sourcing, such the Competition of Ideas, the Grand Challenge

Clarity

5

Coherence

4

Deliverability

5

For more information about the International Security Programme or to read the report Strategy in Austerity: The Security and Defence of the United Kingdom by Dr Paul Comish, Carrington Professor of International Security: www.chathamhouse.org.uk/security
and the Defence Technology Innovation Centre, but they have not fundamentally affected the position of an S&T Monopsony-Monopoly between MoD and QinetiQ. Furthermore, it seems that the proportion of S&T work put out to full open competition may actually have fallen in recent years. Thus a clear and potentially radical S&T sourcing strategy has not been addressed by SDSR, so the delivered value will probably remain questionable well into the future.

The speed of S&T pull-through from laboratory into service is mentioned. However, it is not couched in a strategic context, other than by a hint that the balance will shift from longer-term to shorter-term work. Why, to what end, and how will this change the output? While the speed of pull-through is a significant strategic issue, the explanation and context are lacking.

Without a clear statement of the purpose of defence S&T, the consequent lack of clarity about what the outputs should be means that the major issues such as the long-term impact of historical cuts, value for money, smarter sourcing and faster pull-through cannot be and have not been tackled. This is surprising from a government that has criticized its predecessor repeatedly for an obsession with inputs and a neglect of outputs. It is more surprising in an SDSR that claims to take the long-term view.