



Atlantic Council

BRENT SCOWCROFT CENTER
ON INTERNATIONAL SECURITY

Alliance at Risk

Strengthening European Defense in an
Age of Turbulence and Competition



Giampaolo Di Paola
François Heisbourg
Patrick Keller

Richard Shirreff
Tomasz Szatkowski
Rolf Tamnes

Rapporteur: Jorge Benitez



This publication is a product of the Brent Scowcroft Center on International Security's Transatlantic Security Initiative in partnership with Airbus.

Alliance at Risk

Strengthening European Defense in an
Age of Turbulence and Competition

Rapporteur: Dr. Jorge Benitez is the Director of NATOSource and a Senior Fellow at the Atlantic Council.

Research Assistant: Albin Aronsson.

Acknowledgement: Thank you to Magnus Nordenman, Romain Wornault, Diya Li, Robbie Gramer, Sarah DeLucia, and Jeff Fleischer for their valuable contributions to this report.

ISBN: 978-1-61977-963-1

Cover photo credit: Ministry of Defense of the United Kingdom. RAF Typhoon and Russian Su-27 Flanker.

This report is written and published in accordance with the Atlantic Council Policy on Intellectual Independence. The authors are solely responsible for its analysis and recommendations. The Atlantic Council and its donors do not determine, nor do they necessarily endorse or advocate for, any of this report's conclusions.

February 2016



TABLE OF CONTENTS

FOREWORD	1
INTRODUCTION	3
UNITED KINGDOM	5
FRANCE	11
GERMANY	17
POLAND	23
ITALY	27
NORWAY	31
APPENDIX	37

FOREWORD

For more than six decades, NATO has provided the shield behind which the democracies of Europe have prospered in peace. By standing together, the allies prevented another major conflict in Europe so their societies could rebuild from the catastrophic destruction of World War II. Investing in strong defense and deterrence did not prevent the members of NATO from improving their respective economies. On the contrary, the safety and security provided by NATO was one of the factors that made it possible for the Western democracies to recover from war and achieve greater levels of economic prosperity than ever before in the history of Europe.

Although the allies faced many challenges, crises, and confrontations with the Soviet Union during the Cold War, national commitments to deterrence and strong defense through NATO kept the peace. The generations that created NATO and won the Cold War did so with fewer resources than we have today. Today the transatlantic community faces a world that is more turbulent and threatening than at any period since the end of the Cold War. The crumbling order in the Middle East has spawned refugee flows not seen since World War II, and has given rise to potent nonstate groups with the reach and power to not only destabilize countries in the region, but also carry out terrorist attacks in Europe. Russia's continued aggression and assertiveness threatens the European security order based on the premise of a Europe whole, free, and at peace. In spite of this new security environment and pledges made at the NATO summit in Wales in 2014 to invest in defense, the recent record on European defense spending and investment is arguably very mixed, to put it mildly.

Now is our time to invest responsibly in the Alliance, not in spite of our economic interests and challenges, but because NATO protects both our security and

economic interests. Every member of NATO is more prosperous and secure today than the day it joined NATO. NATO provides all of its members with more defense capabilities for less money than they would have individually. Through NATO, every euro invested in defense provides each nation with more than a euro's worth of defense capabilities. For example, thanks to NATO the Baltic republics benefit from air defense capabilities they could not afford, Turkey benefits from Patriot missile defense systems it does not own, and Great Britain benefits from anti-submarine capabilities it no longer possesses. To quote the motto of the US forces in Europe, NATO makes all of its members "Stronger Together."

NATO provides
all of its members
with more defense
capabilities for
less money than
they would have
individually.

In a few months, NATO's leaders will gather for a summit meeting in Warsaw, Poland. They will discuss many challenges faced by the Alliance. Strengthening European defense will be a common element that contributes to overcoming these multiple threats to NATO. Strengthening European defense

will provide the resources to help deter the threat from the East and prevail over the dangers from the South. Strengthening European defense will also provide the capabilities to tackle new threats, such as cyberattacks and the spread of ballistic missiles. And strengthening European defense will help restore balance to the transatlantic relationship and facilitate continued investments in European security from our allies in North America.

I welcome this report because we will all benefit from its goal of strengthening European defense. In these perilous times, there is no better investment for our democracies than to defend the safety of their citizens and peace in Europe.

Jaap de Hoop Scheffer
Former Secretary General of NATO

INTRODUCTION

The broader transatlantic community faces a new and dynamic security environment, which includes a newly assertive Russia intent on altering the European security order in its favor and a turbulent and violence wracked Middle East and North Africa that has, among other things, spawned the rise of the Islamic State of Iraq and al-Sham (ISIS) and refugee flows not seen since the end of World War II. Europe's security climate is arguably at its worst in over twenty-five years.

To respond to these new security challenges, the members of NATO committed themselves at the 2014 NATO summit in Wales to increased defense spending after a long period of defense austerity across the Alliance, and to a greater focus on defense investment. To date, however, the results of these new commitments have been mixed at best. The lack of broad progress is especially worrying as the Alliance approaches the Warsaw Summit during the summer of 2016, a milestone where many hope that NATO can begin to build a new and robust long-term approach to the new security challenges to NATO's east and south.

To highlight the challenges in defense spending, and provide recommendations on the way forward, the Atlantic Council launched its "Alliance at Risk" project, which draws together noted experts and former senior officials to provide analysis and recommendations for how the Alliance should think about defense spending and defense investments in these turbulent times. The project highlights six leading NATO nations from

the Alliance's north, south, east, and west, which also serves to illuminate the many perspectives and diverse defense priorities that exists within the Alliance today. Defense spending and investment is complex, and can hardly be judged on numbers alone. In terms of generating capabilities and ready forces, it is often just as important how the funding gets spent, as how much of it is put into the defense budget. This project therefore looks beyond the raw numbers, and provides analysis and recommendations from experts and practitioners that are intimately familiar with the nations covered in this report.

The transatlantic community faces a long-term future of turbulence and competition, which features both state and nonstate adversaries, as well as strategic shocks and sudden change. Strengthening European defense capabilities will be a key building block to ensure that NATO can remain relevant and able to defend the values and interests of its members, and provide for peace and stability in Europe. As NATO Secretary General Jens Stoltenberg emphasized; "We are facing the biggest security challenges in a generation. They are complex, interrelated and come from many directions. . . . So now is the time to invest in our defense."

This Atlantic Council project would not have been possible without the generous support of Airbus, the Council's long-standing partner on transatlantic security issues.

UNITED KINGDOM

by Richard Shirreff



The publication of the 2015 Strategic Defense and Security Review (SDSR) is a watershed moment for the United Kingdom (UK).¹ It offers the opportunity to rebuild capabilities lost in the past decade of resources-driven defense reviews and to arrest the weakening trend in defense and foreign policy that has been a feature of the last five years. With strong political leadership and a willingness to think and act strategically, the David Cameron government has the chance to re-establish the UK as a force for good in defense and security and a respected European contributor to NATO.

Even before the SDSR was released, there was evidence for optimism. In particular, the decision in Chancellor of the Exchequer George Osborne's budget to ring-fence defense spending at 2 percent of gross domestic product (GDP) sent a much-needed signal of political commitment, and did much for UK credibility.² But the rhetoric must be backed by substance. Despite Osborne's announcement, a Royal United Services Institute report warned that defense spending will fall to 1.85 percent of GDP by the end of the decade (unless the budgets for the intelligence agencies are included). SDSR will help repair the damage that has been done to UK defense capabilities since the turn of the century. Two percent of GDP is probably the minimum amount of spending needed to prevent our military from falling to a diminished capability and becoming a hollowed-out force. Regenerating lost capabilities will almost certainly require more resources.

The David Cameron government has the chance to re-establish the UK as a force for good in defense and security and a respected European contributor to NATO.

In order to understand how the Cameron government's SDSR will reset defense and improve the capability of the British armed forces, it is important to examine the broader political and strategic context behind it. This also requires addressing the current global security environment as the UK finds it, and not as the UK would like to see it.

First, as the Prussian military strategist Carl von Clausewitz reminds us, the heart of the challenge faced in the conduct of war is to understand the character of conflict, that ever-enduring feature of the human condition.³ Even more difficult is the challenge of identifying what the future holds. As military historian Professor Sir Michael Howard warns, "No matter how clearly one thinks, it is impossible to anticipate precisely the character of future conflict. The key is not to be so far off the mark that it becomes impossible to adjust once that character is revealed."⁴ Therefore, what will the character of twenty-first-century conflict require of Britain's armed forces?

In essence, the nonstate and state actors that Britain will face on the battlefield will all take advantage of various asymmetric techniques and capabilities to circumvent Britain's strengths and exploit its vulnerabilities. Instead of the traditional spectrum of warfare, with peacekeeping operations on one end and total war between states on the other, adversaries will challenge the UK with a dynamic combination of different forms of warfare, rather than a neat escalation from one type to another. Thus, our forces could face conventional and irregular warfare, terrorism, insurgency, and criminal activity at the

¹ Government of the United Kingdom, *National Security Strategy and Strategic Defence and Security Review*, November 2015, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/478933/52309_Cm_9161_NSS_SD_Review_web_only.pdf

² HM Treasury and the Rt Hon. George Osborne MP, Government of the United Kingdom, "Summer Budget 2015," <https://www.gov.uk/government/publications/summer-budget-2015/summer-budget-2015>.

³ Carl von Clausewitz, *On War*, translated and edited by Michael Howard and Peter Paret (Princeton, NJ: Princeton University Press, 1976).

⁴ Michael Howard, *The Use and Abuse of Military History* (Cambridge, MA: Harvard University Press, 1983), pp. 194-5.



Challenger 2 tank of the Royal Welsh Battle Group. *Photo credit:* Ministry of Defense of the United Kingdom.

same time, instead of in theoretical isolation from one another. This type of conflict is called a “hybrid conflict,” an amalgamation of high-tech combat operations and long-term stabilization operations. Some of these hybrid conflicts can result in combat of extreme intensity. Hybrid conflicts such as these will be relentless and will tax our physical and psychological endurance. These conflicts will also need to be won under intense scrutiny from the media and politically empowered and well-connected groups with insatiable demands for information.⁵

Furthermore, these complex hybrid conflicts will probably remain a defining characteristic of warfare in the twenty-first century, even in conflicts between states. Thus, Iraq and Afghanistan are not aberrations but representations of the future, as was Lebanon in 2006, Georgia in 2008, and most recently, Syria and eastern Ukraine. So in general terms, the UK faces two primary challenges: defense and security, each of which epitomizes the breadth of issues that the SDSR must confront.

⁵ Gen. Sir Richard Shirreff, “Unity of Purpose in Hybrid Conflict: Managing the Civilian/Military Disconnect and ‘Operationalizing’ the Comprehensive Approach,” speech delivered at Chatham House on March 23, 2010, <https://www.chathamhouse.org/sites/files/chathamhouse/public/Meetings/Meeting%20Transcripts/230310shirreff.pdf>.

The threat to UK defense is posed by a resurgent Russia. The Russian invasion of Crimea, its support for separatists, and its invasion of eastern Ukraine have effectively ripped up the post-Cold War settlement of Europe. President Vladimir Putin has shattered any thoughts of a strategic partnership with NATO; instead, Russia is now a de facto strategic adversary. Even more dangerously, the threat is potentially existential, because Putin has constructed an international dynamic that could put Russia on a collision course with NATO. At the center of this collision would be the significant Russian-speaking populations in the Baltic states, whose interests are used by the Kremlin to justify Russia’s aggressive actions in the region. Under Article 5 of NATO’s Washington Treaty, any military move by Putin on the Baltic states would trigger war, potentially on a nuclear scale, because the Russians integrate nuclear weapons into every aspect of their military thinking.

The implications for UK’s SDSR are clear. Britain’s previous National Defense Strategy stated, among other things, that there is no existential threat to its shores.⁶ Putin has rendered this strategy obsolete,

⁶ Government of the United Kingdom, “A Strong Britain in an Age of Uncertainty: The National Security Strategy,” October 2010, <https://www.gov.uk/government/uploads/system/uploads/>

not least because there is an existential threat to the territory of the allies Britain must defend through Article 5, which states that an attack on one NATO state is an attack on all. While the SDSR does not face the existential threat posed by Russia head on, it does make it clear that the UK's independent nuclear deterrent is "essential" and calls for the acquisition of four new nuclear armed submarines to replace the Vanguard class and provide a "Continuous At Sea Deterrent."⁷

Furthermore, the UK must structure and resource its armed forces to meet the needs of NATO as it faces its greatest defense challenge since the end of the Cold War. While NATO's declaration at its 2014 Summit outlined ambitious new measures to deter Putin, no member state has since followed up with significant defense spending increases. Through the SDSR, the UK, as the largest defense spender in Europe, is beginning to step up and play a leading role, ensuring NATO sends a powerful message of deterrence to Russia. The message is "*thus far perhaps but absolutely no further,*" and it requires a strategy in which diplomacy and sanctions are backed up by military strength. Underpinning everything that NATO (and therefore the UK) does is the need for strong conventional and nuclear deterrence to ensure that Putin does not gamble on what he rightly perceives to be Western weaknesses.

In terms of defense, the UK also needs to think through what collective defense means in the twenty-first century in the face of a Russian asymmetric approach that seeks to undermine the integrity of a state from within, and is below the threshold that would trigger a multinational, Article 5 response. The UK needs to develop strategies that help its allies counter the manipulation of minorities by Russian Special Forces, in addition to improving resilience against psychological operations and cyberattacks. This needs careful thought. However, there also needs to be training and education at the highest political levels to ensure that the decision makers in NATO are ready for the challenge when it comes. Britain is well-placed to play a lead role in this.

Next, to deter any Russian encroachment into the Baltic states, NATO should establish a permanent

presence in the region. Along with the Baltic air-policing mission, effective deterrence demands more than just episodic training activity. Rather, a permanent land presence is required to prevent any Russian *coup de main* operation that could achieve its aims before any NATO reserves are able to react. Given the UK's strong defense relationship with Norway, Denmark, and the Baltic states, the capability of Britain's armed forces, and the respect in which they are still held, it would be appropriate for the UK to contribute units to a combined arms brigade, equipped with tanks, armored infantry, artillery, engineers, and attack helicopters based in Estonia, Latvia, and Lithuania.

In addition to in-place forces, NATO also needs strong and capable reserves able to deter attacks within the airspace, through the sea lines of communication, and within the territory of the Alliance. This means having the right command and control, readiness, and capabilities. There are high expectations surrounding the establishment of NATO's Very High Readiness Joint Task Force, but unless it is a standing force—trained and ready, with permanently allocated units and a fixed command structure—it will be useless. At the very least, NATO needs a twenty-first-century version of the Allied Command Europe (ACE) Mobile Force, which had a permanent tactical headquarters and allocated units across the Alliance. The ACE Mobile Force trained annually in northern Norway or Turkey,

under the direct command of the Supreme Allied Commander Europe (SACEUR). Only such a force, capable of a rapid response, will be an adequate high-readiness reserve. Britain should consider taking on framework nation responsibility as it did effectively with its innovative establishment of the first of NATO's High Readiness Forces (Land) (HRF(L)), the Allied Rapid Reaction Corps (HQ ARRC), in 1992.

On top of this, the NATO response force needs to be rebuilt and capable of deploying a corps-sized force for warfighting at graduated readiness. On land, Britain should be ready to provide the corps headquarters based on HQ ARRC (still the *primus inter pares* of HRF(L) in the Alliance) but also a division of three brigades, together with the necessary level of combat and combat service support. Such a powerful package must also be matched by similar capabilities at sea and in the air.

To deter any Russian encroachment into the Baltic states, NATO should establish a permanent presence in the region.

[attachment_data/file/619336/national-security-strategy.pdf](https://www.gov.uk/government/uploads/attachment_data/file/619336/national-security-strategy.pdf).

⁷ Government of the United Kingdom, *National Security Strategy and Strategic Defence and Security Review*, op. cit.



Royal Navy Astute class submarine HMS Ambush. *Photo credit:* Ministry of Defense of the United Kingdom.

In terms of security, the challenge that the UK faces, along with its Western allies in NATO, the European Union (EU), and the G7, is the pernicious threat of jihadi Islam let loose by a combination of the invasion of Iraq in 2003, the Arab Spring, the Syrian civil war, and the collapse of Libya in 2011. While this does not pose the existential threat that war with Russia would, particularly given the nuclear dimension, it does pose a generational security and terrorist threat to Western citizens worldwide. This security threat has plunged the Middle East into chaos and bloodshed and is a real and present threat to the internal security of Western nations.

Ultimately, the solution to the phenomenon of ISIS and other jihadist groups lies in winning the battle of ideas, and this solution can only come from within Islam in the form of an Islamic reformation. Nevertheless, the British armed forces, along with their allies, have a role to play as part of an internationally agreed upon, comprehensive, and politically led strategy. While large-scale coalition military deployments, such as those we saw in Iraq and Afghanistan, are potentially counterproductive, there are two ways in which British armed forces can contribute to a strategy to neutralize jihadism as a threat.

First, through the deployment of precision strike; special forces; and other intelligence, surveillance, target acquisition, and reconnaissance (ISTAR) assets to target the enemy. Second, through the stabilization of fragile states via full-spectrum capacity building, part of which includes growing the capabilities and professionalism of indigenous armed forces so they can take on the jihadis themselves. In addition to rebuilding a high-end warfighting capability, the SDSR should institutionalize and provide the resources for Britain's armed forces to deploy capacity building teams with appropriate force protection and logistical support.

However, none of this will happen without the right strategic thinking or resources. First, the Cameron government must discover a willingness to commit the right ways and means to achieve strategic effect against the UK's adversaries. The coalition government's timid unwillingness to make an overseas commitment must be set aside, and Prime Minister Cameron must discover the confidence to commit appropriately to contributing to the defense and security challenges of the age. Above all, the relationship with the United States must be rebuilt, and the pride in standing shoulder to shoulder with the UK's most important ally rediscovered. As US President Barack Obama said in a



British Royal Marines skiing in Norway. *Photo credit:* Ministry of Defense of the United Kingdom.

recent BBC interview, “part of the greatness of Great Britain, of the United Kingdom, is that it is willing, as we are, to project power beyond our immediate self-interests to make this a more orderly, safer world.”⁸ The Cameron government must demonstrate that it is ready to rebuild and live up to that reputation.

Second, this defense review is an opportunity to re-establish credibility, not only with the United States but also with Britain’s allies, who are disappointed at the diminished stance of Western Europe’s premier military power. The UK government has made a good start with its commitment on defense spending. Now it must put its defense house in order. And there is much to be done after the severe cuts made by the coalition government: regular army manpower slashed by nearly 20 percent and increased dependence on under-recruited,

⁸ “Full Transcript of BBC Interview with President Barack Obama,” BBC, July 24, 2015, <http://www.bbc.com/news/world-us-canada-33646542>.

under-trained reserves; the scrapping of Royal Navy escort ships; carriers built but with no aircraft to fly off of them for some years; the disposing of this island nation’s maritime patrol aircraft. On top of this, a force hollowed out to such an extent that the deployment

[The UK’s military has been] hollowed out to such an extent that the deployment of a brigade, let alone a division, at credible readiness would be a major challenge.

of a brigade, let alone a division, at credible readiness would be a major challenge. Indeed, last November’s deployment of a small armored battlegroup to Poland—to take part in a flagship NATO exercise to demonstrate solidarity against Russia—almost necessitated retrieving tanks from the training fleet in the western prairies of Canada, because the serviceability and spares situation in the UK’s fleet was so dire.⁹

Finally, for this review to be genuinely strategic, statesmanship will be necessary and short-term political calculation will need to be set aside. The implementation of the new national defense strategy

⁹ “British Army on Polish NATO Exercise,” British Army, November 20, 2014, <http://www.army.mod.uk/news/26733.aspx>.



RAF Reaper drone. *Photo credit:* Ministry of Defense of the United Kingdom.

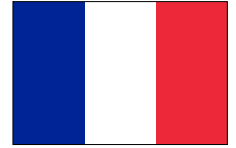
must address the threats of the age, whether it is revanchist Russia and its potential clash with NATO or the arc of chaos on the periphery of Europe. Strategy—the integration of ends, ways, and means in the pursuit of policy—requires putting substance behind the first duty of government: protection of the state. For more than a decade, the Cameron-led coalition government and its predecessors took significant risk with Britain’s defenses. The 2015 review is an important step to

reversing this trend and ensuring a stronger Britain in the years ahead.

General (ret.) Sir Richard Shirreff, KCB, CBE, is Director at Strategia Worldwide Ltd. and was NATO’s Deputy Supreme Allied Commander Europe from 2011 to 2014. The opinions expressed in this essay are those of the author and do not represent the views of the British government.

FRANCE

by François Heisbourg



Unlike most European countries, France enjoys the unusual situation of not being overly constrained in its defense policy and military spending by an unwilling electorate or stingy taxpayers. It is not that the French are particularly bellicose as a people: During the 2003 Iraq crisis, opinion polls showed levels of disaffection for the Iraq war were as great as those in other European countries. Contrary to conventional wisdom, the French were similarly opposed to military intervention in Libya, with some 63 percent of the public against it on the eve of military operations.¹

Instead, simply put, the French tend to trust their government when it comes to matters of war and peace. The day after then-President Nicolas Sarkozy announced the first airstrike against Libya's former dictator Muammar al-Qaddafi's forces near Benghazi, opinion polls showed public support for the war jumped to more than two-thirds, and stayed above or around 50 percent until the end of operations more than six months later.² This high level of support continued despite the widespread initial expectations of a shorter campaign.

When current President François Hollande announced the wholly unexpected launch of operations against a sudden jihadi offensive in Mali in January 2013, public and political support were instantaneous and massive, notwithstanding the very low levels of trust and popularity from which President Hollande was suffering in opinion polls.

In 2003, the trust placed in the executive was reinforced by the decision not to participate in the invasion of Iraq. France actively fought against the

war, eventually forcing the United States to abandon its attempts to secure the assent of the UN Security Council. This widely supported opposition stance demonstrated to the French that they were able to make their own decisions and, as events proved, to act wisely. This added to the French President's already strong credit as Commander in Chief.

France took a very different position in August 2013 over the use of chemical weapons by Syrian President Bashar al-Assad's regime in Damascus. The British House of Commons refused to authorize United Kingdom participation in the US-led airstrikes then being prepared against Assad's forces. In contrast, French aircraft stood down only four hours before the operation was to commence, when US President Barack Obama explained to a surprised French President that he had changed his mind about enforcing the red line he had drawn.

This rallying around the flag also applies to defense spending and defense policy. No serious politician, even at the extremes of the multihued French political spectrum, has chosen to make a career out of advocating military spending cuts or discarding the nuclear deterrent, which absorbs around a fourth of the defense acquisition budget. Even the Greens keep their otherwise strong antinuclear stance in check when it comes to nuclear deterrence, and the hard left puts little energy into attempting to reduce arms acquisitions in exchange for higher social spending. Over the years, opinion polls have indicated that the public believes defense spending should neither be increased nor diminished. Presidents can easily justify increases in defense spending, as was the case for former President Jacques Chirac from 2002 to 2007. In France, as in other democracies, the Ministry of Finance fights defense spending on principle; but in France, the Ministry of Finance is the only opponent

No serious politician . . . has chosen to make a career out of advocating military spending cuts or discarding the nuclear deterrent.

¹ "Les Français et la légitimité d'une intervention militaire en Libye" [The French and the Legitimacy of a Military Intervention in Libya], Institut Français D'Opinion Publique (IFOP), October 3, 2011, http://www.ifop.com/?option=com_publication&type=poll&id=1427 (in French).

² Ibid.



French Mirage 2000N. *Photo credit:* Ministry of Defense of the United Kingdom.

of the Ministry of Defense—albeit an exceptionally aggressive one.

The leeway accorded by favorable public opinion extends to the question of leadership in European security. Even if NATO is less popular with the French public than European defense or purely national control of policy, the French will defer to the option chosen by their President. This deference is demonstrated by public support and bipartisan approval of the US-led Gulf War of 1991, to which France committed a combat division; the NATO-run war in Kosovo in 1999, to which French aircraft executed more combat sorties than any other European air force; and the French-UK led campaign under NATO auspices in Libya in 2011.

The bottom line is that what ultimately weighs on French defense spending and military capabilities will be the availability of resources and the political and strategic ambitions of its leaders, rather than public or party political pressure. Available inputs and desired outputs are unfortunately diverging.

INPUTS

Despite the ongoing economic crisis in Europe, French defense spending appears to have held up in nominal terms from 2012 to 2015 at around 31.4 billion euros per

year,³ excluding military pensions. If military pensions are included, as is done in NATO statistics, along with a dual-use research and development (R&D) fund (not included in NATO figures), the total is some 41.2 billion euros, i.e., 1.95 percent of 2014 GDP,⁴ just shy of NATO's important 2 percent benchmark. The qualifying verb (“appears”) used above refers to the transient elements in both revenue (e.g., nonrecurring funding from the sale of state-owned assets, and supplemental funding to cover part of the costs of unforeseen military operations) and expenditures (e.g., excess costs from unforeseen military operations), which make it difficult to compute a solid retrospective budget outturn. Overall, the figures come close to the mark, in that the Hollande presidency (which began in 2012) has given symbolic importance to being able to stick to the 31.4 billion euros figure, if needed, through ad hoc budget adjustments.

In practical terms, this means that defense spending has diminished in terms of purchasing power, with an average headline inflation rate of 1 percent during the

³ “Les chiffres de la défense” [Defense Figures], editions 2012, 2013, and 2014, French Ministry of Defense (www.defense.gouv.fr); press reports for latest 2015 estimates (in French).

⁴ Insee (French National Statistics Office), <http://www.insee.fr/fr/default.asp> (in French).

period 2012-15. This loss of purchasing power has been partially recouped through cuts in military manpower.

In summary, slow erosion, rather than severe cuts, characterizes defense spending under Hollande. This was also the case under his predecessor Sarkozy, coming after the budget increases under Chirac in the 2002-07 period. Given France's defense and security ambitions, this may not be good enough to maintain an adequate force structure and posture, particularly in a much more challenging threat environment.

OUTPUTS

From this limited resource base, France manages to extract a diversified, broad-spectrum, versatile, and competent force structure.

Deterrence is ensured through a nuclear dyad of four second-generation nuclear-powered ballistic missile submarines with sixteen missile tubes and sixty ground-based, carrier-borne Rafale combat aircraft equipped with supersonic nuclear-tipped cruise missiles. The corresponding close to three hundred nuclear warheads are brand new, designed for a long life after the test-ban treaty. Stockpile stewardship has benefitted from heavy investment—in cooperation with the United States' National Ignition Facility, along with jointly built and operated R&D facilities in France and the UK—since before the middle of the twentieth century.

Since the 2008 white paper on defense and national security was released,⁵ intelligence has been recognized as a pivotal strategic priority, with a corresponding expansion of imagery (IMINT), electronic (ELINT), and human intelligence (HUMINT) assets, and their competent integration at all levels into the decision-making and operational processes, with an accordingly shortened decision-making cycle. This expansion paid handsome dividends in the high-tempo operations in Mali in 2013, in a battlespace the size of Texas. The increase in the size and capability of the Special Forces is also part of this process.

Intervention forces have shrunk along with the size of the manpower pool (see below). Somewhat paradoxically, they are probably better suited to

fulfilling NATO commitments than they had been in previous years, because the ability to participate in a joint allied major military operation has become the force dimensioning mission. Previously, from the end of the Cold War until 2013, it was a Gulf War-1991 type of contingency, which was the force dimensioning mission, emphasizing long build-up times, far-flung logistics, and involving Middle Eastern adversaries. This was both highly demanding in terms of cost and manpower, and out of step with more likely NATO contingencies. Quick response and high-end but less numerous forces are now emphasized, a choice validated by the return of war in the former USSR and the Mediterranean. Smaller contingencies, such as in Mali in 2013 or the NATO operations in Libya in 2011, are nested in the dimensioning capability.

Since the end of the Cold War, French forces have been, on average, employed in five or six distinct military operations each year. For example, French forces have

participated in six operations thus far in 2015: Operation "Barkhane" against terrorist groups in the Sahel; Operation "Sangaris" in the Central African Republic; Operation "Chammal" against ISIS in Iraq and Syria; UNIFIL in South Lebanon; and counter-piracy operations undertaken by the European Union (Operation "Atalanta" in the Indian Ocean) and France alone (Operation "Corymbe" in the Gulf of Guinea). These involved a total of close to ten thousand military personnel, in line with past patterns.

In addition to these numbers, some ten thousand soldiers were also deployed in France itself (Operation "Sentinelle") to secure vulnerable and sensitive sites against terrorist attacks.

France has military bases and facilities on or near every continent, including in Djibouti and Abu Dhabi, as well as on the Kourou spaceport in Guyana. With 215,000 active duty military members (of which 115,000 are in the Army) and a small operational reserve of some 26,000, France's forces are clearly being stretched by these multiple commitments. Moreover, the size of the force structure has been shrinking rapidly and substantially, while commitments have remained at high levels. Indeed, after the terror attacks in France in January 2015, the government sharply reduced the pace of force reductions. The problem here is one of over-commitment, not one of absolute scale. As a ratio of active servicemen and -women to the population, France with 3.3 per thousand is doing better than the

Since the end of the Cold War, French forces have been, on average, employed in five or six distinct military operations each year.

⁵ "The French White Paper on Defense and National Security," Présidence de la République, 2008, http://www.ambafrance-ca.org/IMG/pdf/Livre_blanco_Press_kit_english_version.pdf.



French aircraft carrier Charles de Gaulle off the coast of France in 2014. *Photo credit:* Hervé Dermoune.

UK (1.7) or Germany (2.2), if not the United States (4.4), which has an additional extensive operational reserve. Indeed, as is the case for other continental European countries, the French military is undercapitalized compared to its US and, to a lesser extent, UK colleagues. Even if French defense spending were rising, it would make more sense to recapitalize the military than to expand the active service manpower, as current commitments can probably be met if manpower ceases to shrink and is kept stable.

PROSPECTS

The balance between means and ambitions is becoming more unstable.

This is primarily due to what the French call the “hardening” (*durcissement*) of the strategic environment: Russia’s return as a dynamic revisionist power, the prospect of a Thirty Years’ War in a post-Sykes-Picot Middle East, the American rebalance to Asia, an EU in ever greater disarray, etc. France’s current defense spending is not compatible with these trends.

Economic pressures won’t help. In the absence of British- or German-style structural reforms, it is unlikely that France will be able to return to sustained

economic growth and thus broaden its budget base. Nor is it clear that the political economy of the eurozone, characterized by suboptimal growth and the preference for deficit cutting, will allow France to significantly increase defense spending without breaking the EU Commission’s expenditure benchmark and risking a crisis with Berlin. With significant downside risks—like the impact of the refugee crisis and Brexit—even simply freezing defense spending may be tough to achieve.

On the demand side, the modernization of the nuclear deterrent will require increased funding, ramping up progressively from the end of this decade to 2030 and beyond. Because France’s nuclear spending cycles are spread out in time, the relative effort will not be nearly as substantial as in the UK, where the modernization of the ballistic missile submarines could absorb up to one-third of all defense acquisition spending in the mid-2020s. However, with nuclear deterrence accounting for some 10 percent of military spending and a fifth of total defense capital spending, this will make it more difficult to square the circle of means and ambitions.

The funding of unforeseen military operations will also be more difficult to ensure. From 2012 to 2015, budget



Soldier in the French Foreign Legion. *Photo credit:* Ministry of Defense of the United Kingdom.

reserves for such contingencies covered less than half of the actual cost—around a billion euros a year. The difference in cost was covered in supplemental budgets by windfall revenues, largely generated by the constant decrease in the interest rate of new treasury bills issued on the bond market, which has treated France as a quasi-doppelgänger of virtuous Germany. But with ten-year government bonds dropping to close to a zero percent interest rate, the windfall effect has reached an end. If anything, it may go into reverse as the US Federal Reserve System eventually raises its own rates.

Finally, there is limited risk that the public will lose its trust in the executive on defense policy. There is currently no hard evidence of this, but there is grumbling about the effect on public opinion from the rise of jihadism in Libya after the overthrow of Qaddafi and the mounting tide of illegal immigration to Italy and beyond. With former President Sarkozy claiming credit for the Libya campaign, this affiliation

It would make sense for the EU, and notably Germany, its most important economic actor, to remove defense spending from ongoing EU deficit-cutting measures.

could backfire on his successor(s) as the situation deteriorates further. French officials were stunned by the speed with which the United Kingdom has pared down its global and regional strategic role from August 2013 onwards, after the House of Commons refused to authorize the use of force against Assad's regime in Syria for having used chemical weapons. The fact that this sequence played out a full decade after the invasion of Iraq shows that political U-turns can occur long after the initial events.

There are essentially two mutually reinforcing sets of policies whereby France may be able to continue to strategically punch at a level commensurate with its standing as a permanent member of the UN Security Council. The first is a return to economic growth. It was only in the second half of 2015 that France's GDP, along with that of the eurozone in the aggregate, recovered to the pre-crisis level of late 2007—after eight years of stagnation. Substantial structural reforms in the short and medium



French President François Hollande. *Photo credit:* United Nations.

terms are the prerequisites for sustainable growth. The corresponding decisions depend largely on French domestic choices.

The second strand heavily depends on European, rather than national, decisions. Given the hardening of the security environment, it would make sense for the EU, and notably Germany, its most important economic actor, to remove defense spending from ongoing EU deficit-cutting measures. France has made suggestions to that effect. Unfortunately, for the time-being, neither the EU as a whole nor Germany has

agreed with France on this issue. Clearly, the threat perceptions in Berlin and Brussels are still far removed from those prevailing in Paris and Washington, DC.

Dr. François Heisbourg is Special Advisor at the Fondation pour la Recherche Stratégique and was a member of the commission that produced the French government's 2008 Defense and National Security White Paper. The opinions expressed in this essay are those of the author and do not represent the views of the French government.

GERMANY

by Patrick Keller



German defense spending “does not even begin to match the requirements” of the German armed forces, which “have been chronically underfunded since 1990,” according to Inspector General of the German Army Bruno Kasdorf.¹ Although it is rare for a German officer to publicly voice such concerns, Gen. Kasdorf had little reason to worry about the political leadership’s reaction—and not just because he gave the interview two months before his retirement. In fact, defense experts from all major parties in parliament, from the Christian Democrats to the Greens, agree with his assessment.² The Bundeswehr, despite its world-class officer corps and admirable performance in recent missions, such as the International Security Assistance Force mission in Afghanistan, lacks the resources needed to sustain current levels of military ambition. And yet, a substantial change in direction seems impossible to achieve as the Chancellery and Treasury—not to mention the public at large—set different financial priorities for the country. In determining how to strengthen German defense under these conditions, three issues need to be addressed.

1. There is a contradiction at the heart of German defense policy. On the one hand, defense has been ignored for decades, not just in terms of underfinancing the Bundeswehr, but also politically, by neither defining nor explaining the purpose of the German armed forces to the German public. On the other hand, German leaders insist that Germany has always carried its share of responsibilities and call for

an even greater engagement in international security affairs.

Looking at the German defense budget, the twenty-five years since reunification tell a story of steady decline.³ From 1991 to 1997, defense spending decreased continuously, from about 28 billion euros to 23 billion euros (or from approximately 2 to 1.6 percent of GDP). However, the Kosovo War from 1998 to 1999 brought an end to the “peace dividend” era, and defense spending has been on a slow but steady rise since 2001 (with only minor cuts in 2003 and 2010). The financial crisis, which started in 2008, did not have a discernible effect on this trend. Yet, at the same time, the modest increases have not even offset inflation. In real terms, defense spending has been decreasing. Moreover, most of the additional money has gone to personnel costs, not to procurement or R&D. And with the growth of the German economy, defense spending has declined to an average of about 1.25 percent

of GDP. In 2014, Germany had a defense budget of 32 billion euros, amounting to just 1.14 percent of GDP.⁴

As a consequence, shortages and readiness problems have become apparent with increasing frequency. International media outlets revel in embarrassing stories about German tanks using broomsticks instead of guns in NATO exercises or the defense minister arriving in Erbil, Iraq, to oversee the historic handover of weapons to the Peshmerga in the fight against ISIS—only to learn that the weapons were stuck in Germany and the aircraft carrying the German trainers

German defense spending “does not even begin to match the requirements” of the German armed forces, which “have been chronically underfunded since 1990,” according to Inspector General of the Army Bruno Kasdorf.

¹ Christoph Hickmann, “Der Investitionsbedarf ist Riesig,” *Süddeutsche Zeitung*, May 21, 2015. <http://www.sueddeutsche.de/politik/bundeswehr-der-investitionsbedarf-ist-riesig-1.2488334> (in German).

² The one exception is the socialist party Die Linke, which seeks to disband the German armed forces and advocates the dissolution of NATO.

³ For a more fully developed picture of German defense spending see Patrick Keller, “German Hard Power: Is There a There There?” AEI National Security Outlook, no. 4, October 2013.

⁴ International Institute for Strategic Studies, *Military Balance* 2015.



German Eurofighters. *Photo credit:* Bundeswehr.

were in such a state of disrepair that they had to make a forced landing in Bulgaria.⁵

A Bundeswehr report to parliament in September 2014 showed that these were not random incidents, but the results of deep structural problems with Germany's defense establishment stemming from a lack of funding.⁶ According to the report, the majority of German combat systems cannot be used immediately for missions, exercises, or training. Of Germany's thirty-one Tiger helicopters, for instance, only ten are combat-ready and deployable. Similarly, only thirty-

eight of the eighty-nine Tornado fighter jets, 280 of the 406 Marder armored infantry vehicles, twenty-four of the fifty-seven Transall transport planes, and three of the twenty-one Sea King helicopters are combat-ready and deployable. Although there is some debate about whether the criteria for deployability used in the report are too strict, it is widely agreed that the Bundeswehr's capabilities have been stretched to the limits and are in need of modernization.

It is no accident that the state of the armed forces received so much attention in 2014. It was also the year when the war in Ukraine and the rise of ISIS in Syria and Iraq challenged German security policy. Even more important for the German domestic debate, the year began with major policy speeches by President Joachim Gauck, Foreign Minister Frank-Walter Steinmeier, and Defense Minister Ursula von der Leyen at the Munich Security Conference. All three called for more German leadership in international security affairs. Gauck, a well-respected figure in a largely ceremonial office, did so most emphatically, saying that in international crisis management, "Germany should make a more substantial contribution, and it should make it earlier and more decisively."⁷

5 See, for example, reports in *Der Spiegel* and the *Independent*: Gordon Repinski, "Verteidigungsministerin bei den Peschmerga: Von der Leyens Pannenmission im Irak" *Der Spiegel*, September 25, 2014, <http://www.spiegel.de/politik/ausland/ursula-von-der-leyen-im-irak-pr-flop-fuer-die-verteidigungsministerin-a-993729.html> (in German); Lizzie Dearden, "German Army Paints Broomsticks Black to Resemble Machine Guns in NATO Exercises," *Independent*, February 18, 2015, <http://www.independent.co.uk/news/world/europe/german-army-paints-broomsticks-black-to-resemble-machine-guns-in-nato-exercises-10054468.html>.

6 The report is classified but was leaked to various news sources; the numbers they cite from the report sometimes differ, but the general thrust of the argument is the same as this overview in *Frankfurter Allgemeine Zeitung* demonstrates: "Die Lange Mängelliste der Bundeswehr," September 24, 2014, <http://www.faz.net/aktuell/politik/inland/materialprobleme-die-lange-maengelliste-der-bundeswehr-13172228.html> (in German).

7 Federal President Joachim Gauck, "Germany's Role in the World: Reflections on Responsibility, Norms, and Alliances"



German Tiger Helicopter. *Photo credit:* Bundeswehr.

President Gauck and the ministers echoed the consensus of the strategic community in Berlin.⁸ After six years of economic crises in the eurozone, Germany gained significant relative power, especially in comparison to the states traditionally leading strategic thinking on security matters in the EU: France and Great Britain. German prosperity, political stability, population size, and geostrategic location should make it the preeminent leader in Europe—and not just on issues of EU integration and fiscal and monetary policy but also on strategic issues of regional and global security. This trend was reinforced by the German trading state’s dependency on a liberal international system and the strategic retreat of the United States under President Barack Obama. It was time for Germany to step up to new responsibilities and complete the transformation from a consumer to a provider of international stability.

speech delivered at the Munich Security Conference, January 31, 2014, <https://www.securityconference.de/en/activities/munich-security-conference/msc-2014/speeches/>.

8 See, for instance, the 2013 report by the German Marshall Fund of the United States and Stiftung Wissenschaft und Politik, bringing together more than fifty leading experts on German security policy: “New Power New Responsibility,” <http://www.swp-berlin.org/en/projects/new-power-new-responsibility/the-project.html>.

How this could be done with the armed forces at hand was never sufficiently discussed. In fact, public debate hardly went beyond the familiar reflexes warning against a “militarization” of German foreign policy. The tension between shrinking capabilities and rising ambitions is obvious and remains unresolved.

2. In response to this dilemma, Defense Minister von der Leyen is pushing for a stronger Bundeswehr that is capable of fulfilling its new and ambitious tasks. In doing so, von der Leyen continues the far-reaching reform process (“re-orientation”) of the Bundeswehr, which began under her predecessors Karl-Theodor zu Guttenberg and Thomas de Maizière. Centerpieces of the reform include downsizing the armed forces to 185,000 soldiers (from almost 500,000 in 1990), suspending conscription (accomplished in 2011 and de facto ending it), streamlining defense procurement processes, and creating a more agile and deployable force.

Moreover, von der Leyen achieved further (projected) increases in defense spending, from just under 33 billion euros in 2015 to just over 35 billion euros in 2019.⁹ As

9 “Verteidigungsetat wächst um 1,2 Milliarden Euro,” *Frankfurter Allgemeine Zeitung*, March 17, 2015, <http://www.faz.net/aktuell/politik/bundeswehr-etat-waechst-schon-2016-um-1-2-milliarden-euro-13488303.html>.

in previous years, however, this incrementalism will not suffice. Most of the additional money will be eaten up by personnel costs, higher rent, and inflation. The fundamental problem of underfunding will persist only as majorities in parliament and the public set different priorities—evidenced in the budget of the Ministry of Labor and Welfare that is four times the size of the defense budget. And as long as defense has to return more than a billion euros of “unused money” at the end of a fiscal year, due to mistakes in planning and delays in delivery, it will remain very difficult for proponents of increased defense budgets to make their case.¹⁰

3. More defense funding is necessary to maintain even current levels of readiness and effectiveness of the Bundeswehr. And yet, what if further budget increases do not happen? Here are three ideas on how to politically manage the deficit in a way that strengthens German, and ultimately European and transatlantic, defense.¹¹

a) *Do not get tunnel vision on NATO’s 2 percent budget-increase requirements.* NATO members agreed in 2014 to increase their defense budgets to 2 percent of GDP within ten years if economic development allows. The qualifiers give away the insincerity of the statement. As long as Germany does not suffer a major recession, this goal will not be met.¹² By today’s standards, 2 percent of GDP would mean an additional 20 billion euros for defense. The German public would not accept such an increase. Also, a German defense budget of more than 55 billion euros would overshadow those of all other European nations, including France and Great Britain, thus perhaps rekindling old fears and problematic political dynamics from a bygone era in Europe.

¹⁰ Between 2009 and 2013, the Ministry of Defense did not spend the 3 billion euros that were earmarked for procurement, as reported here: “Bundeswehr rief Milliarden nicht ab,” *Rheinische Post*, October 13, 2014, <http://www.rp-online.de/politik/deutschland/bundeswehr-rief-milliarden-nicht-ab-aid-1.4590799>.

¹¹ For a more elaborate argument see Patrick Keller, “Strategic Deliberations about the Future of German Security Policy,” Facts & Findings, no. 167, April 2015, <http://www.kas.de/wf/en/33.41124/>.

¹² This does not mean that the goal is useless, however. It remains an important argument in the annual debate over defense expenditures.

Hence, it is much more realistic—and smarter—to focus on *how best* to spend money on defense rather than on *how much*. There are two ways to think about this. First, Germany could make military contributions to international stability that are not financed through the defense budget. It could, for instance, enhance and enable the armed forces of the Baltic republics, especially with maritime and reconnaissance capabilities. Such a contribution could be reported to NATO under the framework of the Readiness Action Plan (RAP), but it could be financed through the budget of, say, the foreign office.

Second, Germany could shift priorities within the existing defense budget. Most notably, only 12.8 percent of the 2015 defense budget is allotted for procurement of military capabilities (down from 14.2 percent in 2014), and there is a miniscule 2.4 percent allotted for research and development (down from 2.9 percent in 2014).¹³ German leaders must reverse this trend; procurement and R&D combined should amount to at least 20 percent of defense spending in order to redress the problems in readiness and modernization, as well as to fulfill Germany’s R&D funding commitment made at the 2014 NATO summit in Wales. Minister von der Leyen took first steps in the right direction, including choosing an influential Deputy Minister, Katrin Suder, who oversees the revision of the procurement process and who brokered the recent agreement between the ministry and the German defense industry outlining rules for future defense industry cooperation.¹⁴ There remains, however, a long way to go.

b) *Foster greater synergy with allies and partners in Europe.* Germany cannot “pool & share” its way out of the crisis of an underfunded Bundeswehr—in the end, it needs to buy things. And the armed forces of twenty-six sovereign European states taken together

¹³ The 2014 and 2015 defense budgets are available on the Ministry’s website: http://www.bmvg.de/portal/a/bmvg/!ut/p/c4/NYy7DslwEAT_yGcXIWOKEJQ0KRJQufEljnJj-hyNg0fj12wq51mpIUX1EZd0GnGFLWHGZYNL-tHrKE4ETDiwZYwB1EssUWDLkd3vHWu8wxTezBWbClabmQbGSsdaU4k9kTsm8IE1Qg0sEg19FLJf9S3m-b77dmdzsOjH2EP4foDBvQCwQ!!/.

¹⁴ The agreement of June 29, 2015, is available on the Ministry’s website: <http://goo.gl/hohtFe>.

Germany could make military contributions to international stability that are not financed through the defense budget. It could, for instance, enhance and enable the armed forces of the Baltic republics, especially with maritime and reconnaissance capabilities.



German Patriot missile system. *Photo credit:* Bundeswehr.

will always be less efficient in terms of value for money than the unified US military. Still, Germany and its European neighbors can take steps to create military clusters and islands of cooperation between states. Germany's "Framework Nation" concept and NATO's RAP provide examples of how such ideas strengthen the Alliance. Key future projects could include a joint development and procurement program for the next generation fighter jet between Germany, France, and the UK or joint support ships with Poland and France.¹⁵ In order to avoid duplication of efforts and in recognition of the indispensable role the United States plays as Europe's pacifier, NATO should always be the primary framework within which such efforts are undertaken. But where NATO does not want to provide such a framework, there the EU can be put to good use—for instance by creating a unified EU medical command.

¹⁵ Maik Zarandi, "European Islands Solutions as a Basis for Strengthening European Defense Capabilities?" *Facts & Findings*, no. 130, October 2013, <http://www.kas.de/wf/en/33.35552/>.

Germany cannot
"pool & share"
its way out of
the crisis of an
underfunded
Bundeswehr—in
the end, it needs to
buy things.

Such increased cooperation must be undertaken in tandem with efforts to consolidate the European defense industry. The July 2015 deal between military land defense systems producers Nexter in France and Kraus-Maffei Wegmann in Germany is a good first step, especially after the lamentable German veto against the merger of aerospace companies BAE Systems of Britain and European Aeronautic Defense and Space (EADS) in 2012.

c) *Reinforce the public debate about German interests in international security affairs.* The root cause for Germany's ailing defense policy and the country's strategic thinking is the German

public's contentment with the status quo—and the misconception that this status quo is a given, and not something that depends on the resolve of the West to maintain a stable and liberal international order. This, in conjunction with the strong anti-militaristic streak Germany developed after four decades without full sovereignty and responsibility for its survival, means



German Leopard 2 A5 tanks. *Photo credit: Bundeswehr.*

the country lacks an impetus to undertake the serious defense investments and reforms required for today's threats.

Therefore, political leaders and commentators need to persuade and educate the public on the importance of a stronger defense posture. For instance, parliament should hold regular sessions about national security, preferably accompanied by an annual strategy paper from the Chancellery. The current process of developing a new white paper on defense is commendable for being more inclusive and deliberative than previous efforts, but it is a meager substitute for a full-fledged national strategy. Germany

also needs to broaden its strategic community, to encourage more active engagement from private think tanks on international affairs, and to counter the dearth of university departments on strategic studies. If Germany can raise the level of debate, from both experts and the public, on security issues of strategic concern, it will become a more reliable and effective NATO ally, contributing its fair share to strengthened transatlantic security.

Dr. Patrick Keller is the Coordinator for Foreign and Security Policy at the Konrad Adenauer Stiftung. The opinions expressed in this essay are to be attributed to the author alone.

POLAND

by Tomasz Szatkowski



In the coming years, Poland's strategic defense policy outlook will be determined by the threat posed by Russia's aggressive attitude in its "near neighborhood." Although the Mediterranean refugee crisis has for the first time created direct implications for Polish security that stem from outside the traditional geopolitical East-West Axis on the Northern European Plain, this out-of-area security challenge will remain a secondary mission for the Polish Armed Forces. Therefore, even if Warsaw steps up its involvement in the anti-Daesh campaign, the main purpose of such an endeavor would be to strengthen solidarity between allies, with expectation of reciprocity with regard to NATO's Eastern Flank.

Regardless of how experts define Russia's intentions regarding its geopolitical objectives or operational plans, two themes should be regarded as overarching factors. The first is the internal dynamic in Russia—this is the extent to which fueling the hostile attitude toward the West helps consolidate President Vladimir Putin's political support base and diverts attention away from domestic economic, social, and political problems. The second, which directly relates to the first, is the desire to drive wedges within the transatlantic security architecture and create conditions for the full return of the Concert of Europe. Putin will take advantage of Russia's military, as well as other statecraft tools at his disposal, to make this strategy successful. These include using nonmilitary means, such as information and psychological operations, intimidation through the threat of force, and the use of unconventional force to achieve political objectives. Russia has displayed a very holistic approach and is willing to use any or all of these methods to increase its influence across NATO's eastern flank. What is particularly worrying is Moscow's perception that the time it has to achieve these goals is limited because Russia's economic troubles diminish the resources necessary for any energetic external action in the future. Therefore, as

time goes on, there will be an increasing incentive to use force as long as it is still available.

Russia seeks conditions that will weaken the transatlantic link wherever it is possible, and damage the political cohesion of Europe. If these conditions occur, Russia will be ready to quickly escalate to using traditional military means if its preferred unconventional methods fail. Russia's unconventional tactics could also degrade to conventional warfare if Moscow's frequent flexing of its military muscle slips out of control and leads to an accident or confrontation. In terms of capabilities, according to some less optimistic estimates, after more than a dozen years of increasing defense spending and the ambitious and far-reaching defense reforms initiated by former Defense Minister Anatoly Serdiukov, Russia has enough active troops (without mobilizing its reserves) to mount three simultaneous operations: offensive

Russia has enough active troops (without mobilizing its reserves) to mount three simultaneous operations.

action against the Baltic states, military engagement in Poland, and the continual bogging down of Kyiv's forces in eastern Ukraine. Even more worrying, Russia has maintained a tactical nuclear arsenal that is far bigger than the capabilities of NATO's European members. Russia has also developed both the warheads and delivery systems that are more "usable" on the modern battlefield, so that the threat of using them is much more credible. Regardless of whether some analysts are right that Russia's "escalate to de-escalate" concept is signaled purely as part of a psychological warfare, the impact of this capability on the overall strategic balance, and the change in Moscow's nuclear doctrine, should not be left without remedies.¹

¹ Robert Work, "Statement before the House Committee on Armed Services," June 25, 2015, p. 4. <http://docs.house.gov/meetings/AS/AS00/20150625/103669/HHRG-114-AS00-Wstate-WorkR-20150625.pdf>.



Members of Poland's Special Forces training in Fort Bragg. *Photo credit: US Army.*

Overall, the situation on NATO's eastern flank has posed the greatest challenge to Poland since the country regained its full independence in 1989. Therefore, Poland's political-military culture needs to put forth a great degree of effort and ingenuity to adapt to this new threat environment. In order to optimally meet this challenge, Poland will need to radically eradicate some still-existent residues of the Warsaw Pact satellite culture within its military bureaucracy. Otherwise, such traits like hierarchical rigidity, repetitiveness, and aversion to critical thinking will preclude any effective response.

To begin with, the increased security threat from the east calls for a whole set of political and administrative reforms, including of the national security management system. The government must be able to coordinate a broad and varied set of statecraft and military tools, across the conflict escalation continuum. Three subsets of this system need to be put in place from scratch. First is the need for all source intelligence analysis, together with participatory and adversarial simulations/wargames, to be part of the whole government national security steering process. Second, Warsaw's defense procurement policy needs to be better coordinated with its defense industrial strategy. Poland's economy

could benefit from a spillover from a relatively robust Ministry of National Defense procurement budget that, over the next eight years, will account for roughly \$4 billion in procurement each year. Nonetheless, the Polish government and the defense industry should clearly designate which areas (except for key platforms that require international technology) should be the main areas of specialization for the country's defense industrial base; they should also identify who could be its most beneficial partners. Third, the Ministry of National Defense should reform its defense resources management system. So far, the process is unrefined; for example, the capability acquisition programs appear to be a loose collection of the agendas of their respective services. The Ministry of National Defense should have a unit in the organization capable of providing analytical advice similar to the work done by the Pentagon's Office of Net Assessment, as well as its Cost Analysis Program Evaluation Office. In addition, the planning and acquisition processes should be geared more toward whole capability in the full-cycle approach.

The threat itself, as depicted earlier, requires a full spectrum deterrence response from Poland and its allies. Warsaw should be seeking asymmetric measures, geared at addressing an enemy's vulnerabilities. The

sub-conventional scenario—in the case of Poland, a country that is nearly ethnically and culturally homogenous—will not be very credible in its “subversive” form. Nonetheless, Poland might need to respond to a “little green men” type of threat to one of its neighboring NATO allies. Taking that mission into account, the Armed Forces of the Republic of Poland should not focus on “gendarmerie” capabilities, but rather on unconventional Special Operation Forces’ capabilities and their interface with nonmilitary means. These capabilities will deter the enemy by creating the potential for unrest in the enemy’s own backyard. That means that the Polish military may need to rethink the role of its crown jewels—the Special Operation Forces—which constitute a separate branch of the Armed Forces. Instead of focusing on “door kicking”-type units, Poland’s special forces should embrace an effects-based approach, and part of its military training and assistance capabilities should focus on psychological operations (PSYOPs) and civil affairs capabilities.

The conventional conflict scenario emphasizes the return of “old,” “quantitative” notions such as the number of troops and platforms, sheer firepower, and survivability of forces, to complement “quality” that was underscored over recent years, and has been defined as effects based approach, situational awareness, precise attack, and mobility. Such a scenario would be predominantly land-based and would include a highly contested cyber, radio-electronic, air, and naval domain.

In such an environment, the Polish Navy should give up “blue water” ambitions, such as investing excessively into surface combatants. Instead, the Navy should focus on missions like mine warfare, intelligence surveillance, and reconnaissance. Increasingly, these missions will be performed by unmanned platforms and coastal defense. Similarly, it could be argued, to what extent the Polish Air Force would be able independently to impact the situation in the battlespace with traditional aircraft.

In general, the Polish military should not overinvest in expensive and vulnerable platforms that require equally vulnerable infrastructure. Therefore, except for armored units intended for counterattacks, the Polish military should create a robust, cost-effective reconnaissance strike force based on the Russian and Chinese models—numerous networked, precision guided, multiple launch rockets systems (MLRS) with target acquisition provided by inexpensive unmanned aerial vehicles (UAVs). That capability should be coupled with local

defense forces that are equipped with guided rockets, artillery, mortars, and missiles (GRAMMs); man-portable air-defense systems (MANPADS); and precise anti-tank guided missiles (ATGMs). Naturally, these local troops could not fight without secure digital communications and night vision gear. The need to restore that sort of cost-effective, space-saturating formation, either the type that exists in militias or in the National Guard, is one of the most widely discussed topics in Poland.

Warsaw should also rethink its air and missile defense concept—whether it would not be more optimal to invest in “shooting the archer” instead of “shooting the arrow.” The missile-to-interceptor cost relation is highly disadvantageous for the latter. Moreover, the “shooting the arrow” option does not provide an adequate deterrence effect, as it is the aggressor who chooses the degree to which he exposes himself. A partial remedy to this problem might be a combination of radio-electronic warfare and long-range rocket artillery battle networks, perhaps supplemented in the future by inventive solutions like kamikaze drones.

The last dimension of the threat—the tactical nuclear dimension—should be addressed within the NATO Nuclear Deterrence Posture by modernizing NATO’s tactical nuclear capabilities. Extended deterrence effective on a sub-strategic level requires major allies to accept some risk by exposing their vulnerable capabilities on the eastern flank. Such steps ensure

NATO can respond automatically to an aggressor’s attack against a nonnuclear ally. This should entail the deployment of some US strategic assets—that would be critical to the national security of the United States—to the heart of Poland. For instance, these strategic assets may take the form of early warning elements of the US nuclear deterrent or elements critical to the logistical sustainment of US military forces. Effective NATO deterrence will still require some form of forward presence of conventional troops of “old” NATO Allies in Poland, in order to mitigate the anti-power projection impact of the Russian A2/AD in Kaliningrad and the increased readiness of Russian troops that pose the threat of closing all lines of communication to the Baltic States.

Without measures to address the new nuclear threat environment in Europe, Poland is left with three options. The first is to accept the risk of falling prey to the “escalate to de-escalate” doctrine. The second

The Polish military should create a robust, cost-effective reconnaissance strike force based on the Russian and Chinese models.



Polish tank participating in NATO's NOBLE JUMP exercise, June 18, 2015. *Photo credit:* SHAPE NATO.

is to offer political concessions to Moscow and drift towards a “Finlandized” status, in order to decrease the likelihood of a military attack by Russia. The third is to create a nonnuclear deterrent for Poland (similar in logic to the French and British nuclear deterrents) that would create an alternative decision dynamic for adversaries contemplating escalation. This deterrence option should be studied more rigorously because it cuts across multiple domains. This nonnuclear deterrent could consist of new capabilities, such as longer and more powerful warheads on cruise missiles; new types of weaponry (e.g., microwave technology); and offensive cyber capabilities and subversive oriented Special Operations Forces. Such deterrence may also provide strategic effects for nonnuclear nations. Naturally, this option is feasible only if a nation is not looking to create the threat of mutually assured destruction, but it may nevertheless be enough to throw the aggressor off balance or at least to significantly degrade the aggressor’s capabilities vis-à-vis the capabilities of the United States. This option would still require complete national autonomy over these assets, enhancing national-level command and control and clearly communicating to other powers that it is an appropriate defense-oriented strategy, most likely centered around the notion of the French “nonuse”

doctrine. If introduced in a thoughtful manner, this approach should not destabilize the strategic balance, and NATO may instead use it as the Clausewitzian concept of friction to bolster the credibility of the extended deterrence.

In conclusion, the modernization of the Polish Armed Forces, along the concept of full-spectrum deterrence, should focus on three first-magnitude priorities. The first is to develop more-integrated, less-kinetic Special Operation Forces capabilities. The second is to employ local defense forces and robust reconnaissance-strike units (equipped with rockets, artillery, and UAVs) to funnel potential aggressors into geographic “kill zones.” The third is to develop autonomous long-range cruise missiles or non-kinetic complementary deterrence assets. Together, these priorities will best strengthen Poland’s defense capabilities and deter potential aggressors.

Tomasz Szatkowski is Undersecretary of State in Poland’s Ministry of National Defense. Previously, he was President of the National Center for Strategic Studies in Warsaw and wrote this chapter before he joined the Polish government. The views and opinions expressed in this report are those of the author and do not reflect the official policy or position of the Polish government.

ITALY

by Giampaolo Di Paola



Italy's defense budget and priorities have been profoundly affected by the ongoing economic crisis across Europe, and continued slow growth within Italy. Seven years of economic recession, high unemployment, deteriorating living conditions and social safety nets, and tight fiscal policies have inevitably driven cuts in defense spending. This is true across Europe, but it is especially pronounced across southern Europe and, in particular, in Italy. Therefore, Italy's ability to live up to the commitments on defense spending levels and military capabilities made at the 2014 NATO summit in Wales must be understood within this broader context. In other words, from Rome's vantage point, the Wales commitments should be viewed as aspirational, and something that can be achieved once the nation has been set upon a long-term and sustainable path toward economic recovery and growth.

Furthermore, there is a growing sense in Italy that NATO's target of 2 percent GDP for defense spending among the members is a dull instrument for driving relevant defense investment. Leaders in Italy increasingly question the relevance of this target for meeting current security challenges, as well as future crisis scenarios. There is also a growing sense that how states spend the funding is more directly relevant than the amount they spend, in terms of maximizing capabilities and effects. In short, the prospect for increased Italian defense spending may be limited, even if the economic headroom for it is there.

Many political leaders in Italy would also like to move toward a more comprehensive approach to security, in which military power is only one of many tools available to policymakers. There is also an understandable drive to give broader attention to the many security challenges around the Mediterranean's southern rim, as there is real concern that the challenges in the south are not widely understood within the Alliance and among its allies. Many in Rome

believe that this is partially due to the very clear focus on NATO's East and the challenge of a newly aggressive Russia. Some in Rome even worry that NATO is heading toward a new Cold War with Russia. This would be unfortunate, since it would sweep away the prospects of a more open relationship with Russia and of an inclusive European security order that has been under development for more than a decade. Make no mistake; Rome recognizes that Russia's current behavior is unacceptable, and that Moscow bears real responsibility for the current situation in Ukraine. However, from a longer-term perspective, remilitarizing the relationship with Russia would be dangerous, and it would be far from the optimal solution for NATO and the broader European security order.

Based on this context, the Italian defense debate and Italy's planning for the future are primarily focused on organizational reforms and military transformation,

both nationally and internationally. There is also a real interest in achieving deeper integration around defense policies across Europe, as well as to move forward on EU-NATO collaboration, in order to not only spend scarce defense resources more wisely, but also achieve real savings. This approach is made clear in the recently released "White Paper on International Security and Defense," written by Italy's Ministry of Defense and approved by the Supreme Defense Council, which is chaired by the President of the Republic and includes the Prime Minister and the Chief of Defense.¹ The white paper clearly states that, given present budget constraints, Italy's current military structure is unsustainable, and is burdened with legacy processes and approaches.

The white paper calls for the following changes in Italian defense policy: reducing the overall strength of the Italian military to approximately 150,000

Italy's current military structure is unsustainable, and is burdened with legacy processes and approaches.

¹ Ministry of Defense of Italy, "White Paper for International Security and Defense," April 21, 2015, http://www.difesa.it/Primo_Piano/Documents/2015/07_Luglio/White%20book.pdf.



Italian aircraft carrier Cavour, June 10, 2010. *Photo credit: Armando Mancini.*

troops; accelerating the streamlining of command and logistics structures; further enhancing a joint organizational approach and mindset; and creating a framework of interoperability, shared capabilities, and coordinated defense planning, in concert with NATO allies and other European nations. The white paper reaffirms Italy's commitment to collective defense and deterrence with European and NATO allies, but it especially calls for the Italian military to take the lead and focus on challenges, risks, and threats stemming from the southern Mediterranean rim. This aligns closely with Italy's ambition and ability to play a leading role in this region.

At the same time, the white paper highlights the two key problems that challenge the Italian military today. A limited and unbalanced budget, with more than 70 percent dedicated to personnel costs, leaves only 10 percent of the budget for operations and maintenance, and less than 20 percent for defense investment. The low percentage of defense investment is somewhat offset by resources made available on an ad hoc basis by the Ministry of Industry to support the Italian defense industrial base. For example, the current modernization of patrol and support ships for the Italian navy—a ten-year, 5.6 billion-euro program—is

funded outside the defense budget in this manner. The real dramatic shortfall is in the operations and maintenance account (which is at least 10-15 percent below reasonable levels), which is contributing to seriously undermining the readiness and operational effectiveness of the Italian military.

In response to these issues, the white paper outlines a start to rebalancing the Italian armed forces. Italy can reduce personnel costs by downsizing the force to 150,000, and by changing the ratio between permanent service contracts and short-term enlistments and commissions (currently, the ratio is 70/30). Since long-term personnel are considerably more expensive than short-term equivalents, changing this ratio would result in significant cost reductions, and help lower the average age of Italian service members, which is currently forty-four years. The white paper also calls for providing long-term stability and predictability for the availability of investment resources through a six-year program law (akin to the French "*loi de programmation*"). If adopted, this element would be a sign of real innovation stemming from the white paper, and would transform Italian defense investment planning and implementation.



Italian soldiers participating in multinational Best Squad Competition. *Photo credit: US Army.*

The white paper does not provide a forecast of Italian defense-spending levels. It does, however, call for rationalization, more-focused spending priorities, and increased cooperation with European and other NATO allies in research and development, as well as defense investment projects, while leveraging the capabilities of the Italian defense industrial base. The white paper emphasizes the need for Italy to retain its military technological edge, in concert with allies. This means that, in a resource-constrained environment, capabilities must be coordinated and integrated with other European nations, in terms of planning, development, and employment. However, Italy will continue to focus specifically on the set of capabilities most relevant for the security challenges around the Mediterranean's southern rim. Furthermore, Italy will need to prioritize quality over quantity in terms of platforms and military systems, meaning that there will likely be a future loss of density in available capabilities. However, this

Italy will continue to focus specifically on the set of capabilities most relevant for the security challenges around the Mediterranean's southern rim.

density loss will likely be offset, to some degree, by an increase in sophistication and quality.

In sum, Italy is driving toward a mobile, technology-hedging, fully integrated, network-enabled, and connected joint force that is closely integrated with Italy's allies, and which has the ability to deploy in the European theater and in regions south of Europe. Special attention will be paid to command and control, intelligence and cyber capabilities, air and space intelligence/surveillance/reconnaissance (ISR) capabilities, and precision targeting (drones will be especially important here). Naval modernization will be the key to Italy's maritime strategy for the broader Mediterranean, while the Italian ground force will need networked land formations with long-range firepower.

The white paper also states that defense-capacity building and military-cooperation mechanisms are



Italian Tornado fighter jet undergoing air to air refueling. *Photo credit: Miks Uzan/NATO.*

needed to improve—and, sometimes, build from scratch—the security functions of governments across the broader Mediterranean region. In this regard, the training capabilities of the *Carabinieri* (Italian army units with law enforcement responsibilities) are of special importance.

In conclusion, the white paper sets out a clear way forward for Italian defense: a smaller, but still significant, military that can provide a high-quality joint force that is sustainable at the given level of resources. It will be fully coordinated and interoperable with Italy's allies and partners, with an operational focus on Europe and the region to the south of Europe. This orientation does not stem from fiscal realities alone; it also comes from a real geopolitical assessment of current and future security challenges, which include

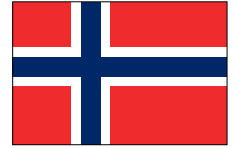
approaches that are more comprehensive and less military in nature. This will require Italy to continue to work with its allies, along with its regional friends and partners, in a fashion that very much aligns with the principle of cooperative security expressed in NATO's Strategic Concept.²

Admiral (ret.) Giampaolo Di Paola is a professor at Libera Università Internazionale degli Studi Sociali Guido Carli, and was Defense Minister of Italy from 2011 to 2013. The opinions expressed in this essay are those of the author and do not represent the views of the Italian government.

² North Atlantic Treaty Organization, "NATO's Strategic Concept for the Defense and Security of the Members of the North Atlantic Treaty Organization," November 19, 2010, http://www.nato.int/strategic-concept/pdf/Strat_Concept_web_en.pdf.

NORWAY

by Rolf Tamnes



From a Norwegian security-policy perspective, a strong and credible NATO is crucial, first and foremost, to balance Russia. Russia will remain the defining factor in Norwegian defense planning because its military actions in Ukraine ended the deep peace in Europe, and because Russia's military buildup increases the disparity in its power relationship with Norway. According to the Expert Commission on Norwegian Security and Defense Policy, the Norwegian Armed Forces, the society at large, and Norway's allies need to join forces in a *unified effort* to create a "new normal."

Norway and NATO must face the threats from major geopolitical shifts, and take key steps to make the defense of the Alliance and Norway more robust and credible.

Geopolitical Shifts, Threats, and Risks

Shifts in the geopolitical environment and political landscape are affecting the outlook for Norway and NATO. First, the growing geopolitical importance of the Asia-Pacific region is prompting the United States to allocate considerable military resources to that part of the world. Under such circumstances, Europe will need to make a greater contribution to European security. Second, deep rifts in North Africa, the Middle East, and Southwest Asia are the main challenges to the security of the southern part of NATO, including countries that hardly see Russia as a threat. If not managed with prudence, the North-South divide might tear the Alliance apart.

Third, a more self-assertive Russia must be managed. The Baltic region has become a hotspot in the confrontation between Russia and the West. In times of crisis and war, other NATO members will expect Norway to make substantial contributions. In peacetime, Norway is actively engaged in air policing and military exercises in the region. However, the main

challenge to Norwegian security is in the European High North.

Norway's Key Challenges

Norway's top geostrategic area of responsibility is the High North.¹ More than 80 percent of the country's maritime area lies north of the Arctic Circle. It is also in the High North that Norway shares a land and sea border with Russia. Norway and Russia work closely together to manage resources in the region. They also cooperate on environmental issues and search-and-rescue contingencies. Norway and Russia both rely on the Law of the Sea to secure their interests in the waters of the High North. The 2010 treaty on maritime boundaries in the Barents Sea and the Arctic Ocean is a prominent example of Russia's willingness to settle claims through diplomacy and international law.

There are very few local or regional sources of major conflict in the North, although differences do exist. Most boundary issues in the Arctic are solved, with some exceptions, notably the degree to which the continental shelves of the states in the North extend beyond two hundred nautical miles into the Arctic Ocean. Although Russia and other Arctic states have substantial unresolved territorial claims, these are unlikely to escalate to a crisis level. The Svalbard Archipelago is a special case, and one that is sensitive for both Oslo and Moscow. Russia's desire for special arrangements, particularly for greater influence over fisheries around the Svalbard islands, is a source of friction and may lead to a confrontation in the future. Nevertheless, a military conflict in the Svalbard area is unlikely to occur unless a local crisis is allowed to spiral out of control, or if the area becomes part of a larger international conflict.

¹ Rolf Tamnes and Kristine Offerdal (eds.), *Geopolitics and Security in the Arctic. Regional Dynamics in a Global World* (New York: Routledge, 2014).

Norway is becoming increasingly vulnerable to Russia's growing inventory of long-range, precision-guided weapons, and to advances in Moscow's offensive cyber capabilities.



Norwegian Defense Minister Ine Eriksen Sørveid observing a military exercise. *Photo credit:* Norwegian Ministry of Defense.

The primary reason for the geostrategic value of the High North is the concentration of Russian forces in the area, particularly the nuclear submarines that are central to Russia's strategic deterrence. Russia's Bastion Defense system reaches not only into the Barents Sea and the Norwegian Sea, but also over parts of Norwegian territory. Russia is also using forward bases in the North for deployment, dispersal, and support of long-range bombers normally stationed at air bases further inland. Since 2007-08, Russia's military activities in the Arctic have increased, including a greater number of patrols by its strategic bombers and submarines. Furthermore, Norway is becoming increasingly vulnerable to Russia's growing inventory of long-range, precision-guided weapons, and to advances in Moscow's offensive cyber capabilities. If a crisis occurs, Norway's leaders might have very limited warning or preparation time, due to the increasing speed of Russia's military actions and its more advanced military technology.

Three Steps to Improve Norwegian Security

In Norway's new security environment, three steps are necessary for effective deterrence and collective defense.

Making NATO Stronger

While NATO faces many challenges, it is the only major defense organization with the credibility and capabilities to cope with Europe's serious security crises and armed conflicts. It moves in the right direction, albeit slowly and hesitantly. NATO's contingency plans are being updated, including its plans for protecting Norway and the Alliance's other northern members. It is also developing the Very High Readiness Joint Task Force (VJTF), a unit that will be capable of deploying faster than the existing NATO Response Force (NRF). The US decision to preposition military assets in Central and Eastern Europe strengthens deterrence in the region. The revitalization of Article 5 exercises adds an important dimension to the joint efforts. In 2018, Norway will host NATO's High Visibility Exercise, which will focus on collective defense. All these efforts are of importance to Norwegian security.

At the same time, there are obvious shortcomings in the Alliance's current capabilities. One of the most conspicuous is the weaknesses in the command structure. NATO needs to reestablish robust headquarters with a defined area of responsibility, and strengthen the link between NATO and national

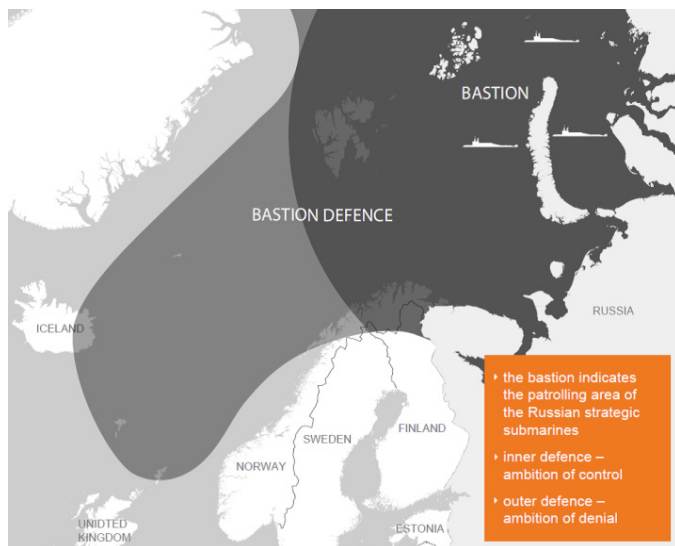


Figure 1. The reach of the Russian bastion of defense in the northern Atlantic. *Source:* Expert Commission on Norwegian Security and Defense Policy, *Unified Effort* (Oslo: Norwegian Ministry of Defense, 2015).

headquarters. Another urgent shortcoming is NATO’s maritime strategy. After the Cold War, priority has been accorded to expeditionary crisis-management operations “out of area.” The time has come to reinvigorate the maritime strategy, so that it becomes an integral part of the Alliance’s deterrence and defense policy. Credible NATO naval power and peacetime presence in the Norwegian Sea is critical to Norwegian security.

Improving Norway’s Own Defense

Due to key defense decisions, Norway is protected by high-quality armed forces and benefits from a modern command structure. Its Navy’s new platforms and weapon systems meet high standards. New submarines will be acquired after the year 2020. The government has planned an order of fifty-two F-35s to replace the F-16 fleet, to be delivered in 2015-25. The proportion of career military personnel in the Army has grown, and the readiness of the Norwegian Home Guard has been improved through better training and equipment. Norway’s Special Forces are highly skilled, and among the best forces in the world. There is every reason to highlight positive aspects of the military forces, especially as a significant number of NATO countries have been cutting defense budgets.

Norway cannot meet its defense obligations without a significant increase in its defense expenditures and a major reallocation of defense resources in favor of operations.

However, this is not the whole story. The number of personnel in the Norwegian military has been significantly reduced since the end of the Cold War, and the inability to activate many units on short notice reveals a significant readiness problem. This was not a major concern during the many years of operations in the Balkans and Afghanistan. Today, readiness and responsiveness will have to be top priorities. Improving the sustainability and reducing the vulnerabilities of the force structure are also essential. Much has to be done to adjust Norway’s Armed Forces to the new threat environment, and to make them capable of adequately dealing with the full spectrum of conflicts.

Because Norway, as a small nation, depends heavily on military assistance, national measures should be judged from an Alliance perspective. In a severe security crisis in the North, Norway must be able to react very quickly, while also avoiding the risk of having to act independently in the decisive, initial phase of a conflict. For Norway, credible deterrence requires both

the *simultaneous* involvement of allies and *seamless* escalation. While some allied units may be able to operate from bases outside Norway, some allied forces “should operate from Norwegian territory, both for operational reasons and to increase the deterrent effect.”² To benefit from such allied forces, Norway needs to prepare detailed plans, as well as provide access to the prepositioned materiel and host nation support for the units.

Since 2000, Norway has belonged to a small group of Alliance states that have increased or sustained their defense budgets. With the new challenges in mind, the future costs of Norway’s defense needs

are estimated to be considerably and consistently higher than the current budgets. Norway cannot meet its defense obligations without a significant increase in its defense expenditures and a major reallocation of defense resources in favor of operations.

At the 2014 Wales Summit, Norway agreed to the NATO goal of increasing the defense budget to at least 2 percent of its gross national product (GNP) within ten years; today’s proportion is 1.5 percent. Though more money will be spent on defense in the next few years, the steady growth of Norway’s GNP makes it very unlikely that the 2 percent target will

² Expert Commission on Norwegian Security and Defense Policy, *Unified Effort* (Oslo: Norwegian Ministry of Defense, 2015).



Norwegian frigate Fridtjof Nansen in the Gulf of Aden. *Photo credit:* Norwegian Ministry of Defense.

be reached. Investment is another concern in NATO, as the Alliance has established that at least 20 percent of the defense budget should be spent on investments in major equipment, including research and development. In 2015, Norway's proportion is as high as 23 percent, which is among the highest in the Alliance. Norway is therefore in a privileged position when it comes to modernizing its military structure. Yet, the new geopolitical environment has brought the economic challenges in the Norwegian Armed Forces to the fore. Like many of its allies, Norway is facing tough dilemmas in the choice between the depth and breadth of its force structure.

Enhancing Bilateral and Multilateral Cooperation

There is significant potential for more extensive bilateral and multilateral cooperation to provide cost-effective solutions for meeting Norway's defense needs. Norway already supports Germany's Framework Nations Concept, in which one country takes the lead to form a cluster, so that several countries can acquire and maintain mutually needed defense capabilities. Norway also supports the British initiative for a multinational rapid response force based on the United Kingdom's Joint Expeditionary Force.

Many of the new initiatives by NATO, and by individual countries, are primarily tailored for engagements in regions other than the North. The operational environment and requirements in the North are different from those of the Baltic region and the southern flank, and this should be taken into consideration in future deliberations. The role of the United States in the North is a central issue for Norwegian security.

The defense of Norway rests heavily on American assistance, and it should be in the interest of both countries to deepen their cooperation. Long-lasting bilateral intelligence collaboration is at the heart of the broader Norwegian-American military cooperation, and is a testament to the level of mutual trust between the two nations. The same goes for the Norwegian patrol aircraft capability. Significant US economic and technological contributions have been a precondition for Norway to operate its P-3 Orion fleet. The operational life of the P-3 Orion will expire by 2020. Without American support, Norway is unlikely to have the resources to replace the P-3 Orion with a new maritime-patrol aircraft. Good intelligence, reconnaissance, and antisubmarine warfare capabilities



Norwegian Home Guard. *Photo credit:* Norwegian Ministry of Defense.

would be important components in a new maritime strategy.

Norway's procurement of US F-35 combat aircraft deepens the security connection between the two allies, and paves the way for close operational cooperation. As was the case with the European F-16 program, the successful acquisition and operation of the F-35 will require broad multinational cooperation. Norway should continue to be active in hosting NATO exercises and should develop its capabilities to host multinational exercises, for instance, at the Ørland airbase. As part of the effort to strengthen the airpower capabilities in the North, the Collocated Operating Bases arrangement should be updated, in order to link US combat aircraft closer to the defense of Norway. The same logic goes for the US Marine Corps, which has prepositioned materiel in depots in central Norway (Marine Corps Prepositioning Program-Norway). These prepositioned vehicles and supplies can support a Marine Air Ground Task Force (MAGTF) of approximately 4,500 soldiers and, if needed, can accommodate larger follow-on forces up to an expeditionary brigade of fifteen thousand to eighteen thousand soldiers. This is a formidable deterrent in today's Europe. For Norway, the defense relationship with the United States is the

defining bilateral alliance within the multilateral NATO Alliance.

Conclusion: A Call for a New Normal

The revival of the collective-defense mission has gradually gained support within NATO, illustrated by the revised Strategic Concept in 2010 and the decisions made at the 2014 NATO summit in Wales. There is a need for increased budgets, improved cooperation with a selection of close allies, and a revitalization of the total defense concept. Norway must also stay committed to contributing to international operations abroad, because there will likely be more demand for such operations in the future. All NATO countries have a responsibility for contributing to the Alliance's common capability to perform all three of the core tasks defined in the Strategic Concept: collective defense, crisis management, and cooperative security with partners.³

New risks and threats have changed Norway's security environment. It will require both greater effort by Oslo and assistance from key allies to create a new normal in which the security of Norway and NATO's northern

³ NATO, Strategic Concept for the Defense and Security of the Members of the North Atlantic Treaty Organization, November 19, 2010, http://www.nato.int/strategic-concept/pdf/Strat_Concept_web_en.pdf.



Norwegian F-16. *Photo credit:* Norwegian Ministry of Defense.

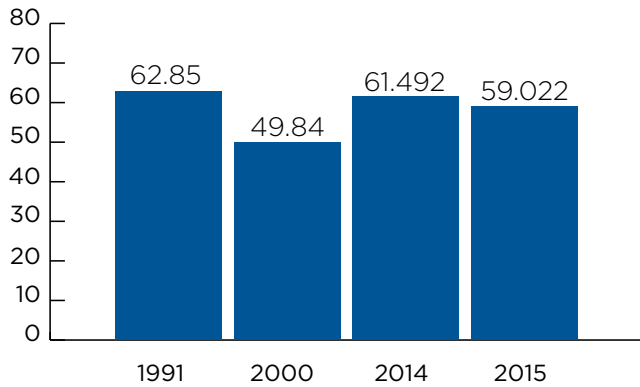
flank are credible and strong. This is not an easy task, but it can be achieved. To meet this challenge, Norway needs political and military leadership with the vision to pursue long-term security, and the enduring commitment to achieve it in time.

Rolf Tamnes is a Professor at the Norwegian Institute for Defense Studies (IFS). He was the chair of the Expert Commission on Norwegian Security and Defense Policy and the report it produced, *Unified Effort*. This chapter draws heavily on the report. The opinions expressed in this essay are those of the author and do not represent the views of IFS or the Norwegian government.

APPENDIX

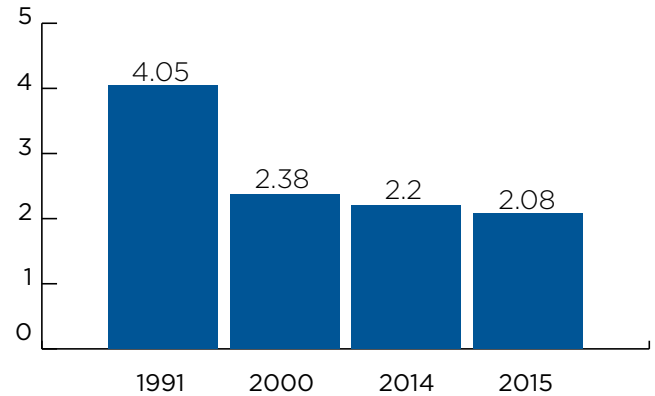
 / UNITED KINGDOM

Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



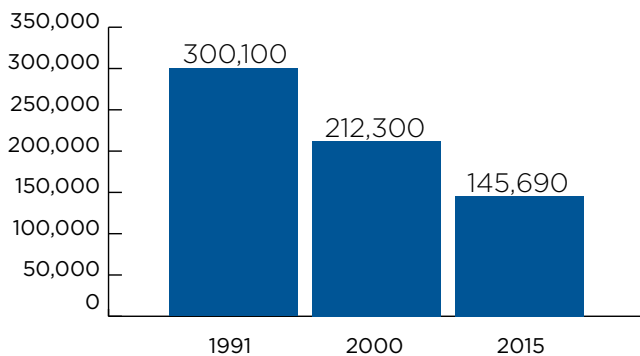
Note: 1991, 2000, and 2014 are expenditures. 2015 is a budget estimate.

Graph 2. Defense Expenditure (percentage of GDP)

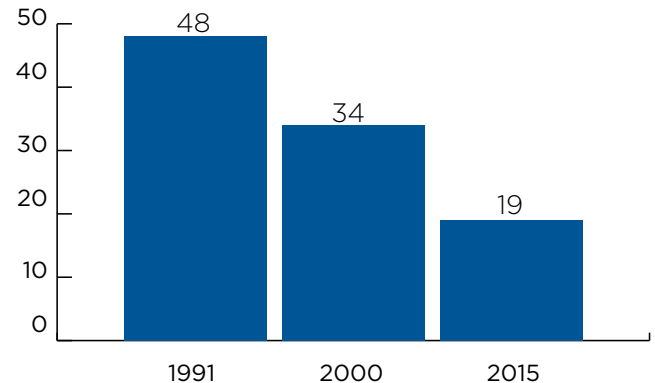


Note: 1991, 2000, and 2014 are expenditures. 2015 is a budget estimate.

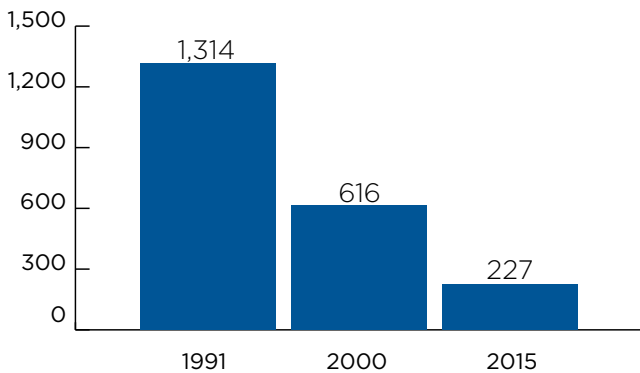
Graph 3. Total Active Military Personnel



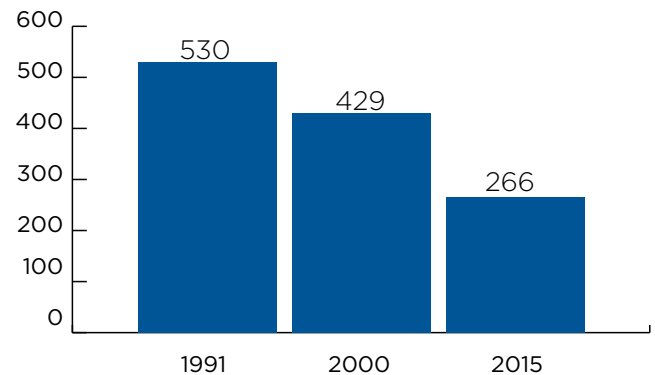
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



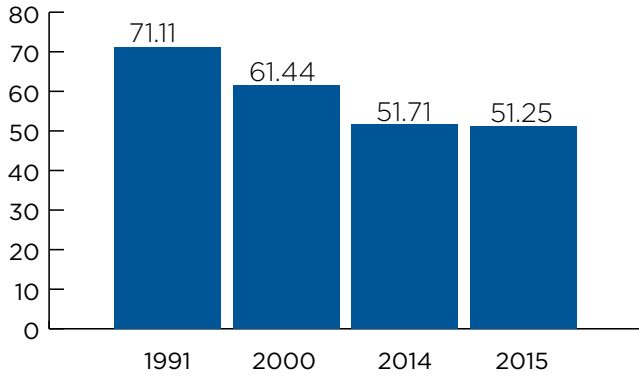
Graph 6. Combat Aircraft—Air Force



Sources: NATO, the International Monetary Fund, the International Institute for Strategic Studies, and the Royal United Services Institute.

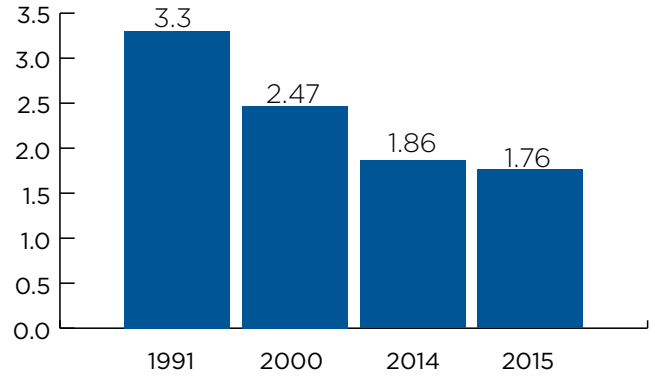
 / FRANCE

Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



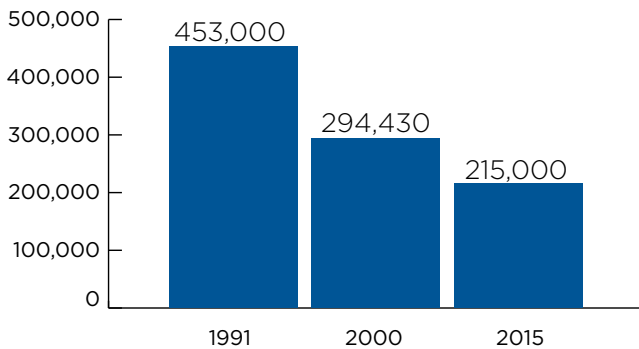
Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

Graph 2. Defense Expenditure (percentage of GDP)

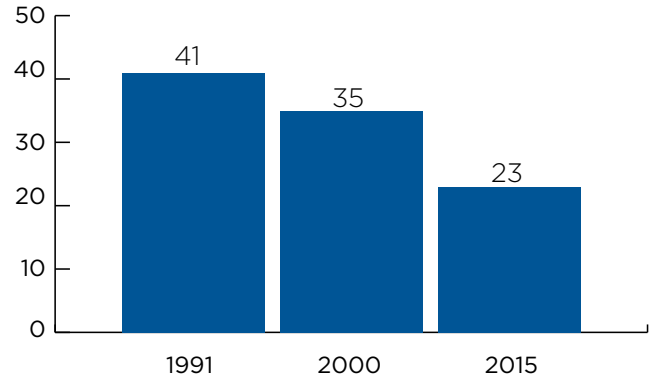


Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

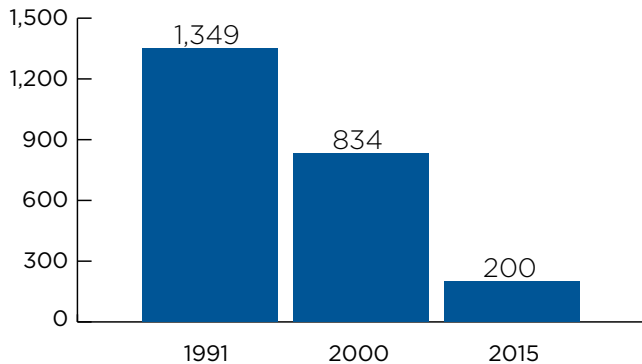
Graph 3. Total Active Military Personnel



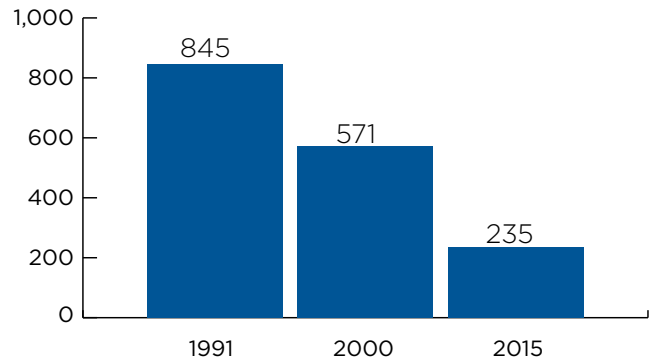
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



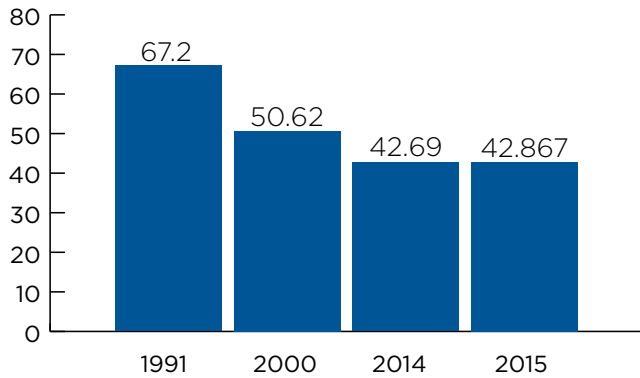
Graph 6. Combat Aircraft—Air Force



Sources: French Defense Ministry, NATO, the International Monetary Fund, and the International Institute for Strategic Studies.

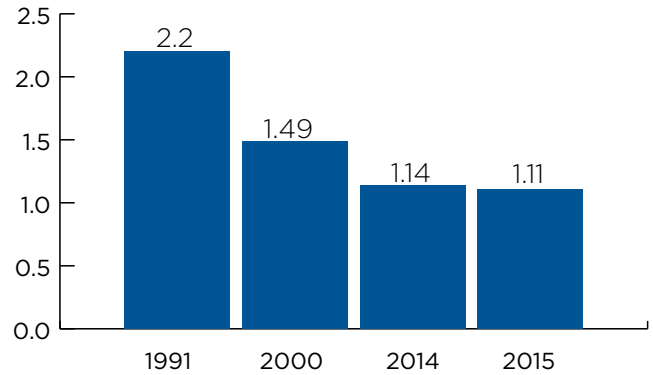
 / GERMANY

Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



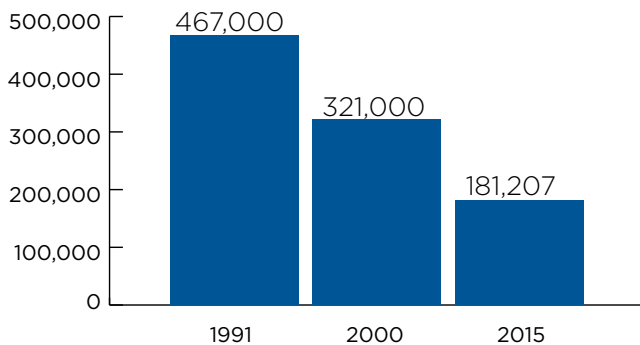
Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

Graph 2. Defense Expenditure (percentage of GDP)

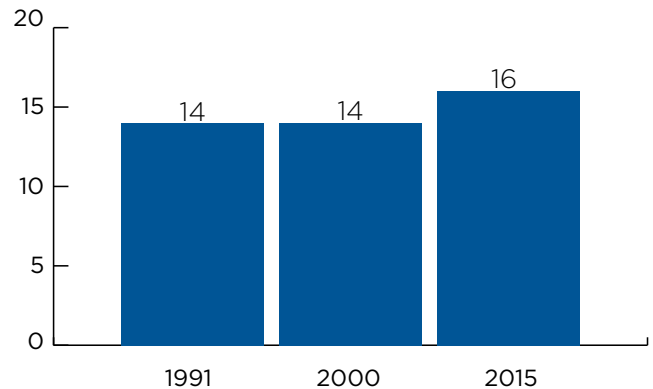


Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

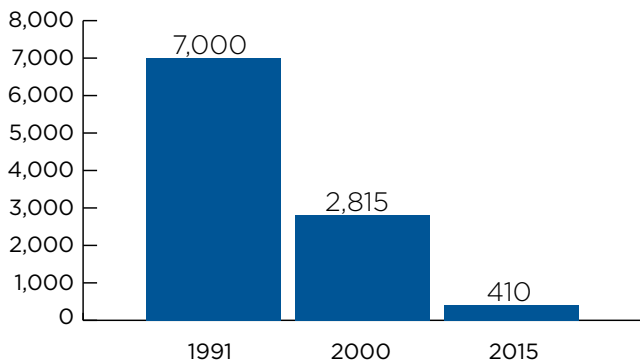
Graph 3. Total Active Military Personnel



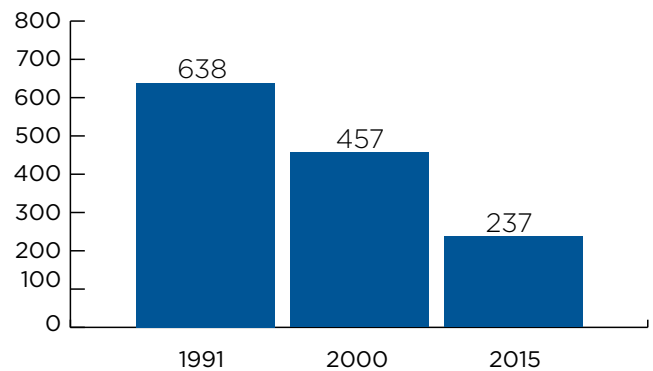
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



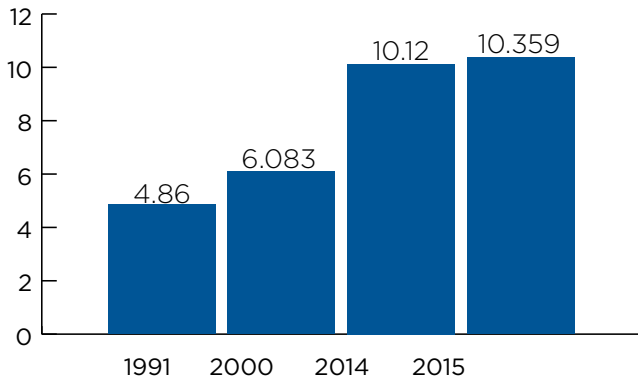
Graph 6. Combat Aircraft—Air Force



Sources: German Defense Ministry, NATO, the International Monetary Fund, and the International Institute for Strategic Studies.

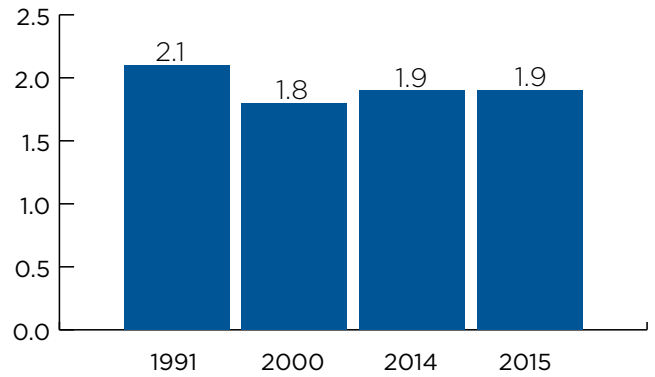


Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



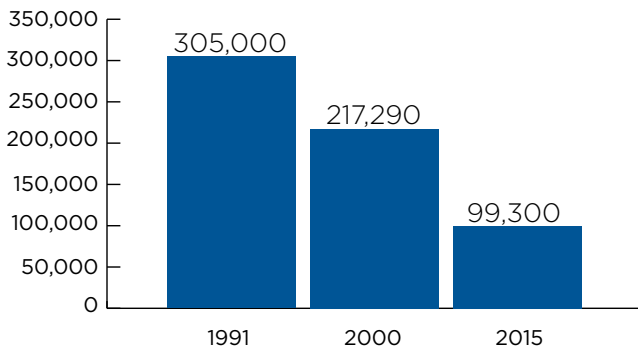
Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

Graph 2. Defense Expenditure (percentage of GDP)

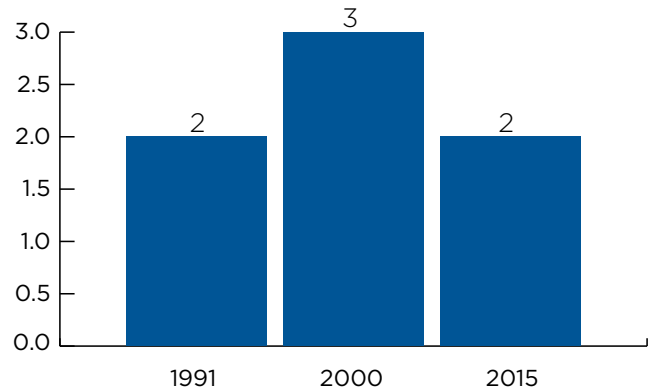


Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

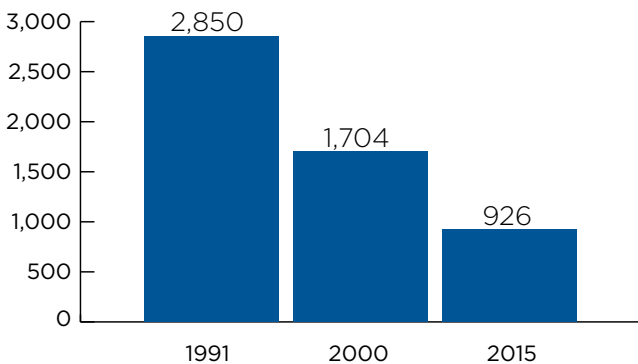
Graph 3. Total Active Military Personnel



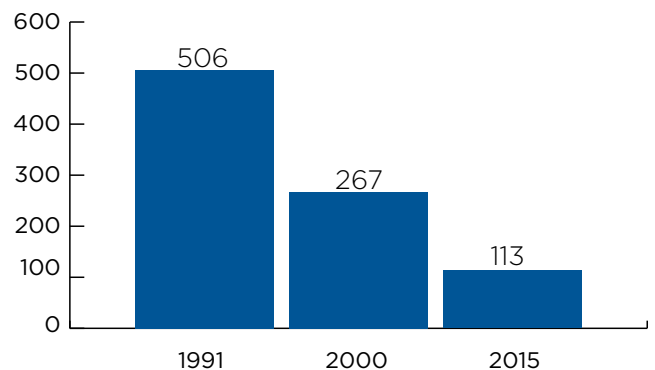
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



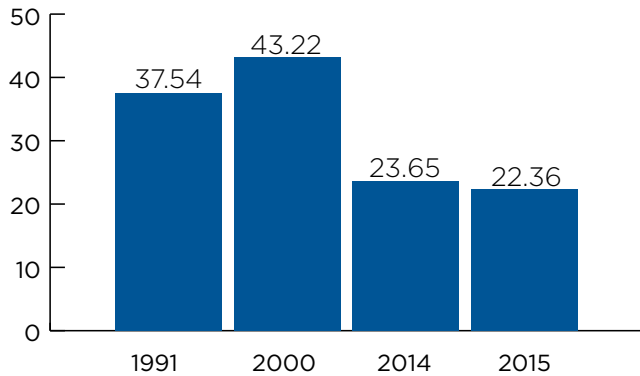
Graph 6. Combat Aircraft—Air Force



Sources: Polish Defense Ministry, NATO, the International Monetary Fund, the International Institute for Strategic Studies, and the Stockholm International Peace Research Institute.

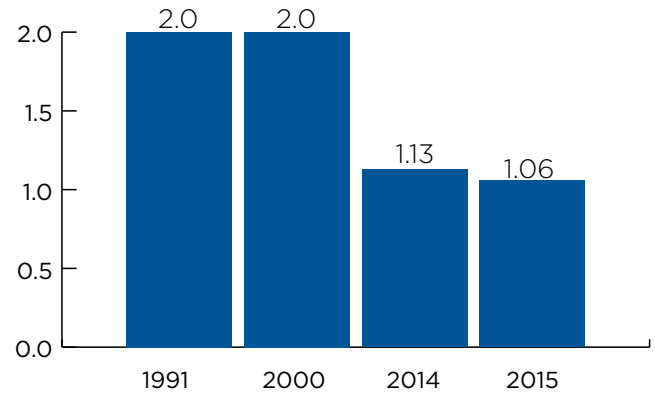


Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



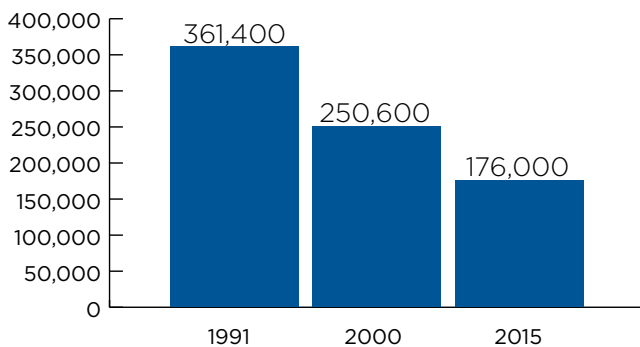
Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

Graph 2. Defense Expenditure (percentage of GDP)

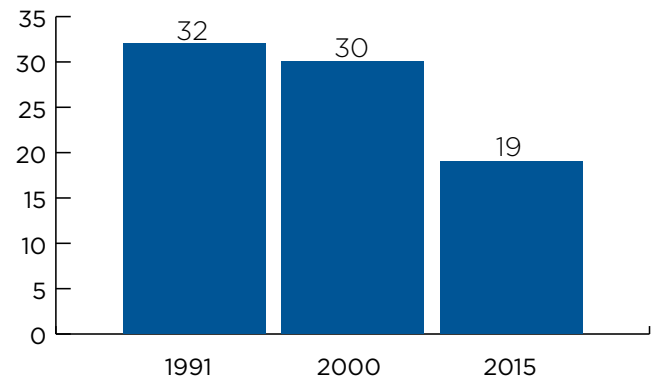


Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

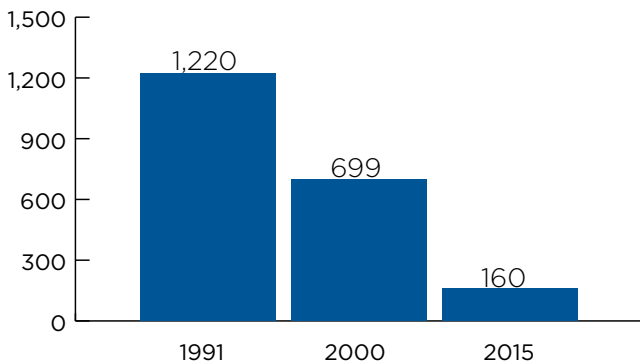
Graph 3. Total Active Military Personnel



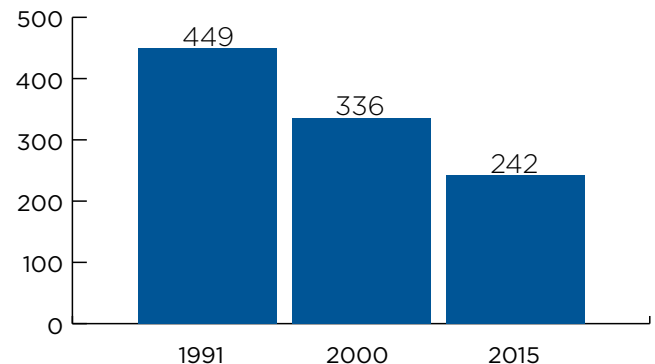
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



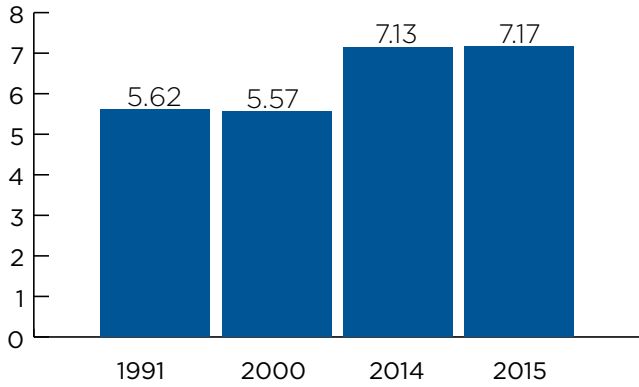
Graph 6. Combat Aircraft—Air Force



Sources: Italian Defense Ministry, NATO, the International Monetary Fund, and the International Institute for Strategic Studies.

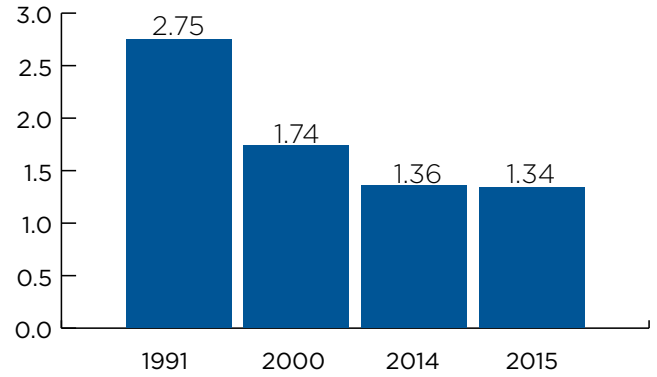
 / NORWAY

Graph 1. Defense Expenditure (billion, constant 2013 US dollars)



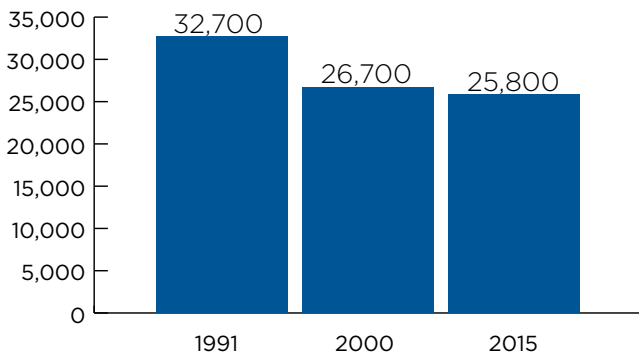
Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

Graph 2. Defense Expenditure (percentage of GDP)

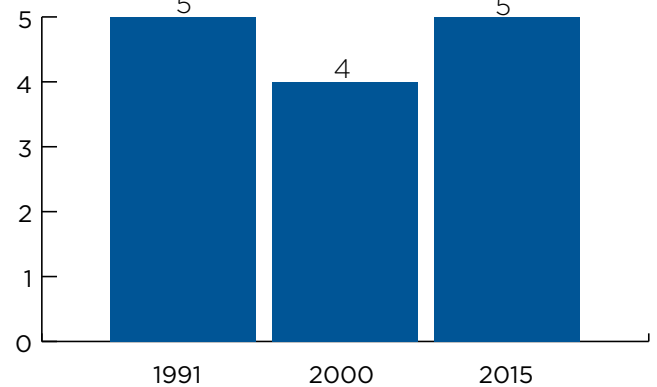


Note: 1991 and 2000 are expenditures. 2014 and 2015 are budget estimates.

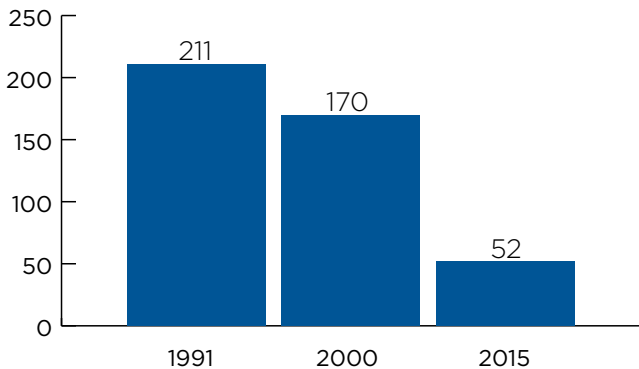
Graph 3. Total Active Military Personnel



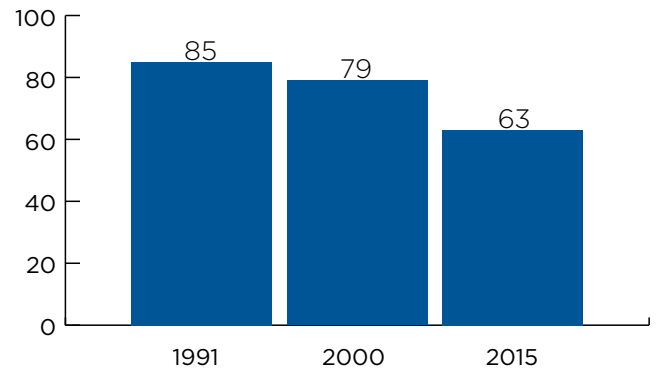
Graph 4. Principal Surface Combatants



Graph 5. Main Battle Tanks—Army



Graph 6. Combat Aircraft—Air Force



Sources: Norwegian Defense Ministry, NATO, the International Monetary Fund, and the International Institute for Strategic Studies.

Atlantic Council Board of Directors

CHAIRMAN

*Jon M. Huntsman, Jr.

CHAIRMAN EMERITUS, INTERNATIONAL ADVISORY BOARD

Brent Scowcroft

PRESIDENT AND CEO

*Frederick Kempe

EXECUTIVE VICE CHAIRS

*Adrienne Arsht

*Stephen J. Hadley

VICE CHAIRS

*Robert J. Abernethy

*Richard Edelman

*C. Boyden Gray

*George Lund

*Virginia A. Mulberger

*W. DeVier Pierson

*John Studzinski

TREASURER

*Brian C. McK. Henderson

SECRETARY

*Walter B. Slocombe

DIRECTORS

Stéphane Abrial

Odeh Aburdene

Peter Ackerman

Timothy D. Adams

John Allen

Michael Andersson

Michael Ansari

Richard L. Armitage

David D. Aufhauser

Elizabeth F. Bagley

Peter Bass

*Rafic Bizri

Dennis Blair

*Thomas L. Blair

Myron Brilliant

Esther Brimmer

*R. Nicholas Burns

William J. Burns

*Richard R. Burt

Michael Calvey

James E. Cartwright

John E. Chapoton

Ahmed Charai

Sandra Charles

Melanie Chen

George Chopivsky

Wesley K. Clark

David W. Craig

*Ralph D. Crosby, Jr.

Nelson Cunningham

Ivo H. Daalder

*Paula J. Dobriansky

Christopher J. Dodd

Conrado Dornier

Thomas J. Egan, Jr.

*Stuart E. Eizenstat

Thomas R. Eldridge

Julie Finley

Lawrence P. Fisher, II

Alan H. Fleischmann

*Ronald M. Freeman

Laurie Fulton Courtney

Geduldig

*Robert S. Gelbard

Thomas Glocer

*Sherri W. Goodman

Mikael Hagström

Ian Hague

Amir Handjani

John D. Harris, II

Frank Haun

Michael V. Hayden

Annette Heuser

*Karl Hopkins

Robert Hormats

Miroslav Hornak

*Mary L. Howell

Wolfgang Ischinger

Reuben Jeffery, III

*James L. Jones, Jr.

George A. Joulwan

Lawrence S. Kanarek

Stephen R. Kappes

Maria Pica Karp

Sean Kevelighan

Zalmay M. Khalilzad

Robert M. Kimmitt

Henry A. Kissinger

Franklin D. Kramer

Philip Lader

*Richard L. Lawson

*Jan M. Lodal

Jane Holl Lute

William J. Lynn

Izzat Majeed

Wendy W. Makins

Mian M. Mansha

Gerardo Mato

William E. Mayer

Allan McArtor

Eric D.K. Melby

Franklin C. Miller

James N. Miller

*Judith A. Miller

*Alexander V. Mirtchev

Karl Moor

Michael Morell

Georgette Mosbacher

Steve C. Nicandros

Thomas R. Nides

Franco Nuschese

Joseph S. Nye

Hilda Ochoa-Brillem-

bourg

Sean O'Keefe

Ahmet Oren

*Ana Palacio

Carlos Pascual

Thomas R. Pickering

Daniel B. Poneman

Daniel M. Price

Arnold L. Punaro

Robert Rangel

Thomas J. Ridge

Charles O. Rossotti

Stanley O. Roth

Robert Rowland

Harry Sachinis

John P. Schmitz

Brent Scowcroft

Rajiv Shah

Alan J. Spence

James Stavridis

Richard J.A. Steele

*Paula Stern

Robert J. Stevens

John S. Tanner

*Ellen O. Tauscher

Karen Tramontano

Clyde C. Tuggle

Paul Twomey

Melanne Verveer

Enzo Viscusi

Charles F. Wald

Jay Walker

Michael F. Walsh

Mark R. Warner

Maciej Witucki

Neal S. Wolin

Mary C. Yates

Dov S. Zakheim

HONORARY DIRECTORS

David C. Acheson

Madeleine K. Albright

James A. Baker, III

Harold Brown

Frank C. Carlucci, III

Robert M. Gates

Michael G. Mullen

Leon E. Panetta

William J. Perry

Colin L. Powell

Condoleezza Rice

Edward L. Rowny

George P. Shultz

John W. Warner

William H. Webster

*Executive Committee Members

List as of February 22, 2016



The Atlantic Council is a nonpartisan organization that promotes constructive US leadership and engagement in international affairs based on the central role of the Atlantic community in meeting today's global challenges.

© 2016 The Atlantic Council of the United States. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the Atlantic Council, except in the case of brief quotations in news articles, critical articles, or reviews. Please direct inquiries to:

Atlantic Council

1030 15th Street, NW, 12th Floor,
Washington, DC 20005

(202) 463-7226, www.AtlanticCouncil.org