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## Flexible Effect: EU-NATO Relations in a New Strategic Age

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Mr Chairman, thank you. Ladies and gentlemen, good morning. It is a great pleasure to be here this morning to talk to you about Flexible Effect - NATO-EU Relations in a New Strategic Age. Today, I am speaking in my capacity as a humble European citizen. That means two things. First, you have to listen to me. Second, my view is purely personal and does not in any way necessarily reflect the views of the Dutch or British defence establishments with which I have links.

Let me say something at the outset to put the piece in context. I was very recently described as a renowned Atlanticist. Both are clearly wrong. My Dutch wife found it most amusing to hear me described as 'renowned' and asked if perhaps they had meant a rotund Atlanticist, which more accurately fits the description with each passing day! The second point is more serious. Throughout my career I have objected to the Atlanticist/Europeanist tag. It is simply far too simplistic and far too parochial to describe the positions of many of us who both believe in a strong transatlantic relationship and a strong and capable Europe. So, if you want to call me something (and I am sure by the end of this some of you will) then call me a Euro-Atlanticist, committed to both, believing in both.

Why do I believe in both? It is simple. We are in a world awash with strategic change, possibility and uncertainty, hope and danger. Europe and North America are the twin cornerstones of stability in a world in which the light and dark sides of globalisation compete for ascendancy.

Which brings me to what are euphemistically called EU-NATO relations. Now, I could adopt a purely technical approach to NATO-EU relations and talk exclusively about NAC-PSC meetings, Joint NATO-EU Ad Hoc Working Groups on such worthy topics as procedures for the exchange of classified information and intelligence; modalities for EU access to Alliance assets and capabilities; capability goals (including issues relating to the Alliance's defence planning system); and permanent consultation arrangements, However, that is most definitely NOT the point. Indeed, whilst good work is done therein too many NATO-EU meetings rank amongst the most sterile in Brussels, which is saying something. So, I am going to challenge you politicians and talk about what is wrong with the relationship and what we need to do to put it right because for better or worse it is still the basis for the most vital strategic partnership on this planet.

Make no mistake, EU-NATO relations have become a litmus test for the ability of Europeans and North Americans to engage complexity with credibility. Too often bottom-up in a top-down world I fear we are failing that test. A brief survey of the changing security environment and Europe's vulnerability to it emphasises my point:

Fact#1: Today the European Union has 27 states with 500 million people producing a quarter of the world's Gross Domestic Product (GDP). We Europeans are rich and powerful.

Fact#2: According to Goldman Sachs China surpassed UK Gross Domestic Product (GDP) in 2005 and will surpass that of Germany in 2008, Japan's in 2033 and the US in 2040. In other words, there are new, big kids on the block with a very different world view to that of the West- for better and worse.

Fact#3: According to the European Security Strategy [Quote], "Europe is the world's largest importer of oil and gas. Imports account for 50 % of energy consumption today. This will rise to 70 % in 2030". Europe's vital interests are wholly reliant upon the good will of those not always renowned for good will.

Fact#4: Since 911 over 1000 Europeans have been murdered by terrorists. Not only is a new balance of state power merging but an imbalance in the very concept of power.

Fact#5: In March 2007 Iran announced the capability to produce enriched Uranium on an industrial scale. True or not proliferation of weapons of mass destruction is accelerating. The dark side of

globalisation will doubtless accelerate the spread of massively destructive but aging technologies.

Fact#6: Of c1.7 million hard uniforms in Europe only 170,000 or c. 10% can be deployed at any one time. And yet many of we Europeans continue to piously believe our weakness is our strength.

The strategic message? The world is changing fast, getting daily bigger, more instable and more dangerous. Europeans cannot hide from that world. Europe is thus a strategic actor with global responsibilities whether we like it or not. It is all the more surprising then that whilst the world is changing fast Europe's security effort seems locked in 1990s thinking and too often with 1980s capabilities – notwithstanding the NRF, Battle Groups and Headline Goals – military and civilian. The words 're-arranging', 'deckchairs' and 'Titanic' come to mind.

Thus it is in that context that we must discuss NATO-EU relations. Or, rather the NATO versus EU relationship which is too often an antagonistic relationship that implies competition over hierarchy and strategic method. The basic problem is this – there is <u>no</u> natural centre of gravity between the American and European strategy, even if this is increasingly a Euro-Euro problem too. Indeed, I have profound concerns about transformation within the Alliance which is leading inexorably towards a capability-capacity crunch whereby limited European defence budgets force uncomfortable choices between high-

end capability and not so high-end capacity, both of which are needed but only one of which can be afforded.

This tendency to recognise only as much threat a we can afford reinforces another tendency for NATO-EU relations to focus overly on the bureaucratic. Indeed, too often we replace <u>strategy</u> with <u>bureaucracy</u> which not only reduces effect but exaggerates both the time and money needed to prepare for a strategic security future. In the absence of strategy bureaucracies not only compete but tend to emphasise difference to justify their competence, resulting in excessive delay and cost.

Make no mistake, the issue of strategy (or, to be more precise, grand stability) is central to the EU-NATO dynamic. Given the strategic environment both EU and NATO <u>should</u> be in the grand stability business and their relationship should first and foremost be seen as the central point for the aggregation of legitimate power underpinning the system of institutionalised security governance that democratic Europeans, with the support of democratic North Americans, spent a century creating. And yet they are not. The question as to NATO-First or EU-First is thus entirely irrelevant and I will tell you this as a group of senior politicians you will be condemned if you permit such a sorry state of affairs to continue.

So, what's the message? What one needs when engaging complexity are the options afforded by multiple political and security identities. NATO and the EU as strategic security tools afford their members precisely that flexibility. The EU could not do what NATO is doing in Afghanistan. It cannot of itself (or as yet) provide a Treaty of Washington Article 5. Equally, what Europeans are doing in Lebanon could not be done by NATO. What the EU is doing in Bosnia communicates a whole different message or strategic narrative to all concerned about style, method and engagement than, say, NATO in Kosovo. These are mutually reinforcing strengths not weaknesses. It is therefore a profound shame that the Iraq legacy and the political tensions underpinning the NATO-EU relationship continue and seemingly will continue to prevent a real working relationship.

So, how should the EU-NATO relationship be organised? To answer that question I must go back to basics.

First, why NATO? I am sorry I have to pose this question but so often these days I hear the misinformed and the malcontent posing that very question. Like it or not the big world into which we are moving will require truly strategic security power if we are to play the grand stabilising role that our interests, power, wealth and stability will impose upon us. An essential part of that security role will be legitimate and credible military power with global reach founded on the transatlantic relationship. Those of you who think the transatlantic relationship no longer matters have not been to China, Russia, Japan or India of late. To those powerful actors we are still very much a bloc and will always be so and it is the fact of that relationship that underpins military stability on this planet. It is uncomfortably trite but shared values still matter and shared interests clearly exist. Certainly, NATO must continually be modernised a) to cope with the implications of strategic change; b) to remain the core military component of grand stability; and c) to find common military operational ground between the US and the rest. Put simply, the new NATO must be founded on a basic political principle – an America open to the constraints of partnership and a Europe worthy of That in turn implies the organisation of credible partnership. European power (both soft and hard) and a ultimately a credible autonomous if not equal security status with the US – and I emphasise security not military.

The latter could only be achieved as Europe. However, at present European military capabilities are by and large insufficient to justify either such an ambition or indeed such a partnership. The same, by the way goes for Europe, whereby the inner-European capabilities gap is beginning to mirror that of NATO. Logically, a strong Europe within NATO will lead to a strong ESDP. Conversely, we will not build a strong Europe on a weak NATO. Far from it, what we need is a strong Europe that can play its full part in NATO, alongside the US and Canada, when it so chooses. However, NATO faces a profound dilemma over the organisation and application of power. There is an intimate relationship between power, strategy, organisation, culture and effect. A lot of Europeans have suffered of late trying to carry out American grand strategy on European not so grand resources. This is not surprising because in the absence of true capabilities Washington pays little or no attention to European concerns. An indifference that is often expressed in an 'our way or no way' attitude that can be deeply damaging. Consequently, Europeans have at best modest influence over US policy inside NATO or beyond.

Equally, I see neither the planning, the will nor the plans in Europe, either within the EU or its member-states, that suggest to me that Europeans are prepared to construct an alternative through the kind of defence investments that would enable us to stand alone from the US. *Ergo*, in the absence of such a plan and given the change I outlined above like it or not Europeans have no option but to maintain a close security relationship with the US. That means US leadership with a central role for NATO. Period, as the Americans would say.

That said, NATO <u>is</u> and will remain the world's leading strategic politico-military interoperability nexus. All alliances change over time to meet the needs of the environment and their constituent members. Make no mistake, NATO must act as a focal point for global partners seeking to join the grand stability mission that we sooner or later must undertake notwithstanding the incompetence we have too often shown in Iraq and Afghanistan. Indeed, everyone should understand that the price of a credible contemporary Washington Article 5 is recognition that new grand stability partnerships with other actors will need to be forged the world over. If it does not happen inside NATO then it will happen outside. The basic security contract at the heart of the Alliance or Union is clear – nations get equal security in return for the sharing of burdens. Put simply, the contract is at risk. Without security solidarity security credibility will fail – be it EU or NATO.

Second, why a security EU? I become equally frustrated when I hear those who pose the question why a defence Europe or security EU. After all, we have NATO do we not? There are three basic reasons in addition to the need for credibility and flexibility in the face of complexity.

First, transnational homeland security. Without a protected home base it will be difficult for Europeans to project coercive power. For most Europeans a profound link exists between projection and protection. The EU covers the whole gamut of state activity upon which trans-national European homeland security must necessarily be established. For that reason I also believe the US and EU should engineer a more direct security relationship, even if that involves EU involvement in the missile defence debate.

Second, flexibility. Again, the flag one puts on an operation is almost as important as the capabilities one deploys. And a strong ESDP not only would provide such options it should progressively ease the tendency of Europeans to over-civilianise security.

Third, political culture. The political culture of many European states requires that they justify their defence investment in the European context. That is a basic reality just as for many the Euro-Atlantic context provides the same rationale. To make EU-NATO relations work they must thus reflect and accommodate that basic political reality and avoid being seen as the arena in which competing political cultures play out their differences. Indeed, only when you politicians resolve this conundrum will we be able to replace bureaucracy with strategy.

So, at the end of the day be it NATO, EU or NATO or the EU and NATO credibility all comes down to will, intent and above all capabilities. Former Dutch Defence Minister Henk Kamp put it succinctly (and I quote) "The significant military shortfalls with which Europe is struggling...require European solutions. I intentionally speak of European solutions rather than EU or NATO solutions". Put simply, EU and NATO capabilities programme by definition must be, by and large, the same because we Europeans are, by and large, the same.

And therein lies the dilemma. The EU's Capabilities Improvement Chart I/2006 of May 2006 stated of 64 Capability Shortfalls and Catalogue Deficits covering Land, Maritime, Air, Mobility and ISTAR (intelligence, surveillance. acquisition target and reconnaissance), seven have been formally solved, four are showing signs of improvement and fifty-three have not changed over the 2002-2005 period identified in the Catalogue and according to the I have little doubt that the Prague Capabilities Catalogue. Commitments are suffering from the same capabilities blight. In short, the EU-NATO relationship has become too focused on the minutiae of how and where to organise not enough in pursuit of far too much by far too many.

Which brings me to my core message. The proper organisation of EU-NATO relations is the foundation upon which the legitimate strategic effect of Europeans and North Americans must necessarily be founded. As such a working relationship (not the current pretend, dysfunctional relationship) is vital to the aggregation of strategic security effect of which military defence will remain a vital component.

To conclude (and emphasising the practical to avoid the search for a new over-arching bargain) I propose an EU-NATO Strategic Summit in May 2009 to mark the tenth anniversary of the start of the

Washington process under the terms of the EU-NATO Strategic Partnership. For that summit the following should be prepared

*1. A Transformation Audit:* It is eight years since what I call the Washington Process began at the 50<sup>th</sup> anniversary summit. Since then we have witnessed 911, Iraq, Afghanistan and a whole range of other operations. Lessons aplenty have been learned but my sense is that a lack of flexibility in the Alliance transformation model has promoted ESDP as a cheaper alternative to the Alliance rather than a partner to it.

2. Transformation Re-considered: Transformation emphasises convergence on high-end, networked capability. Smart transformation should focus on enhancing the natural strengths of NATO and EU members throughout the strategic stabilisation tasklist and across the conflict intensity spectrum. This is the only way to prevent the capabilities-conflict crunch

*3. Berlin-Squared:* NATO and the EU need to face squarely up to the strengths and weaknesses of the Berlin-plus process. What works and what does not. Look jointly at the implications of an EU operational planning and command centre at SHAPE that can better facilitate flexibility.

4. The Harmonisation of Capabilities Processes: Ask National Armament Directors to examine a closer working relationship between the CNAD, Defence Investment Division and the European Defence Agency. This will avoid de-confliction between the ECAP and PCC processes. 5. A Study on Common Operational Funding: The current system of operational funding is causing tensions in both organisations. NATO and the EU should jointly examine options to create common operational funds.

6. *Some Constructive Duplication Considered:* Some strategic duplication by Europeans is desirable. The more strategic eyes, ears and legs Europeans possess the better allies they will become. The EU and NATO should discuss common specifications for C4ISR, C-17s, Lift and ALTMD.

7. *A Report of Spreading the cost of military modernisation:* NATO and the EU should look jointly at private finance initiatives that involve the private financial sector in acquisition programmes and help to spread the cost of investment across the life cycle of equipment. We need a new European Lend-Lease Programme.

8. *Consider Limited Defence Integration/specialisation:* Smaller European member-states should lead the way towards limited defence integration/intense co-operation. To assist that the EU and NATO should jointly look at the implications.

9. An EU/NATO Strategic Comprehensive Approach:

NATO and the EU should look jointly at a strategic comprehensive approach, consider strategy and tasks to see best where synergies and de-confliction can promoted.

10. *EU-NATO Crisis Action Teams:* Promote practical co-operation between NATO and the EU in the field. Cost-effective co-operation should be built on in field experience through EU-NATO

Crisis Action Teams. This will be particularly vital in places such as Afghanistan and Darfur.

Finally, the EU and NATO should look jointly beyond 2010, Battle Groups and the NRF. The EU needs a Headline Goal 2030 and NATO needs to link its own transformative capabilities work with that of the EU in partnership and in practical harmony.

Put simply, decisions you leaders make now will have the most profound of impacts on the security of we the people over the next age. My simple question to you is this; are you up to it? Have you the vision and the political courage to invest and prepare properly for my future security? Have you the political determination to take back the EU-NATO relationship from the political bureaucratic morass into which it is falling? Have you the vision to see the EU-NATO relationship in its true strategic context?

Remember, some ages forgive mediocrity, this is no such age.

Thank you

Julian Lindley-French, Berlin, April 2007