NATO’s Smart Defence Initiative: Looking Beyond Chicago

Secretary-General Rasmussen said of the Chicago challenge. “I know that in an age of austerity, we cannot spend more. But neither should we spend less. So the answer is to spend better. And to get better value for money. To help nations to preserve capabilities and to deliver new ones. This means we must prioritise, we must specialise, and we must seek multinational solutions. Taken together, this is what I call Smart Defence.”

To that end Chicago will need to address three pivotal defence strategic questions that align NATO for the future if it is to be deemed a success:
- Does smart defence need reframing – more capabilities-driven, less finance-driven?

- Is there a narrative that can convince governments?

- Will we be stuck with small projects (air policing?) or is there a chance for a meaningful defence strategy?

All three questions imply that Chicago must at the very least reinforce the NATO Strategic Concept with something like a NATO Strategic Contract – why? Quite simply, it is because Lisbon seems a lot time ago and Chicago a long way from Madrid’s reality. And, because no project, AGS or ALTMD, air-policing, cyber-defence, joint-intelligence can substitute for a coherent defence strategy it is that which we must fashion if we are to close the strategy-austerity-capability-capacity gap.

Rescuing the strategic concept from Euro-ruin, specifically the three main missions – collective defence, crisis management and co-operative security, will take real trust in each other and a willingness to give up what is left of lingering defence sovereignty - hence the need for a smart contract to underpin smart defence. In an ideal world Smart Defence would help to re-establish a stable defence planning environment, based on a commitment to stable defence expenditure, even if it is at 1% GDP, rather than the fabled 2% GDP.

Therefore, Smart Defence is not about doing more with less but ensuring NATO can do all that is reasonably and credibly required of it for less. The alternative is that NATO does nothing with nothing and that is a real danger. At the very least all three questions imply hard choices. NATO must therefore goes back to first principles in which a coherent defence strategy focuses on the modernisation of Article 5 and this places air-policing, joint intelligence, missile defence et al in a political and strategic context.

Future NATO will depend on four key areas of contemporary A5 defence:

- Missile defence
- Cyber-defence/deterrence
- Nuclear deterrence; and
The simple budgetary facts of NATO Europe point to the need for a shared defence concept between Britain, France and Germany before anything can reasonably happen. The UK, France and Germany together represent almost 70% of defence expenditure and 90% of defence R&T. There are some 19 NATO Europe members who spend less that EUR4bn per annum and very badly.

Equally, NATO must now also accommodate two very distinct strategic cultures; the Anglo-Saxon culture and the German-led culture with very different ideas about the use of force. Indeed, as Germany becomes more powerful in Europe, it will become less military and the danger is that much of continental Europe will join it…and Britain will leave.

Therefore, the way forward must be established on the implicit defence strategy I am calling for at Chicago should be predicated on a new way to re-balance ends, ways and means, given those two very distinctive strategic cultures within the Alliance. Central to that will be the Deterrence and Defence Posture Review (DDPR) and the mix of nuclear weapons, ballistic missile defenses, and conventional forces upon which the future Alliance will be built.

In time, the new US defence strategy will see the US and UK return to a maritime high-end strategy, which Germany and other Europeans will focus on a Continental mid-range strategy and NATO will have to reflect that. The key objective of Chicago will be therefore to maintain and develop NATO’s flexible planning and C2 arrangements via Standards and SOPs, consider how we might export them to Partners and above all preserve Alliance interoperability given the defence strategic realities now apparent and the future defence strategy NATO so desperately needs if Lisbon is not to become a rather quaint historic document.

Within that framework the smaller NATO members will need to make a choice as to whether they are with the US-UK group or the German-led group, as indeed will France. For the smaller powers both implicit defence strategies will require much greater synergy of effort, via pooling and sharing towards defence integration. Specific
projects under Smart Defence should thus move the Alliance in this direction and should include the definition of a new strategic contract which itself would become the flagship project and would include an output-focused rather than input-focused Alliance defence strategy:

- Establishment of a Capabilities Long Term Vision Working Group
- New Procurement Co-operation & Harmonisation of Equipment Programmes
- Future planning and C2 arrangements
- Making the Comprehensive Approach work
- How to spread the cost of modernisation
- Re-consider Transformation via mission focus groups/clustering
- An analysis of future pooling and sharing
- A consideration of future defence integration
- Exploitation of comparative advantage, such as human capital via a consolidation of defence education
- A new approach to partnership via conflict prevention and SSR.

The next five years will decide not only the future of Europe but also that of the transatlantic relationship and with it NATO. Get it wrong and we Europeans will be the slaves rather than the masters of events in what will be a big and dangerous world.

Winston Churchill was reported to have once said, “Gentlemen, the money has run out. Now is the time to think”. Amen to that.