OCCASIONAL PAPERS

8

EUROPEAN FORCE STRUCTURES

PAPERS PRESENTED AT A SEMINAR HELD IN PARIS ON 27 & 28 MAY 1999

Timothy Garden, Kees Homan, Stuart Johnson,
Jofi Joseph, Adam Daniel Rotfeld, Bryan Wells

Edited by Gordon Wilson

INSTITUTE FOR SECURITY STUDIES - WESTERN EUROPEAN UNION
INSTITUT D'ETUDES DE SECURITE - UNION DE L'EUROPE OCCIDENTALE

43 AVENUE DU PRESIDENT WILSON, 75775 PARIS CEDEX 16

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Timothy Garden, Robert Grant, Kees Homan, Stuart Johnson & Jofi Joseph, Franz-Josef Meiers, Adam Daniel Rotfeld, Bryan Wells and Gordon Wilson

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Preface

The enclosed papers were presented at a conference held in Paris from 27-28 May. This could not have been more timely, coming as it did immediately after the Washington and Bremen summits and shortly before the Cologne summit at a period when Europe was being subject to considerable scrutiny, both from within and without, about its overall composite capabilities in the light of the Kosovo operation then still under way. The aim of the seminar, which had been selected several months earlier, was to examine European force structures in order to see what could be done to improve European corporate defence capabilities and thus give Europe greater credibility for operations conducted both with and without American participation. The severe shortcomings that had become very evident during the air campaign against Serbia and Serbian forces in Kosovo underlined the limited impact of European forces and the fact that they were unable to conduct such a campaign at the level of intensity or technical capability of the United States. There was a particularly high standard of debate stimulated by the excellent papers, a selection of which is presented together in this WEU Institute *Occasional Paper*.

Gordon Wilson

Institute for Security Studies
Western European Union
Paris

August 1999

THE NEED FOR AN INCREASED EUROPEAN DEFENCE CAPABILITY AND BETTER EUROPEAN FORCE STRUCTURES

Gordon Wilson

The new NATO Strategic Concept announced at the Washington Summit in April defined a broader definition of the threats and with it the need for NATO to restructure its forces and concepts accordingly. In particular, the Concept looks towards a much more flexible approach to threats that are less well defined, and declares that "Alliance security must also take account of the global context" (para 24). Since "the Alliance's military forces may be called upon to conduct crisis response operations" (para 48) one is drawn to look at the total European force contribution devoted to sharing responsibilities and burdens. Great premium is placed on the development of the European Security and Defence Identity (ESDI) within the Alliance (e.g. paras 13 & 26). The document states that "the Alliance fully supports the development of the European Security and Defence Identity within the Alliance by making available its assets and capabilities for WEU-led operations"(para 18). It also mentions the changes in emphasis that have taken place in European structures since the latter part of 1998. "The European Union has taken important decisions and given a further impetus to its efforts to strengthen its security and defence dimension." (para 17). However, having set the scene it seems rather optimistic to make the statement that "the European Allies are strengthening their capacity for action, including by increasing their military capabilities. The increase of responsibilities and capacities of the European Allies with respect to security and defence enhances the security environment of the Alliance." (para 18) There seems little evidence on which to base this statement. The Concept also states in para 42 that "As the process of developing the ESDI within the Alliance progresses, the European Allies will further enhance their contribution to the common defence and to international and stability including through multinational formations". This last is reflected most recently in the composition of the late Kosovo OSCE observer extraction force and the Kosovo protection force, K-FOR, now in Kosovo to implement the settlement imposed on Serbia at the end of the air interdiction campaign. The former was all-European and French led, the second is mainly European and British led and both reflect this new approach. However, there is as yet no sign of any increase in capacity and the statement to this effect lacks any substantial foundation.

It was perhaps disappointing that the WEU Council meeting in Bremen two weeks later did not take up this issue in any substance. It did draw attention to the "willingness of European nations to strengthen European operational capabilities for Petersberg tasks" and their wish to "develop these structures and capabilities in complementarity[sic] with the Atlantic Alliance", but this is a somewhat limiting statement. It was certainly not in accord with the robust exhortation given by British ministers at the NATO 50th Anniversary Conference in London from 8-9 March. On the opening day Prime Minister Blair said "European military capabilities at this stage are modest. Too modest…..To strengthen NATO and to make European defence a reality, we Europeans need to restructure our defence capabilities so that we can project force, deploy our troops, ships and planes beyond their home bases and sustain them there, equipped to deal with

whatever conflict they may face." The following day the Secretary of State for Defence, George Robertson made the Alliance's military capability and particularly the contribution of the European Allies the focus of his paper. He was blunt. "Without effective military capability to back up European foreign policy goals, we are wasting our time. We risk being an economic giant, but a strategic midget." He said that the aim was not so much a European Security and Defence *Identity*, but "something much more ambitious" in the form of a European Defence *Capability*. At the same conference The French Minister of Defence, Alain Richard, spoke of the French "priority" which was to "give Europe the institutional and operational resources to take decisions on crises that affect the stability of our continent." The political emphasis has been given and fine words spoken. Will action follow?

The subsequent June EU summit in Cologne did not take any such steps, although it addressed the structural considerations and made fundamental changes in the posture of the Union, by enabling it to deal directly with security issues. "In pursuit of our Common Foreign and Security Policy objectives….the Council should have the ability to take decisions on the full range of conflict prevention and crisis management tasks defined in the Treaty on European Union, the 'Petersberg tasks'. To this end, the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and the readiness to do so, in order to respond to international crises….'. [Section 1] Steps for the assimilation of the appropriate bodies of the WEU within the structure of the EU and for the development of the EU's relationship with NATO, which has hitherto been non-existent, were assessed and significant proposals made. An endorsement for a greater European capability in the fields of intelligence, strategic transport and command and control was supported by a determination "to foster the restructuring of the European defence industries" and this led to a conclusion that "a more effective role for the European Union in conflict prevention and crisis management will contribute to the vitality of a renewed Alliance." [paragraphs 2 & 3] This rhetoric is important and should not be dismissed, but substantial steps to improve European force structures in the light of these declarations have yet to be taken.

The facts have been clear for some time, and as technology advances the discrepancy between the capabilities of European and American forces is magnified. With a combined budget that amounts to about 60% of that of the United States, Europeans provide about a third of the forces of the Alliance. Further, the capability of these forces leaves a significant amount to be desired and the conflict against Serbia highlighted the limitations of the European element of NATO, which is particularly evident among the air forces. One read and heard press releases about air raids conducted by NATO forces, but in reality about three-quarters of the attacking aircraft were American and an even greater percentage of the laser guided and other smart attacks were carried out by the United States, because most European states do not possess such weapons and have to rely on "dumb" bombs. In the circumstances of the severe limitations placed on attack profiles, this discrepancy is even more critical than it would normally be.

This leads to a separate but related issue, which is the extent to which measures must and can be taken to ensure that Europeans keep up with American technological advances. At the same time as improving European force structures, therefore, both sides of the Atlantic must consider technological development, at its extremity reaching

to the level of the so-called Revolution in Military Affairs (RMA). The Americans must ensure that they do not get so far ahead in a concept that in any case may not be workable in its finally envisaged form, and the Europeans that they do not get so far behind, to the extent that they are not able to operate together. This would be greatly to the detriment of NATO and even US policy, depending as it does now for the most part on political legitimacy conferred by allied co-operation.

It has been calculated that a realistic goal for Europe would be a contribution of between 10-15% of the total Allied force posture, yielding a commitment comparable to the size of the American forces earmarked for a major Persian Gulf requirement.[1] Adjusting the priorities of the respective national programmes and, where relevant, reducing large force structures that are still geared mainly to border defence should rectify most of the shortcomings in European power-projection capabilities, especially, in the fields of long-range transport and mobile logistic support, without necessarily increasing defence spending. Nevertheless, with ten years worth of the bonus of reductions in defence budgets since the Wall came down, now might be a time to assess whether we have gone too far. Certainly shortcomings in both capability and numbers have become evident in the conflict over Kosovo and no matter how unpalatable the question in a climate in which social spending is seen to have priority, this is a factor that will have to be considered. Paradoxically, with Europe governed almost exclusively by left of centre governments there is a chance of modest improvements, if only because the increases would seem to be based on improving a capability to intervene in humanitarian operations, in effect those the WEU has categorised as "Petersberg missions".

However, this will be a bonus and the main issue is how to re-align current defence expenditure to produce more effective forces that are capable of operating in multinational groups. There is a need to address the posture of national policies, and the United Kingdom has set the tone here with its Strategic Defence Review, so that forces are better tailored to the changed strategic circumstances in which we find ourselves. There is also an urgent requirement to improve radically the procurement practices and policies of all nations and to ensure that multinational projects are more cost effective. The legal establishment of OCCAR is a move in the right direction, but will it be enough? Should one also consider role specialisation? This was a subject that was occasionally aired during the Cold War years, but was rapidly put to bed on the grounds that it interfered with national sovereignty on tailoring the forces a country needed, ultimately for its national defence. Within a totally different strategic climate, this could now be an issue that might be considered useful. These and many other issues are on the table and action is needed to give them substance.

[1] Defense News, 22 February 1999, Vol. 14 No. 7, p.3

THE NEW STRATEGIC CLIMATE

Adam Daniel Rotfeld

In his remarks on European security after 2000, an American security analyst referred recently to an anecdote about one of America's more forgettable presidents of the last century, Millard Fillmore. On his nomination, he was told by a girl from the local telegraph office who knocked on his door and said: "Sir, I have the honour to inform you that you have been nominated for President of the United States, ridiculous as that may seem". The phrase recurred in my mind when the Guido Lenzi invited me to produce this paper. I am sure that others might be better qualified. But Guido insisted and so here I am.

Today, no matter what aspect of Europe's security is addressed, one cannot pass over the war in the Balkans. In other words, the emerging European security community and European force structures will be determined in much larger measure by what is going on and what will happen in the foreseeable future in Kosovo and Yugoslavia as a whole than by any concepts and associated documents regarding a Common Defence Policy, including the St-Malo Declaration. And a second remark: in my understanding, the task of research is not to seek arguments for legitimizing a military intervention, but to help initiate a peace process. It is not, however, the task and aim of this meeting. As I understand, our task is broader – to look at the European force contribution to sharing responsibilities and burdens.

The new European order

As you remember, a few months ago, on 24 October 1998, we marked the 350th anniversary of the signature of the Westphalia Treaty. The Treaty ended what was already by the contemporaries called "the Thirty-Year War"[1]. There are some reasons for which the Treaty of Westphalia awakes today, at the end of the 20th century, more interest than any other documents which have crowned the ending of successive great wars in Europe.

Today, the system of nation-states, which has so far played an essential role in the functioning of the international regime, stands a severe test. Relations in the contemporary world are being shaped, on the one hand, by centripetal processes (globalization and integration), and, on the other hand, by centrifugal ones (fragmentation, erosion of states).[2] Some analysts tend to see here analogies with the situation prevailing in most of Europe after the Westphalia Peace Treaty. The mid-17th century Europe was in havoc, afflicted with the misfortunes of wars, destitution and humiliation.

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[1]Although, in fact, as Davies noted, "since the first act of violence at Donauworth it had taken up forty-seven years". Davies, N., *Europe. A History* (Oxford University Press: New York, 1997), p. 565.

[2]Clark, I., *Globalization and Fragmentation. International Relations in the Twentieth Century* (Oxford University Press: New York, 1998).

There are analysts who see the situation of Europe in the middle of the 17th century as a revolt of peripheries against the rising demands of the centre, "a crisis of the modern state".[3] There are some similarities with the present situation. Historical analogies, however, are often delusive.

Two new factors seem to be decisive. The radically diminished threat of a world war has nowadays been replaced by the reality of intra-state conflicts which undermine stability and security at the domestic and regional levels. A serious challenge for the international system is the increasing number of weak or even failed states and their inability to control developments on their own territory.

The positive forces behind these negative developments are the trend towards democratization, civil society and respect for human rights and the increasing role of multilateral security institutions and their concerted efforts to achieve benefits for the international community of nations.[4]

In an analysis of the intra-state conflicts that have flared up since the cold war, two often underestimated aspects deserve attention. First, whatever the banner under which they are waged – ethnic, national, religious or any other – civil wars today occur chiefly in failed states. This is especially true when the state's economy and the institutions guarding law and order and respect for civil rights and freedoms have broken down. Second, unlike "classic wars", in the post-cold war conflicts the combating parties do not abide by legal principles or norms or the humanitarian laws which determine the code of conduct in wartime. The barbaric practices of parties to a conflict, accompanied by the spread of organized crime and disregard for the law, make it extremely difficult for international institutions to intervene effectively to achieve peaceful settlement of disputes.

Shaping a new security system

The process of shaping a new security system, initiated in the early 1990s, is taking place on many planes. In the past, the main organizing principle of the security system was the sense of external threat, an enemy. That factor drove states to building up armed forces within their national security policy, on the one hand, and within the international system, to the development of measures and mechanisms geared to preventing sudden attack. After the end of the cold war, the situation changed dramatically. In many regions, particularly in Europe, the threat of a sudden and surprise attack has disappeared. It does not need to spend vast amounts of resources for military purposes, as was the case before. A process of shaping a new system has been launched. The priority has become conflict prevention, crisis management, peaceful settlement of disputes and armed responses.

An important constituent part of this process is the tangible progress in arms control, limitation, reduction and disarmament. Although various arms control agreements concluded in recent years constitute part of the new security system which is

[3]Davies (note 1), p. 569.

[4]United Nations, Report of the Secretary-General on the Work of the Organization, UN document A/52/1, 1997, pp. 1-4. See also Rotfeld, A.D., "Transformation of the world security system", *SIPRI Yearbook 1998* (Oxford University Press: Oxford, 1998), pp. 1-14.

taking shape, they cannot be identified with it.[5] In his address to the Jose Ortega y Gasset Foundation, Johan Jorgen Holst made the following remarks after the end of the cold war: first, a new security system "is possible only within the framework of multinational communities, of common institutions designed to provide common responses to common changes"; and second, "[i]ncreasingly the politics of nations revolve around the careful management of interdependence."[6] In other words, in search of a new security system states will increasingly be involved in integration processes and seek to take advantage of multilateral institutions to manage international interdependence. Thus the first item of a future security agenda must be "to preserve, rationalize and strengthen the international and multilateral framework that has been built up over the last fifty years".[7]

The new strategic environment is determined by continuous changes and transformation which are accompanied by uncertainties, unpredictable situations and risks. This type of developments brought us into the serious crises in the Balkan region.
In this volatile situation, NATO has played the role of a stabilizer in the Euro-Atlantic area. Its preventive actions have been connected both with the enlargement of the Alliance and the build-up of the Euro-Atlantic institutions. In both spheres, the outcome is difficult to overestimate. It can be seen in two dimensions: internal transformation and external relations. In fact, the Alliance is a new centre of gravity.

The stabilizing role of NATO consists in a number of factors. The very fact that practically all the Central and Eastern European countries, which undergo a profound transformation, have declared their political will to join the Atlantic Alliance is an immense leverage not only in stabilizing the region as a whole, but also in improving bilateral relations. Agreements have been concluded between Romania and Hungary and Ukraine; between Slovakia and Hungary; between the Czech Republic and Germany; as well as between Poland and Ukraine, Lithuania and Germany. Thus they have helped stave off potential conflict situations. Similarly, the settling of difficult problems between the three Baltic states and Russia can be seen in the context of the Baltic capitals' endeavours to join NATO. In other words, territorial and border problems, national issues (e.g., citizenship for the Russian-speaking population in the Baltic countries) are being taken off the agenda. Likewise the respect for the rights of national minorities is no longer a dramatic issue. The condition that a state with unresolved problems in its relations with the neighbours or its own minorities cannot aspire to Alliance membership played a positive role. It also was conducive to system transformation-building the rule of law, democratic institutions and market economy. Entering the negotiations on NATO membership also plays a favourable role in the process of democratic change and removing potential threats.

An essential element of the new strategic climate was not only the activities of the three main security institutions in the Euro-Atlantic area (NATO, EU, OSCE), but also

[5]Nine years ago Edward N. Lutwak noted that "the waning of the Cold War is steadily reducing the importance of military power in world affairs". "From geopolitics to geoeconomicsí, *National Interest*, no. 20 (summer 1990), p. 15.

[6]Holst, J. J., "The new Europe: a view from the North", ed. O. F. Knudsen, *Strategic Analysis and the Management of Power: Johan J¯rgen Holst, the Cold War and the New Europe* (Macmillan: London, 1996), p. 198.

[7]Urquhart B., "The future security agendaí, Keynote speech delivered at SIPRIís 30th Anniversary Conference, Stockholm, 3 Oct. 1996.

the establishment of new structures such as PfP and the EAPC. The institution of WEU associate members and associate partners has also been of importance.

Neither these steps nor other old and new arrangements have removed from the present-day agenda the risks and challenges stemming from uncertainty and instability in the Euro-Atlantic area and – as the Alliance's Strategic Concept stated – "the possibility of regional crises at the periphery of the Alliance, which could evolve rapidly".

It is not my intention either to recapitulate what has been said in recent documents presenting the catalogue of contemporary risks and challenges or discuss specific cases. The factors that determine the new strategic climate can be boiled down to the following:

1. NATO and the transatlantic community

In the USA, the prevalent view is that NATO is important for transatlantic relations because, as the former director of the US National Security Agency has written, it is based on the leadership and dominance of the United States. "All NATO members informally acknowledge U.S. hegemony. Moreover, most NATO countries want Washington to play this role and would be disturbed if it did not continue to do so."[8]

This view is shared to only a limited extent by the European NATO states. They are interested in a durable US presence in and commitment to Europe but only provided that transatlantic relations rest on a partnership, not on US hegemony. German analysts and officials, for example, have raised several questions. What are the US motives for emphasizing a global role for NATO? What are the European or German arguments in favour of broadening NATO's purpose to include the concept of "globalization"? How should German foreign policy respond?[9] From the US point of view, the "vital interests" of the United States are more endangered in the Persian Gulf and the rest of the Middle East region, South Korea and the Taiwan Straits than in the Balkans. However, it was the United States and its firm military action in the Balkan region – not that of the European NATO states – first in Bosnia and Herzegovina and later in Kosovo, that resulted in 1998 in at least the temporary withdrawal of forces and the beginning of a search for peace.

The lack of action by Europe in various crisis situations has led US critics to "castigate Europe for not contributing to regional and global order while demanding that Europeans shoulder more of the cost of leadership".[10] According to European analysts, as in the period of the cold war when European anti-Americanism damaged Western solidarity, "American Eurobashing threatens to unravel transatlantic cooperation in the post-Cold War era".[11] In their view, the USA expects Europe to make a larger contribution to the costs of US global engagement and strategic leadership while failing to respect European views and reservations.[12]

In summary, security developments in Europe and the political debate on the current and future role of the United States as the sole superpower show that Euro-

[8] "The most important factor in NATOís success as a security alliance has been the dominance of U.S. power, military and economic." Odom, W.E., "Challenges facing an expanding NATO", *American Foreign Policy Interests* (National Committee on American Foreign Policy), vol. 20, no. 6 (Dec. 1998), p. 1.

[9] Kamp, K.-H., "A global role for NATO?", *Washington Quarterly*, vol. 22, no. 1 (winter 1999), p. 8.

[10] Wallace, W. and Zielonka, J., "Misunderstanding Europe", *Foreign Affairs*, vol. 77, no. 6 (Nov./Dec. 1998), p. 65.

[11] Wallace and Zielonka (note 10), p. 66.

[12] "The current approach, combining demands for greater burden-sharing with knee-jerk dismissals of European policies, risks alienating Americaís most important allies.í Wallace and Zielonka (note 10), p. 66.

Atlantic relations are determined by a US hegemonic posture, on the one hand, and the process of forming an anti-hegemonic posture of European states, on the other hand. The future of the North Atlantic Alliance depends on the extent to which Europe will be able to counterbalance the dominant position and power of the United States while accepting its leadership in protecting the vital security interests of the democratic community of states.

On both sides of the Atlantic Ocean the belief has been expressed that NATO is and will remain the sole effective Euro-Atlantic security organization. Its internal transformation, adaptation to the new security environment and enlargement of its membership are its primary tasks. The fundamental objectives of NATO's internal adaptation, as officially defined, are "to maintain the Alliance's military effectiveness . . . and its ability to react to a wide range of contingencies, to preserve the transatlantic link, and to develop the European Security and Defence Identity (ESDI) within the Alliance".

2. NATO enlargement

In the context of further NATO enlargement, 12 European states are under consideration; nine of them have declared their political will to join the alliance. In the USA the view prevailed that at this stage further enlargement to the east could diminish the cohesion and effectiveness of the alliance. The opponents of further enlargement fear that "[s]wift movement to a larger alliance could alter the political and military character of NATO" and could make consensus building and decision making significantly more difficult. In short, it might erode the effectiveness of the military alliance. In effect, the nine countries which aspire to NATO would, if admitted, water down the alliance rather than enhance security.[13] The opponents of further enlargement demand that the standards and criteria of further enlargement should be subordinated to the strategic goals "so that the door is kept open but new members are admitted only when this step makes strategic sense and furthers NATO security interests".[14] This means that certain standards should guide further enlargement so that new members would be admitted only when: (*a*) admission directly supports NATO interests, strategy and security goals; (*b*) NATO can effectively absorb and integrate new members and truly provide them with collective defence protection; (*c*) candidates can "produce security for NATO, not just consume it"; (*d*) the cohesion of the alliance, its decision-making process and military effectiveness in carrying out old and new missions are enhanced, not diminished; and (*e*) admission will meaningfully enhance Europe's stability rather than trigger instability.[15]

In other words, these US analysts recommend that the door be kept open but that the process of further NATO enlargement should be significantly slowed down. Slow, selective and discriminating enlargement should give NATO time to integrate the first three new members.[16] The decisive criteria for further enlargement are the costs and

[13] "A significantly larger alliance might not produce a more stable Europe or even render new members secure". Binendijk, H. and Kugler, R.L., "NATO after the first tranche: a strategic rationale for enlargement", *Strategic Forum* (National Defense University, Institute for National Strategic Studies), no. 149 (Oct. 1998), p. 2.

[14] Binendijk and Kugler (note 13), p. 2.

[15] Binendijk and Kugler (note 13), pp. 2-3.

[16] A suggestion was made to extend the invitation to at least one country to "make the point that the door is still open, even as the alliance takes time out to digest the admission of the three new members". "NATO

politico-military interests of NATO. From this perspective, only three countries would be eligible in a second round of enlargement – the declared neutral or non-aligned states of Austria, Finland and Sweden. The paradox is that only in Austria, which under its State Treaty of 1955 had pledged under international law to observe eternal and permanent neutrality, is there a serious debate on joining NATO. The public exchanges of views in this matter in Finland and Sweden show that for their respective political elites a substantial alteration of the security policies and early entry into NATO are not on the agenda.[17] Such an option might be considered only in a situation of extreme external threat; the likelihood of such a threat in the foreseeable future is at the lowest point.

3. The future of the WEU

The WEU is at a crossroads as to the role it should play in shaping a new European security system. In accordance with the 1992 Petersberg and 1996 Berlin decisions of the WEU, it was viewed as a link between the EU and NATO, "as the instrument for European-led crisis management operations, in Europe or beyond".[18] For various reasons these provisions have so far remained on paper.

As Alyson Bailes rightly noted, any idea of a "European defence personality" as such was bound to be ambiguous and elusive, "and this helps explain why WEU, originally conceived as a European defence organization, remained a dead letter".[19]

In these circumstances, the UK proposed "some fresh thinking" on the future direction of European defence. What is essential in the British reasoning is that defence remain under the control of national governments and parliaments, on the one hand, and that neither the European Commission nor the European Parliament should play a direct role in defence matters, on the other hand. In other words, defence should remain intergovernmental, not become transnational, and defence decisions should continue to be arrived at by consensus. The new guiding principle for both the West European and pan-European structures is inclusive security.

4. The St-Malo Declaration

The first formal document that spelled out the new approach by France and the UK in this regard was the Joint Declaration on European Defence by President Jacques Chirac and Prime Minister Tony Blair issued at the British-French summit meeting held at Saint-Malo, France, on 3-4 December 1998. The central goal of the document is to determine the role of the EU concerning European defence, taking into account EU-NATO

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enlargement: the next step", *American Foreign Policy Interests* (National Committee on American Foreign Policy), vol. 21, no. 1 (Feb. 1999), p.17.

[17] Such personalities as Carl Bildt, former Swedish Prime Minister, and Max Jakobson, former Finnish representative to the United Nations, have contributed to the debate which began in Jan. 1999. It has produced no new significant arguments. See "Neutraliteten ett falskspel f^r folket" [Neutrality cheating the people], *Dagens Nyheter* (Stockholm), 9 Jan. 1999, p. A6; and "Vi kan inte alltid r‰kna med USA" ["We cannot always count on the USA"], *Dagens Nyheter*, 10 Jan. 1999, p. A6. An interesting point is the declassified testimonies to the Commission on Neutrality revealed during the debate. They testify to Sweden's cooperation with NATO in the period of the cold war. As a result, Bildt noted, a bizarre situation occurred in which the West and Russia knew much more about the close relations between NATO and Sweden than the Swedish public itself.

[18] *Western European Union: A European Journey* (WEU Secretariat-General: Brussels, 1998), p.130.

[19] Bailes, A., "The new European defence debate" A presentation to the Advisory Council for Disarmament and Security Affairs, Oslo, 30 April 1999.

relations. It is significant that the British-French Joint Declaration on European Defence (the Saint-Malo Declaration) mentioned the WEU only by the way. Its essence is to impart practical significance to Article V of the Amsterdam Treaty. To this end, "the Union must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises".

According to the declaration, the Europeans will operate within the institutional framework of the EU. Three bodies were mentioned: the European Council, the General Affairs Council and meetings of defence ministers (the WEU was not included in this context). For the purposes of European defence, the EU must be given appropriate structures and capacity for analysis of situations, sources of intelligence and a capability for relevant strategic planning. It will also need to have "recourse to suitable military means".[20] To fulfil its new tasks, the EU needs to have strengthened armed forces "that can react rapidly to the new risks, and which are supported by a strong and competitive European defence industry and technology". An open question is whether such tasks are aimed at including national defence goals or merely at meeting new risks, challenges and crisis situations in various regions outside the EU area.

There are many indications that the construction of an EU "fourth pillar" (in addition to the existing economic, political and judicial pillars, defence and security is seen as the fourth pillar) would mean a total incorporation of the WEU into the EU. Such a solution would aim at strengthening Europe militarily, thus making it a more attractive partner for the United States without weakening NATO. The proponents of this solution claim that "Europe's current inability and unwillingness to assert its security interests is more damaging to the transatlantic relationship than a broad-shouldered Europe demanding to be considered in American calculations".[21]

Institutionally, a strong Europe would find its expression in the strengthening of the European Security and Defence Identity (ESDI). In official NATO documents, the USA has for several years supported this concept. In December 1998 US Secretary of State Albright described one of the seven chief tasks of the North Atlantic Alliance as "to develop a European Security and Defence Identity, or ESDI, within the Alliance, which the United States has strongly endorsed".[22] It is, however, a qualified support, with some reservations. Albright drew attention to this at the December 1998 North Atlantic Council (NAC): "Any initiative must avoid pre-empting Alliance decision-making by de-linking ESDI from NATO, avoid duplicating existing efforts, and avoid discriminating against non-EU members".[23] This caveat was further developed by US Deputy Secretary of State Strobe Talbott. In response to the British-French initiative as presented by Prime Minister Blair and Secretary of State for Defence George Robertson at the March 1999 conference "NATO at Fifty", Talbott warned that ESDI carries with it both risks and costs: "If ESDI is misconceived, misunderstood or mishandled, it could create the impression – which could eventually lead to the reality – that a new, European-only alliance is being born out

[20]The Joint Declaration explains that "suitable military means" are "European capabilities pre-designated within NATO's European pillar or national or multinational European means outside the NATO framework".

[21] Schake, K., Bloch-Lainé, A. and Grant, C., "Building a European defence capability", *Survival*, vol.†41, no. 1 (spring 1999), p. 21.

[22]Albright's statement to the North Atlantic Council, 8 Dec. 1998.

[23]Albright (note 22).

of the old, trans-Atlantic one. If that were to happen, it would weaken, perhaps even break, those ties that I spoke of before – the ones that bind our security to yours".[24] In his view, it is essential that ESDI not take a form that discriminates against the USA or other Allies which are not members of the EU. There are eight states in that group: Canada, the Czech Republic, Hungary, Iceland, Norway, Poland, Turkey and the USA. He noted that the principles and procedures of accommodating ESDI in the NATO command structures, the division of roles and the planning capabilities were too complex to be achieved before the 1999 Washington summit meeting.[25] They will remain open for further discussions, the first of which will take place in 1999 at the WEU meeting in Bremen and the EU meeting in Cologne. To sum up, the Saint-Malo initiative determined the direction of the debate on future European defence policy and prompted the USA to further cooperate in developing ESDI within NATO. An open question is what the framework of European autonomy in the field of security and defence will be. As things stand now, the United States does not accept any solutions which would limit its leadership within the alliance structures.

What has to be done?

The post-cold war transnational threats and challenges call urgently for a redefinition of the traditional concept of international security. The security agenda ahead must be founded on a new political philosophy, encompassing a common, institutionalized system of standards and shared values rather than concepts based on the balance of power.

In the cold war period, international security was seen by states exclusively from the national perspective and nearly exclusively in its military dimension. Today, with global interdependence and risks, this approach is no longer adequate. It is now commonly understood that security comprises much more than military security.

In Europe inclusive security has recently been oriented mainly towards solutions of a procedural and institutional nature. However, a redefinition of the real new threats and adaptation of the ways and means with which to meet them together are decisive for the future. An inclusive and cooperative security order in Europe requires the promotion of a community of shared values and management of national political and economic interests. A system must be sought in which the equality of states and democratic principles are reconciled with acknowledged leadership and efficient decision making.

In short, the dilemma that Europeans are facing is not new. First, they have to decide if they want and are able to create a defence system of their own or – as it has been the case for the last 50 years – they will depend on US military and political commitment. One has an impression that Europe would like both to retain the US military share in its defence and rid itself of American leadership.

Second, the WEU is not, never was and will never be an institution alternative to NATO. It played a certain role in the past, but hardly seems to be eligible for a new permanent military structure of European defence. A new solution is needed. It was

[24] "Text: Talbott March 10 remarks on "A new NATO for a new era", *USIS Washington File* (United States Information Service, US Embassy: Stockholm), 10†Mar. 1999, URL <http://www.usia.gov/current/news/topic/intrel/99031010.wpo.html?/products/washfile/newsitem.shtml>.
[25] Note 24.

signalled in the St-Malo declaration. An open question is, however, if such a kind of new military structure will be formed within the EU.

Third, one hardly dismiss the warning the United States has been sending for some time: new solutions cannot lead to three "d's": strategic *decoupling*, *duplication* of NATO and *discrimination* against NATO non-EU members.[26]

Fourth, the basic question is whether the EU is capable of restructuring its structures, aims and functions to take over – not only on paper, but also in practice – direct defence responsibilities. It is not only a matter of costs (though they are by no means negligible), but also a challenge of changing the Union's psychological and philosophical attitudes.

To sum up, the European security organizations will need to take creative and bold action if they are to implement the necessary reforms to be able to prepare for and address the security risks and challenges to Europe in the next century. In consolidating transatlantic relations and coordinating the action of these organizations, the United States must become a member of genuine partnerships rather than a hegemonic actor in NATO and the OSCE and in its relations with the EU and individual European states.

The Euro-Atlantic and world communities must take into account the legitimate security interests of every state. Europe must fully recognize the reality that the threats and conflicts of the end of the 20th century are mainly of a domestic nature – the most serious threats to security on the continent will come from sub-state and non-state actors and from the strong link today between international security and the evolution of domestic affairs. Although steps have been taken to reform the European security structures, they are not adequately prepared to address domestic sources of instability and insecurity. The *sine qua non* for cooperative management of security in Europe is not only institutional reform but also firm commitment to the norms and principles of the transatlantic community. These include the indivisibility of security, transparency, predictability, the global and regional commitment of the community of democratic nations to increase multilateral cooperation in confronting new security threats, resolute joint action to prevent or resolve conflicts.

Neither internal transformation nor the best document, however will work unless all states of the transatlantic community move beyond verbal declarations and adopt strategic decisions committing them firmly to multinational obligations with an intention to transform and adapt the existing European security institutions to the new needs and requirements. Their implementation will certainly enhance the effectiveness of the emerging cooperative European security system.

[26] This warning was spelled out by M. Albright in *Financial Times*, December 1998 and, 3 months later, by Strobe Talbott at the London conference "NATO at Fifty" in March 1999.

ENHANCING THE POWER-PROJECTION CAPABILITIES OF THE NATO EUROPEAN FORCES

Stuart Johnson and Jofi Joseph

The United States and its NATO allies have engaged in two high intensity conflicts in this decade, Desert Storm in the Gulf and Operation Allied Force in Yugoslavia. Both campaigns were characterized by a strong, and successful, effort to maintain broad coalition participation and cohesion. But the story is more complex than the press releases from NATO Headquarters, Washington, and other NATO capitals would have us believe. Both operations revealed differences in US and European allies' capabilities and *styles* of prosecuting warfare. These forced the commanders to adopt an ad-hoc, inefficient division of labor in what, to the public, was presented as a seamless coalition operation.

The drawbacks of forming *too large* a coalition are not new. In the 5th Century BC, Herodotus describes the grand coalition that Xerxes assembled to invade Greece. He notes that the different nations in Xerxes' army had different weaponry, different armor, different styles of fighting and, worst of all, different motivations for being on the battlefield. In fact, Herodotus comes close to ascribing Xerxes' defeat in at least one key battle to the incoherence of the Persian attack that more than neutralized the immense numerical advantage his army had over the Greeks.

While it is dangerous to push the analogy too far, there is a strain of thinking among US military planners that resonates with Herodotus's viewpoint. These military planners regard, with some pride, the considerable advances that the US military has made in: incorporating modern technologies, especially information technologies, into its forces; developing the operational doctrine to exploit the advantages technology provides on the battlefield; recruiting, training, *and retaining* personnel with the mix of technical skills needed to prosecute a campaign that includes a sophisticated application of technology.

From this starting point there is a great temptation to draw the wrong conclusion: «We (the US military) are pressing ahead with more effective and more efficient ways to fight. If the allies want to keep up with us, fine. If not, we're not going to slow down for them and we'll just go it alone.»

This certainly does not constitute the policy of the US government. Senior civilian leaders and senior military commanders recognize that in any conflict far from US shores, the political imperatives for operating in a coalition will override concerns of battlefield inefficiency. This has led the US leadership to press its NATO allies to adopt a military strategy that focuses on Western interests beyond NATO's borders and to enhance its capabilities to project military power accordingly.

First the basics: the US spends $270 billion on defense while NATO Europe spends $160 billion. This represents 3% of US GDP and 2.1% of European GDP spent on defense respectively. The U.S. fields 1.5 million troops while NATO Europe fields 2.2 million.

This level of spending and force size represents a considerable reservoir of military potential. But this is only a small part of the story and not a very revealing part at

that. Defense spending and manpower totals are *input* measures and, by themselves, say very little about the military capabilities that the US and the European allies can field. The more pressing question, addressed in this paper, is: «Do these forces have the capability to execute the missions required to defend critical Western interests?»

Earlier Allied Operations

It is instructive to briefly examine previous Allied operations during this decade to shed light on the respective capacities of the US and the European allies. Operation Desert Storm serves as an important source of insights into the projection of Allied forces to the Persian Gulf. During that operation, US pilots flew some 100,000 sorties or 92% of the total sorties flown by NATO pilots. This pattern of US dominance repeated itself, albeit to a lesser degree, in Operation Deliberate Force, the series of NATO air strikes on Bosnian Serb targets in August 1995. In this operation, the US was responsible for roughly 70% of all sorties flown, despite the geographical proximity of Bosnia to Allied territory. This large share of operations undertaken by the US reflects not only its comparative size, but its almost exclusive possession of important power projection capabilities like electronic jamming, reconnaissance and refueling.

Operation Allied Force

The preliminary data emerging from the NATO operations in Kosovo offer even more stark lessons on the growing gap in capability between the US and the Allies. The European NATO members contributed roughly equal numbers of *fighter* aircraft to the US. Nevertheless, the US share of total aircraft in Allied constituted approximately 70% on account of its dominance in support aircraft. In critical support areas such as airlift, refueling, electronic jamming, and reconnaissance, the U.S. provided a capability that its European partners could not match in quantity or quality. Since approximately three support sorties[1] were required to augment each individual attack sortie, the US shouldered a sizable majority of sorties flown in Kosovo. In nighttime or bad weather missions, the US was virtually alone in the ability to launch effective and accurate strikes.

The need to maintain a political consensus within NATO required an avoidance of casualties, both combat casualties among NATO forces and collateral civilian casualties on the ground. By flying above 15,000 feet, NATO pilots could avoid Yugoslav SAM systems and anti-aircraft artillery fire. But these tactics heightened the risk of unguided bombs missing the target. The alliance thus relied heavily on precision-guided munitions (PGMs), or «smart bombs». However, the European stocks of PGMs were limited; for example, France bought on an emergency basis additional PGMs from the US as Allied Force progressed and their stocks were depleted. Moreover, only the United States possessed the GPS-guided precision munitions that permitted attack sorties during bad weather. It is uncertain if the Allies will move to correct this deficiency, but the

[1] Support sorties refer to sorties undertaken for refueling, electronic jamming, reconnaissance and any other mission other than the dropping of ordinance, which is classified as a strike sortie.

experience in Kosovo and the Defense Capabilities Initiative adopted at the Washington Summit have put the issue front and center.

In this paper, the primary focus will be the ability of the European members of NATO to project power to the Gulf region to protect the supply of oil should that be necessary again. Are they adequately equipped for these missions? Are they configured appropriately for these missions?

The view from Washington is, with some exceptions, no. Washington perceives that the great bulk of defense capacity among the continental European allies is still focused on defending borders that no one is threatening. As a result, much of the allied investment in defense is wasted or, at best, misplaced. It is precisely this mismatch of capabilities to missions that led the US to press for a strong focus on «peripheral contingencies» in the new Strategic Concept that was adopted at the recent Washington Summit. The document's language specifically cites the importance of adequate mobility, deployable logistics support and the ability to command and control forces far from home territory.

Another underlying concern motivated the US to push for the adoption of a Defense Capabilities Initiative. As the U.S. military experiments, reorganizes and re-equips to take advantage of rapid advances in technology (especially information technologies), a concern, substantiated by Allied Force, has spread among the US senior leadership that the European allies will soon be unable to keep up. Without a separate initiative to target this growing gap, US officials feared that well-integrated coalition operations would soon be impossible. The Defense Capabilities Initiative is targeted squarely on this problem.

In light of this background, how does the US perceive the capability of the European force structure? How adequate are the allied plans and programs that are in place? Are they targeted on the right challenges? Are they well-funded?

The remainder of this paper will outline the view that broadly represents the current tenor of discourse in Washington following the NATO summit. In particular, it will address the above questions in three parts:

1. The emerging military strategy of European NATO countries.
2. The present capabilities of European forces to deploy to the Gulf and sustain a military operation there.
3. An emerging shift in Washington's view of ESDI.

Military Strategy

NATO's new strategic concept and its accompanying Defense Capabilities Initiative places a country's ability to project power front and center. It calls for a shift of focus away from defense of territory that doesn't need defending to the development of capabilities to defend NATO's interests on the periphery of Europe and beyond.

The U.S. military, beginning with the end of World War II, always had incorporated this strategy. But it was the OPEC oil shock of the early 70's that shifted the US planning focus steadily away from the territorial defense functions for which the 5^{th} and 7^{th} Corps were responsible in Germany. In its place emerged an emphasis on the

ability to deploy sizeable ground, air, and naval forces promptly to an area, the Gulf, where the US did not already have large standing forces in place and a robust network of bases and local infrastructure to receive U.S. forces and equipment.

This shift in emphasis led to a new command, the Rapid Deployment Joint Task Force and new doctrine development. By the 1980's the US was prioritizing investment in power projection forces focused on the defense of important interests in the Gulf. The European allies, 10 years after the fall of the Berlin Wall, are now making the same shift. For all intents and purposes, Great Britain and France now base their military strategy solidly on power projection. Italy's new defense plan takes a giant step in this direction. The Netherlands began earlier. By 1994, its defense program began to give priority attention to its air mobile brigade that is kept in a high state of readiness, elements of which can deploy promptly.

Germany has largely maintained the status quo in its defense planning, although signs of a doctrinal shift are beginning to emerge in Berlin as well. Defense experts in Germany now recognize that their current force structure is an anachronism appropriate to a security environment that disappeared a decade ago.

In sum, a broad consensus in military strategy, i.e.- a focus on the ability to project power, appears to be developing among the European NATO members. But the best strategy is only as effective as its implementation—the principal area of concern for Washington. The European allies suffer not from a want of forces, but simply lack the means to deploy forces promptly and sustain them far from the countries' boundaries for an extended period of time.

It is useful to assess the critical «enabling» capabilities of European members of NATO to contribute to the defense of NATO's interests in the Gulf. A number of European countries have «classified» certain units as «rapid reaction», «crisis reaction», or «immediate reaction». Totaling up the units in these classifications, European members possess over two corps-equivalents of NATO ground forces. But some key enabling capabilities are missing, which are examined below.

Professionalization:

Lift: This requirement seems obvious but it is not receiving adequate progammatic and budgetary attention. Most attention falls on airlift but prompt accessibility to sealift is equally important –more so if the deployment is to the Gulf. A great deal of lift capability can be purchased at a modest price. European defense officials contend that sealift is abundant in the commercial sector and it is cheaper to retain stand-by lease agreements than to own sealift. While that may be true, prompt access to sealift is critical and there is no substitute for a robust core of ships dedicated to transporting sizeable stocks of military equipment within the opening days of deployment.

Support: Units organized to support in—place combat forces dedicated to territorial defense are poorly configured to support projected forces. France has begun to re-organize its support forces to provide the flexibility to tailor a support package according to the mission at hand; on the other hand, Germany has not. Great Britain has a good program on the books but it faces some programmatic challenges.

In summary, there is no lack of combat forces assigned to NATO's rapid reaction forces. Nevertheless, less than 40% of these forces can actually deploy; factoring out the

US contribution, the percentage falls to more like 25%. The lack of adequate support capabilities likely reduces the level of deployable forces even further.

Air Force Equipment and Training: NATO forces still tend to put the primary emphasis on air defense aircraft. This is a legacy from the Cold War when NATO feared an opening swarm of Warsaw Pact aircraft attacking targets in NATO rear positions as the first stage of a Soviet invasion. No such threats face us today. No conceivable enemy has an airforce worth its name. Yet, NATO airforces still maintain their air defense squadrons in the highest state of readiness and give priority to air to air training. Moreover, in planning for the next generation of aircraft, NATO members have tended to optimize the airframe for air-to-air combat to the detriment of air-to-ground attack. However, it is precisely the latter mission that the Allied commander needed in Desert Storm and more recently in Operation Allied Force.

Munitions: Three key deficiencies exist: European forces slight munitions in favor of major equipment items like platforms. Allied air forces are planning for the wrong kind of combat. They have roughly eight air-to-air missiles for every air to surface missile (far too few for the kind of combat NATO members have been experiencing). Allies still retain large stocks of freefall bombs as opposed to the much higher unit cost PGMs. In modern warfare, the number of targets destroyed counts far more than how long an air force can drop bombs. This problem is solvable. As NATO converts to munitions that are guided by the Global Positioning System (GPS), the unit cost of a PGM is dropping sharply since the most expensive part of the munition, the guidance, is done in space and does not have to be engineered into each individual munition. There is no excuse then for the NATO allies not to procure adequate stocks of these precision all weather munitions-munitions which were so badly needed in Operation Allied Force.

Information Technologies: The U.S. is incorporating advanced information technologies into its weapon systems and is about to adopt the next generation of automated planning tools. The allies could be left behind-literally. The pace at which US forces will soon be able to execute military operations could so outstrip the allies that integrated combat operations could become impossible. Specifically, the US will in the foreseeable future be able to develop air tasking orders that have a turnaround time of an hour or two instead of the 18 to 36 hours typical of Operation Allied Force. The danger exists that European NATO members will then be unable to contribute to attacking the highly critical mobile or time-sensitive targets such as tactical ballistic missile launchers. This fate is not pre-ordained. Careful attention to operational doctrine and ensuring that certain systems are interoperable (or at least compatible) can go a long way in preventing «two-tier» combat operations.

Secure Communications: This is a serious problem today if NATO operates against an enemy with any technical sophistication at all. Preliminary reports indicate that Serbian forces may have been able to eavesdrop on some communications during Operation Allied Force. As communications equipment shifts from analog to digital transmission, the problem of secure interoperable communications becomes eminently solvable.

NATO must ensure that the next generation of communications equipment that members procure meets this requirement.

Firepower: Some of the NATO allies have earmarked forces for power projection but they don't pack much power. For example, the Netherlands retains a well-trained and well-supported air-mobile brigade available for deployment, but which lacks the firepower and force protection for serious warfare. The Dutch are taking corrective measures but NATO must ensure that other members don't fall into the same trap.

Allied Defense Budgets: Many of the recommendations outlined above can be accomplished by reprogramming. Nevertheless, a real increase in defense spending is needed which should be concentrated in the procurement account. Most of the continental European allies are not only underfunding procurement but also concentrating what they are spending on a few big-ticket items. Programs such as sealift and modern munitions that provide considerable leverage in power projection need to be strengthened. This budgetary problem is certainly compounded by the fact that the total spending on procurement in European NATO capitals is fragmented among 15 different countries. But as defense industries consolidate, and especially if balanced trans-Atlantic industrial co-operation expands, efficiencies can be realized.

Finally, US defense planners have evinced a gradual but unmistakable shift in attitude towards the European Security and Defense Identity (ESDI). This shift has been from outright hostility and suspicion -- the fear that the ESDI would undermine NATO and shatter the Trans-Atlantic alliance -- to a recasting of the issue entirely. The growing perspective can be summarized as follows.

Today, the US and Europe rely on a strong NATO framework but actual field deployments reveal a glaring lack of military capability on the part of the Europeans. Such a disparity cannot continue indefinitely if the alliance expects to prosper in the next century. If a true Allied commitment to an ESDI yields stronger and more balanced forces capable of projecting power, then its benefits will outweigh any supposed «price» the US may have to pay in negotiating leadership arrangements during actual deployments.

In summary, a gap between the capabilities of US and of European forces on the two sides of the Atlantic is indeed emerging, revealed profoundly by the just concluded Operation Allied Force. But the continued existence of this gap is not pre-ordained. A refocus of priorities and a targeting of investments can do much to mitigate the gap between the US and its NATO allies in the ability to deploy and fight in the Gulf.

EUROPEAN FORCE STRUCTURES: AFTER ST-MALO – THE BRITISH APPROACH

Bryan Wells

Paragraph 4 of the St-Malo declaration states that "Europe needs strengthened armed forces that can react rapidly to the new risks". It would be hard to find anyone who disagreed with this. What I would like to do is address some of the implications of this almost obvious phrase.

Caesar famously said that Gaul was divided into three parts; I should like to do the same with my talk. First I want to survey some facts about European military capabilities particularly in the light of Kosovo. Secondly, I want briefly to set out the types of forces that are needed nowadays to react rapidly to new risks and to focus in particular on the requirements for undertaking prolonged operations; and finally to look at how we might improve capabilities, in particular through the work launched at Washington and Bremen, and also look at what we might expect from Cologne next week.

Let me start with what I hope is a common position amongst all of us. And that is that a credible European defence requires credible European military capabilities. If Europe is to have a stronger voice in the world, then European armed forces will need to be capable of supporting that position. We need to put muscle behind Europe's foreign policy for those few hard cases when the normal instruments – trade, economic relations, political relations and diplomacy – are not enough. If European Ministers are to take decisions over the use of military force, they have to be confident that their Armed Forces can deliver.

How do European military capabilities match up to the mark? Let me set the scene by quoting some statistics. By one set of figures, Europe already does well: Europe provides 80% of NATO's reaction forces in Europe; and 28 of the 32 combat brigades available to NATO's Rapid Reaction Corps are European The majority of the Stabilisation Force in Bosnia implementing the Dayton agreement is European. But other measures give a different picture. Within NATO, the European Allies have more than 60% of the population of the Alliance, but provide only 40% of the total defence spending, less than a third of the total equipment spending, and around a quarter of the Research and Development spending.

Kosovo has put that same message starkly: European nations are making a substantial contribution to this campaign. But we cannot be complacent about our role. Europe is providing less than a third of the aircraft employed in the air campaign. In addition, the air assets we are providing often lack the right capabilities. We have too few ground-attack aircraft that are agile or capable enough to operate in hostile airspace. And we have very limited numbers of precision guided weapons to place on these aircraft. As a result, too few European aircraft can make attacks in all weathers, and with the precision we need. In reality, therefore, the risks and responsibilities of our air attacks are often being borne by American Servicemen, with little help from the Europeans.

On the ground around Kosovo, there is a similar message. By one count, Europe does well – very well: for example, more than three-quarters of the troops deployed are

from European nations. But again we need to reflect on the pressures that this is causing on our force structures. There are, for example, problems with identifying sufficient medical and engineer units; and with the provision of command and control assets. These shortfalls are occurring in the unglamorous but vital support arms that are necessary to sustain precisely the sort of missions that we as Europeans say we must be able to do

So let me turn to the second part of my talk. What sort of force structures and defence capabilities do we as Europeans need if we are to be able, in the words of the St-Malo declaration, to give Europe "strengthened Armed Forces that can react rapidly to new risks." I would highlight three areas.

First, there is now a premium on forces that are deployable. Military thinking in the Cold War was that any conflict would be fought on our soil. Our forces were therefore largely static. But the risks to European interests are now such that, if military force is needed, our forces need to be capable of being deployed beyond national boundaries, often at short notice. This in turn places two particular requirements on our forces. The first is that we need, at appropriate levels of readiness, a strategic lift capacity – both airborne and seaborne – to transport forces from their home base to theatre. The second is that the forces and equipment themselves need to be capable of being transported by the available lift assets from home base to theatre.

Second, our forces also need to be sustainable. Military thinking in the Cold War was that, in a conflict in Europe, war fighting would be of high intensity but of short duration. But modern-day Petersberg operations could extend over a lengthy time period: for example, the IFOR and SFOR land operations in Bosnia have been underway for more than three years. This means that we have to be able to sustain a level of forces in theatre through rotation, and therefore we must have a sufficient quantity of forces with the right capabilities, training and readiness to be able to sustain such a long-term commitment. It is not enough to have a small number of high-readiness reaction forces in the force structure: these forces need to be backed up with sufficient other forces with the same capabilities that can be made ready to take their place in theatre. This is a particularly demanding requirement on a nation's force structure, and is exacerbated if nations are required to undertake more than one operation concurrently. I'll return to this in a moment.

Third, if European nations are to act together effectively in theatre then they need to be interoperable. This requirement goes beyond the need to be able to communicate. Forces of different nationality need to be able to work to the same command and control procedures, to use common operating procedures, and to use compatible rules of engagement and doctrine. Whilst forces of different nationality have been able to work together in Bosnia without always being fully interoperable, the IFOR and SFOR land operations have been conducted in a fairly benign environment, and such arrangements would not be adequate for operations in which warfighting was a serious risk or actual state of affairs.

I'm conscious that the overall title of this seminar concerns force structures in the round, rather than capabilities, so I'd like to spend some time sharing with you UK's national experience when we thought through in our Strategic Defence Review the implications of supporting prolonged and concurrent operations. Concurrency and endurance are linked closely together. For some time we have all recognised, intuitively, that multiple crises were a possibility in today's strategic environment. Bosnia and

Kosovo, to say nothing of events in the Gulf, various parts of Africa and elsewhere, have brought the practical consequences into stark focus. Similarly, we have all come to recognise the political reality that peace support commitments are, more often than not, a long slog. The hard fact is that mounting concurrent operations and sustaining some of them for prolonged periods are now force drivers for parts of our force structures.

What does this mean? Let me describe what the consequences have been for the UK. Our judgement in the Strategic Defence Review was that to be able to meet our foreign and security policy objectives, the UK needed to have the capacity to mount two brigade-size or equivalent operations at once. We assume that one operation would be prolonged, the other of relatively short duration. We also assume that only the shorter operation would involve warfighting. In other words, we should be able to maintain indefinitely an IFOR-size peace support commitment and at the same time deploy a separate warfighting brigade. Of course, events may oblige us to do more or we may decide to do less.

This assumption dictates the size of a number of elements of the UK force structure. For example, the need to conduct two concurrent operations has obliged us in the Defence Review to create a second logistic line of communications. This requires extra equipment, 3300 extra regular soldiers and more usable reserves focused primarily on support specialisations.

Moreover, experience of prolonged commitments in Northern Ireland and Bosnia has led us to conclude that for optimum operational efficiency, ground forces need to have a reasonable interval between their operational tours. We have found that without a tour interval we cannot keep our troops well enough trained for high intensity operations, develop them in their careers and give them sufficient time with their families to stop them from resigning. This means that for every unit or formation on the ground, we need many more in our order of battle. Enduring commitments can be a particularly taxing requirement of our forces structures.

So, having surveyed the types of force structures and capabilities that European countries need if they are to be able, in the words of St-Malo, to “react rapidly to the new risks”, let me look at how we go about improving matters. This is the third part of my talk. Responsibility for national force plans are of course ultimately a matter for individual nations, but there are several multilateral initiatives which have been launched recently which provide a framework in which Europeans can take this work forward. They make this a particularly opportune moment for progress.

The first is NATO’s Defence Capabilities Initiative, formally launched at the Washington summit. This initiative is aimed at ensuring that Allies have or are developing the types of forces needed for operations they are likely to undertake in the future. There is no surprise in the fact that the areas that NATO has been focusing on are precisely the areas I highlighted earlier: that is, forces need to be deployable, sustainable, and mobile; and they need to be interoperable. There is an obvious link here between what NATO is doing and our views on how Europeans need to develop their capabilities for European-only operations. And we have captured this by ensuring a recognition that this work will strengthen the European pillar of the Alliance and enhance the ability of European nations to undertake European operations. This is made clear, for example, in the public document that the Alliance has issued on the Defence Capabilities Initiative.

The Western European Union's audit of Armed Forces is also important here. The Audit presented its first report to Ministers at the meeting at Bremen in May, and dealt in particular with WEU's crisis management and decision making capabilities; capacities relevant to the preparation of operations; and capacities to conduct operations, including force HQ and multinational forces. Ministers at Bremen also launched the second part of the audit, which will cover the identification and evaluation of relevant national forces and force capabilities. Our key aim for the audit is that it should assess capability *qualitatively*, and so establish how useable Europe's forces actually are. The audit should ask important questions about capabilities, and not just count numbers.

And we will also want to build links between the NATO Defence Capabilities Initiative and the WEU audit. It will be important to maintain a coherent and mutually reinforcing approach, without affecting the integrity of NATO defence planning. In particular, the audit should be used to highlight real shortfalls in capabilities, which can be rectified through NATO defence planning. And thinking from the Defence Capabilities Initiative should be used to inform progress of the WEU audit.

Turning to the Cologne summit at the beginning of June, we will want the Heads of State and Government of the European Union to give commitment at the highest level – and in the EU forum – to ensuring that European countries have the military might to follow through our leaders' political decisions.

The issue of defence spending is bound to arise in all of this. We must obviously be attune to wider political priorities. But equally Europeans must be clear that their defence spending needs to be re-focused on the capabilities that are needed: there must be a greater emphasis on spending on equipment rather than manpower; and on building high-readiness deployable forces rather than static formations. If there is no more money in our defence budgets, then we can spend on these priority areas only by making savings elsewhere; and this can equally be politically very sensitive. But European nations need to be serious about providing sufficient resources for real military capabilities.

So, in conclusion, there is no doubt that the question of improving European military capabilities raises some tough questions. But Europeans must be serious about this issue if the political vision of St-Malo is to be turned into reality. NATO's Defence Capabilities Initiative and the Western European Union's audit give us a clear opportunity to address these issues as Allies and as Europeans. The UK is clear that we must not let this opportunity slip.

A GERMAN DEFENCE REVIEW?

"Too few allies are transforming their armed forces to cope with the security problems of the 1990s and the 21st century." – British Prime Minister Tony Blair, 8 March 1999

Franz-Josef Meiers

Introduction

The article will focus on three interrelated issues:

- the evolution of the Bundeswehr in terms of mission, structure, and armament;
- the funding of the defense budget to assure the continued interoperability of the Bundeswehr within the Euro-Atlantic security community;
- the growing operational requirements of the most likely mission spectrum and their impact on the present force structure of the Bundeswehr (Federal Armed Forces).

The paper discusses three identifiable gaps in Germany´s security and defense policy: the mission gap, the budget gap and the Kosovo Force (KFOR) gap. The first chapter analyses how German decision makers define the core mission of the Bundeswehr in the new post-Cold War era and which force structures they consider necessary to meet the more demanding tasks of a broader mission spectrum stretching from human relief operations, crisis management to peace-keeping and peace-enforcement. The second chapter examines how the German government defines the guidelines for military capabilities needed to cope with the future security risks and to assure the Bundeswehr´s continued interoperability with allied forces. It discusses the dilemmas facing German decision makers in reconciling far-reaching modernization programs with a progressively declining defense budget. The third chapter discusses the ramifications of the Bundeswehr´s contribution to an international peacekeeping force in Kosovo on its present force structure.

The central theses of this article is: The sweeping reform of the Bundeswehr along the lines of its major allies is inevitable. The trigger for such a far-reaching reform of the Bundeswehr is the government's commitment to provide up to 6,000 troops for an international peacekeeping force in Kosovo. This pledge will render obsolete the basic assumptions on which the present force structure is premised. The ever-growing demand for specialized forces in international peacekeeping missions leaves the German government no other choice as to adapt the structure of the Bundeswehr far earlier and more radical to the real and urgent needs of the broader mission spectrum than originally envisaged with the appointment of the new Commission "Common Security and the Future of the Bundeswehr".

The Mission Gap

The changing security landscape in Europe

The White Book ("Weißbuch") of the Bundeswehr published in April 1994 stated that conditions to secure peace and stability in Europe have fundamentally changed. "The danger of large-scale aggression threatening our existence has been banished. Germany's territorial integrity and that of its allies will not face an existential military threat for the foreseeable future." It concluded that the new security environment as well as the changes in NATO's force structure and strategic orientation would have consequences for the role, structure and equipment of the Bundeswehr.[1] The White Book defined the two core tasks of the Bundeswehr as follows:

First, the contribution, on short notice, together with its allies and partners to the management of "likely" international crises and conflict.

Second, the ability to mobilize sufficient defense forces in case of an "unlikely" attack against its territory or that of its allies.

Figure 1 Spectrum of Force Employment

W A R		NON-WAR MISSIONS	
unlikely but high intensity		likely but low intensity	
territorial defense	alliance defense	peace support missions	support missions
	peace enforcement	peacekeeping missions	humanitarian missions
			catastrophic aid

It's territorial defense, stupid!

Defense Minister Rudolf Scharping defined the task of the new Commission Common Security and the Future of the Bundeswehr "to take into account identifiable developments within the armed forces of our most important allies."[2] However, German decision makers do not share defense priorities of Germany´s most important allies, namely the United States, France and Great Britain, regarding the development of interventionary forces. The core mission of the Bundeswehr is still defined in classical terms: to provide security in the center of Europe An augmentation capability of up to 680,000 men assured by the conscription system is seen as a prudent hedge against the emergence of new threats in the center of Europe. General Willmann, the Inspector General of the Army, pointed out that such a capability is "an essential and indispensable

[1] Weißbuch 1994, Ministry of Defense: Bonn 1994, pp. 23, 25, 87.

[2] See Documentation „Gemeinsame Sicherheit und Zukunft der Bundeswehr", Europäische Sicherheit, Vol. 48, No. 5 (May 1999), p. 16.

element of the credibility of defense in Europe."[3] Former Defense Minister Volker Rühe described the strategic rationale as follows, "Our most important contribution to NATO and, hence, to stability in and around Europe remains the conscription system, reservists and the augmentation capability of the Bundeswehr in case of a crisis. ... Without reservists there will be no mobilization and without conscription no reservists."[4] His successor Rudolf Scharping concluded as well that "the ability to territorial defense" remains the "core function of the Alliance and the backbone of our security."[5] Günter Verheugen, State Minister within the Foreign Office, summed up position of the new government as follows, "Germany with its armed forces is the backbone of Alliance defense. After complete mobilization we provide with our 680,000 soldiers the strongest NATO forces in Central Europe. Our mobilization capability, based on the general conscription, is already in peace-time an important factor for stability on our continent."[6]

With its unique ability to mobilize up to 680,000 men in a crisis, the Bundeswehr would become the cornerstone of NATO's collective defense in the center of Europe. Rühe argued that France could only proceed with the professionalization of its armed forces because such a move was backed up by a conscription-based Bundeswehr which would relieve France and Great Britain from the necessity to maintain an augmentation capability.[7] The German government argued that a continued German commitment to territorial defense would bind the United States to Europe. The Bundeswehr´s augmentation capability is "a signal to the United States of our defense will and a reason more to keep forces stationed in Europe," concluded Verheugen.[8]

The German government's strong support of a conscription army is motivated by domestic factors as well. The German government argues that there is strong correlation between the structure of the Bundeswehr and its integration within the German society. A conscription army is perceived as a political and strategic choice to bind young people to the military and the military to the society.[9] The importance the German government attaches to territorial defense reflects strong reservations within major segments of the public to use the Bundeswehr for long-range power projection missions.[10] While a

[3] General Helmut Willmann, Das zukünftige deutsche Heer, Europäische Sicherheit, Vol. 46, No. 3 (March 1997), S. 8.

[4] "Rühe: Wir können nicht ewig auf dem Balkan bleiben", Welt am Sonntag, 24 November 1996 and Volker Rühe, Perspektiven Europäischer Sicherheitspolitik, p. 12.

[5] Rudolf Scharping, Europas Stimme in der Allianz, Die Zeit, No. 8 (18 February 1999), p. 8. See also i.e., his speech at the Wehrkunde meeting on 6 February 1999, in: Stichworte zur Sicherheitspolitik, Presse- und Informationsamt der Bundesregierung, March 1999, p. 31; „Frieden und Stabilität in und für Europa – Europas Herausforderungen und Deutschlands Beitrag, Bulletin, Presse- und Informationsamt, No.6 (9 February 1999), p. 62; Das transatlatische Bündnis auf dem Weg in das 21. Jahrhundert, Bulletin, Presse- und Informationsamt der Bundesregierung, No. 18 (21 April 1999), p. 190.

[6] See his speech at the „Feierliches Gelöbnis des Panzeraufklärungsbataillon 12 in Ebensfeld" on 30 March 1999, Press Release of the Foreign Office No. 1022/99, Bonn, 30 March 1999, p. 5.

[7] Unklarheiten in der deutsch-französischen Sicherheitspolitik, Frankfurter Allgemeine Zeitung, 2 March 1996 and "Nach 2002 brauchen wir den Euro-Fighter", Frankfurter Allgmeine Sonntagszeitung, 9 March 1997.

[8] See „Feierliches Gelöbnis", p. 20.

[9] See Hartmut Bagger, Die Allgemeine Wehrpflicht, pp. 10,12; and Volker Rühe, Perspektiven Europäischer Sicherheitspolitik, p. 12.

[10] See Ronald D. Asmus, Germany's Geopolitical Maturation: Public Opinion and Security Policy in 1994 (Santa Monica, CA: RAND, January 1995); Das Meinungsbild der Elite in Deutschland zur Außen- und Sicherheitspolitik. A Study from Infratest Burke for the Liberales Institut for the Friedrich-Naumann-

professional army would push for out-of-area adventures, a conscription army could not wilfully be used to nurture global power projection ambitions. Rühe expressed his countrymen's reservations to accept a more active global role of the Bundeswehr when he dismissed the potential transformation of the Eurocorps into an expeditionary corps stating, "The Eurocorps is not an Africacorps.[11] Defense Minister Scharping, like his predecessor, concludes that the Bundeswehr should not become an army freely usable around the world. " ... our military capabilities do not have a global reach, not even in concert with NATO. We do not even have the ambition for that." The goal of Germany´s security and defense policy should be to define German interest in a compatible way with Europe and the new NATO.[12]

German decision makers insist that the conscription will remain the trademark of the Bundeswehr to prevent the build-up of a professional army which would question Germany´s continued commitment to a culture of restraint. They see a causal nexus between conscription-based structure and the size of the Bundeswehr. Scharping, like his predecessor, insists that there will be no further reductions from the present force level of 340,000 men. No decision about another reform of the Bundeswehr will be taken before the year 2001 on the basis of the recommendations of the "Commission on Common Security and the Future of the Bundeswehr". After five reforms since the early 90s the Bundeswehr had to be given time to assume the new structures before further steps could be considered.[13]

Preservation Instead of Innovation: The Reform of the Bundeswehr in the 1990s

The Personnel Structure Model 340,000 of 1995 laid out the future structure of the Bundeswehr. Its main features are:

By the year 2000 the force size of the Bundeswehr will be cut from 370,000 to 340,000 men.

As against the Personnel Structure Model 370,000 of 1992 the share of professionals will slightly increase from 57 % to 59,2 % or 200,000 men while the portion of conscripts will decrease from 41,9 % to 39,9 % or 135,000 men; 3,000 men or 0,9 % serve as reservists.

The armed forces will be divided into two force categories: the Main Defense Forces (MDF) and the Crisis Reaction Forces (CRF), the present and mobil-independent

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Stiftung, in Cooperation with the Rand Corporation (Liberales Institut: Berlin 1996); Ronald Asmus, Kein Kult der Zurückhaltung mehr, Frankfurter Allgemeine Zeitung, 11 April 1996; Ronald Asmus, In Germany the Leadership Vision Goes Beyond the Border, International Herald Tribune, 14 April 1996; and Kurt Kister, Kriege sollen die anderen führen, Süddeutsche Zeitung, 19 January 1996.

[11] "Kein Triumphgeheul", Focus, No. 29, 18 July 1994, p. 22. See also Le Monde, 6 June 1996.

[12] „Ein Versagen wie auf dem Balkan darf es nicht mehr geben", Süddeutsche Zeitung, 9 December 1998; and Wehrpflicht soll beibehalten werden, Frankfurter Allgemeine Zeitung, 19 October 1998.

[13] For Rühe see his speech to commanders of the Armed Forces in Berlin in early November 1997.reprinted in Presse- und Informationsamt der Bundesregierung, Stichworte zur Sicherheitspolitik, No. 11, November 1997, p. 33. For Scharping see his interview with SWR I on 29 October 1998,. Presse- und Informationsamt der Bundesregierung, Fernseh-/Hörfunkspiegel Inland II, 29 October 1998, pp. 1-2; and Karl Feldmeyer, Verteidigungsminister Scharping setzt auf Kontinuität, Frankfurter Allgemeine Zeitung, 23 November 1998;

part of the MDF. While the MDF's principal task remains territorial and alliance defense, the CRF can, in addition to the classical mission, be employed for crisis prevention and management tasks beyond the Alliance's borders.

The newly created CRF will constitute 53,600 men or 15,86% of the total force. On a rotation principle a maximum of 12,000 CRF can be employed for one or more "out-of-area" missions. The demand of rapid deployment and professionalism require mainly time and professional soldiers; a limited number of voluntary conscripts serving up to 23 months can participate in these missions.

Table 1: The Future Structure of the Bundeswehr

	Army	Air Force	Navy
MDF	196,400 (84,15%)	65,100 (84,11%)	22,900(84,19%)
CRF	37,000 (15,85%)	12,300 (15,89%)	4,300(15,81%)
Total:	233,400 (100,00%)	77,400 (100,00%)	27,200(100,00%)

Current plans, when fully implemented, are designed to give the Bundeswehr a modest but potent crisis reaction capability to project crisis reaction forces abroad and to preserve the interoperability of German forces within future multinational force structures. Adequate defense and reaction capabilities should assure that Germany will remain in a crisis "policy and alliance capable."[14]

To secure its operational effectiveness, the CRF units are given planning priority. The Bundeswehr is in a transitional phase. The first phase of the Personnel Structure Model 340,000 had been completed. As of 1 October 1997, the Bundeswehr has an advanced crisis reaction capability, it can provide, on short notice, 12,000 troops for the most likely international crises missions: evacuation operation, humanitarian mission, and area protection. [15] By the year 2000, the CRF will reach full operational readiness.[16]

The British and the French government devote their reform efforts to the creation of smaller but highly professional forces which in spite of budgetary constraints can meet the strategic requirement of a long-range projection capability.[17] In comparison to the

[14] Weißbuch 1994, pp. 87, 94. See also Hartmut Bagger, Die Streitkräfte der Zukunft - Anspruch und Realität, Europäische Sicherheit, Vol. 45, No. 4 (April 1996), pp. 10, 12; Hartmut Bagger, Die Allgemeine Wehrpflicht, p. 8; Volker Rühe, Perspektiven Europäischer Sicherheitspolitik und die Anforderungen an unsere Streitkräfte, Europäische Sicherheit, Vol. 47, No. 1 (Jan. 1998), p. 13.

[15] Helmut Willmann, Wo steht das Heer heute? Info-Brief Heer, November 1997, Förderkreis Deutsches Heer: Bonn 1997, p. 3.

[16] For a detailed account see Michael Ludwigs, Krisenreaktionskräfte der Bundeswehr, pp. 11-19; Georg Bernhardt, Schritt für Schritt. Der lange Weg zur Krisenreaktionsfähigkeit, Vol. 45, No. 6 (June 1996), pp. 10-15; and Bernward Gellermann, Ausrüstung der Krisenreaktionskräfte, Europäische Sicherheit, Vol. 46, No. 8 (August 1997), pp. 11-20.

[17] For the British reform efforts see Warren Hoge, Britain Plains Defense Cuts and Military Reform, International Herald Tribune, 9 July 1997; Großbritannien vermindert seine Verteidigungsausgaben, Frankfurter Allgemeine Zeitung, 9 July 1997; Patrice de Beer, Le Royame-Uni crée une force de "projection" de 30,000 hommes, Le Monde 10 July 1997. For the French reforms see Jean-Dominique Merchet, L'armée de terre déménage plus près de l'Otan, Libération, 3 July 1997; Jacques Isnard, La France s'engage à deployer jusqu'a 50,000 hommes pour l`Alliance atlantique, Le Monde, 2 July 1997; idem, Une armée francaise "otanisée", Le Monde, 3 July 1997; for the British reform efforts see Warren Hoge, Britain Plains Defense Cuts and Military Reform, International Herald Tribune, 9 July 1997; Großbritannien

radical transformation of the French and British armies the Personnel Structure Model 340,000 of the Bundeswehr appears to be rather modest and far less ambitious. The formation of crisis reaction forces was not conceived as a march into a completely different future. Rühe regarded the composition of the Bundeswehr between MDF and CRF as "the right mix for Germany".[18] A limited crisis reaction capability would in no way mean the formation of intervention forces instantly employable without limits. "For good political and strategic reasons Germany does not want an intervention army which could be employed without any restrictions," he observed.[19] He summed up the rationale of the reform of German armed forces as follows, "We do not want a small professional army with world-wide missions. ... I want armed forces as a stabilizing factor in Europe in which crisis reaction forces are only a supplementary element."[20] General Hartmut Bagger, the out-going General Inspector of the German Armed Forces, concluded as well, "The ability to defend the country and the Alliance within the framework of NATO continues to be the main task facing German armed forces. ... the political understanding of the role of the armed forces in Germany ... is not that of the an intervention army, as is the case with some of Alliance partners, but ... of a defense and alliance army which is a fundamental element of alliance defense in Central Europe, and which can, at the same time, effectively participate with appropriate means in international crisis management missions."[21]

The Eurocorps illustrates the different security and defense priorities as well as force structures on both sides of the Rhine. While France conceives the Eurocorps as the nucleus of a European defense pillar than can be used for global power projection missions, Germany sees its value primarily in political terms to keep Germany tied in with its European partners, notably France. Its main military task is territorial and alliance defense, for more than half of the German soldiers assigned to the Eurocorps are conscripts whose employment is restricted to Art. 5 operations, i.e. territorial and alliance defense, as Rühe reminded the French government.[22] In response to the apparent incapacity of the European allies to take independent military action on matters like Bosnia, the French and German government announced their plans at a bilateral meeting in Toulouse in late May 1999 to remodel the Eurocorps into a Rapid Reaction Force within a new European Union defense role. For German Chancellor Gerhard Schröder,

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vermindert seine Verteidigungsausgaben, Frankfurter Allgemeine Zeitung, 9 July 1997; Patrice de Beer, Le Royame-Uni crée une force de "projection" de 30,000 hommes, Le Monde 10 July 1997.

[18] Presse- und Informationsamt, Fernseh-/Hörfunkspiegel, Inland II, No. 66, 8 April 1997, p. 15; Fernseh-/Hörfunkspiegel, Inland II, No. 94, 21 May 1997, pp. 17-18; and Volker Rühe, Perspektiven Europäischer Sicherheitspolitik, p. 14.

[19] Unklarheiten in den deutsch-französischen Beziehungen, Frankfurter Allgemeine Zeitung, 2 March 1996.

[20] Nach 2002 brauchen wir den Euro-Fighter", Frankfurter Allgemeine Sonnatgszeitung, 9 March 1997; Zerstörung der Glaubwürdigkeit, Frankfurter Allgemeine Zeitung, 16 December 1995; Verteidigung or Krisenintervention, Frankfurter Allgemeine Zeitung, 19 March 1997 and "Bei der Bundeswehr ist nicht mehr zu sparen", Kölner Stadt-Anzeiger, 7/8 July 1997.

[21] Hartmut Bagger, Die Allgemeine Wehrpflicht, p. 10.

[22] The French Defense Minister Charles Millon approached the German govenment to use Franco-German brigade as a rapid reaction force in Bosnia. The German government declined the offer. Rühe argued that the Eurocorps would be ill-suited because of the high percenntage of German conscripts serving in the German part of the brigade. See „Über den Kopf gewachsen", Der Spiegel, No. 16 (15 April 1996), p. 28.

the decision was as important as the creation of a common European currency.[23] The creation of a rapid reaction force, however, critically depends on compatible force structures. With the transformation of the French armed forces into a full professional army by the year 2003, France is moving into the opposite direction as Germany. The German government is still adamantly opposed to the build-up of a professional army employable for global power projection missions as a role model for the Bundeswehr.[24] With mutually exclusive force structures it is ill-conceivable how France and Germany can employ the Eurocorps as a Rapid Reaction Force for the broader mission spectrum. As long as Germany defines the core mission of armed forces in classical terms and adheres to a conscript-based force structure, the Eurocorps or any other multinational European force can only, if at all, be used with a limited Germany force contribution.

The German government's fixation on stationary defense raises some fundamental problems for Germany's role in the new Alliance and in an emerging European security pillar:

First, German decision makers still feel comfortable with a military structure that is still geared to warding off an obsolete threat to its own territory. The continued emphasis put on the classical mission of territorial defense no longer matches the strategic orientation of Germany's major partners. The gap between the German military posture and those of France, Great Britain and the United States becomes more and more apparent and alas more problematic as the new NATO is changing its role from a defensive to a stability projecting military organization and the European Union is assuming a more assertive and visible role in security and defense affairs.

Second, the reform of the Bundeswehr does not give sufficient priority to developing the means to deal with new risks and challenges to NATO's security which do not automatically involve the defense of territorial borders. Upon completion of the Personnel Structure Model 340,000, the CRF will make up 16 % of the overall Bundeswehr strength while 84 % of the Bundeswehr's MDF will serve the core mission to defend Germany and its allies against a direct attack, “today the most unlikely case”, even the White Book admitted.[25] In sum, the major thrust of the reform of the Bundeswehr is to preserve both its traditional mission of territorial defense and its old conscription-based structure at a time when the classical mission becomes a remnant of the waning Cold War era. The criticism expressed by Rühe in regard to the reform of the Alliance describes the present state of the German armed forces, “The present structures are too static and too much determined by the former integrated defense in Central Europe.”[26]

Third, following a military strategy which no longer meets Germany's major partners' strategic orientation is not a cost-free undertaking. Germany´s role and influence in the new NATO with a strong European pillar will be proportional to its actual

[23] Europäische Verteidigungsidentität soll gestärkt werden, Frankfurter Allgemeine Zeitung, 31 May 1999; Bonn und Paris für Krisenreaktionstruppe, Süddeutsche Zeitung, 31 May 1999; John Vinocur, Eurocorps Seeks an Expanded Role, International Herald Tribune, 31 May 1999; and Henri de Bresson, Francais et Allemands relancent l´Europe de la défense, Le Monde, 30/31 Mai 1999.

[24] For a detailed account see Franz-Josef Meiers, Europeanization, NATOization, Globalization. The Shift in French Foreign and Security Policy from a German Perspective, in: Hans Stark (ed), Les relations franco-allemandes état et perspectives, le cahiers de l´ifri No. 25, Paris 1998, esp. pp. 51-63.

[25] Weißbuch 1994, pp. 88, 89.

[26] Volker Rühe, Strukturreform der NATO, p. 43.

contribution to the management of future challenges which originate beyond the immediate borders of the Euro-Atlantic security zone rather than to its traditional commitment to warding off obsolete threats to its own territory.[27] Germany remains an attractive partner only if it meets its partners' expectations to transform its armed forces into an effective instrument to cope with real threats in the 21st century.[28] If Germany's military strategy and force structure remain committed to the most unlikely scenario of the waning Cold War era, namely territorial defense, then the country in the center of Europe risks to marginalize and to relegate itself to an observer status within the new Alliance[29] If the German government fails to do what it must know is now necessary it risks damaging the new NATO and the European aspirations of developing a strong security and defense pillar within the Alliance.

The Defense Budget Gap

1. Modernization Needs

Two factors determine the armament planning of the Bundeswehr: the new operational necessities emanating from the changed security demands ("operation other than war"), and the new technological developments, particularly in the area of information warfare ("digitalization of the battlefield").

More than four decades the German armed forces had been optimized for territorial defense. As a consequence the Bundeswehr lacked a logistical basis for long-range missions beyond the NATO defense area. The structure of the Army emphasized the needs to close the "Hof Gap" or "Fulda Gap", not the requirements of flexibility and mobility in long-distance theaters. Because of its geographically limited operational range the German Air Force lacked a long-range transport capacity. The ageing F-4F Phantom and the MiG 29 fulfil to a limited degree the demands of modern air combat. When compared to the U.S., British and French partners, the Bundeswehr has a great backlog in the area of command systems and telecommunications; substantial weaknesses also exist in satellite-based reconnaissance.[30]

Priority in armament planning is given to precision, high mobility and agility, and the projection of forces over long distances. The modernization program of the Army includes the transport helicopter (NH 90) and support helicopter (Tiger), the upgrading of armored combat troops, the buildup of air mechanized forces which can operate over long

[27] See Ronald D. Asmus, L'Amerique, l'Allemagne et la nouvelle logique de réforme de l´Alliance, Politique Ètrangere, Vol. 62, No. 3 (Fall 1997), pp. 254, 255, 261.

[28] See David C. Gompert and F. Stephen Larrabee (eds), America and Europe. A Partnership for a New Era, Cambridge: Cambridge University Press 1997 and Ronald D. Asmus, L'Amerique, l'Allemagne, pp. 248-255.

[29] See Franz-Josef Meiers, Keine deutsche Sonderrolle mehr, Frankfurter Allgemeine Zeitung, 27 September 1996

[30] Bernhard Mende, Die Luftwaffe auf dem Weg in die Zukunft, Europäische Sicherheit, Vol. 45, No. 5 (May 1996), pp. 14-15; and Bundesministerium der Verteidigung, Bestandsaufnahme, p. 128-129.,.

distance, the buildup of a new artillery system (Panzerhaubitze 2000), the introduction of intelligent munitions, and a new digital command and control system.[31]

The modernization program of the Air Force emphasizes the capability for strategic mobility. High on the list is a long-range transport aircraft to assure a timely lifting of forces and their equipment to long-distance theaters. Other modernization programs are the European fighter 2000 (Typhoon), a air-refuelling capability, a precision and stand-off missile for the Tornado (AMRAAM), a new medium-range air-defense system (MEADS), the upgrading of the ATBM capability of the Patriot through PAC III, a long-distance satellite-based reconnaissance system to gain a precise picture of the theater in advance of a troop mission (Helios II), and a long-range interoperable command and communication system to provide the political and military leadership with accurate and timely data of a peace mission involving German forces.[32]

The modernization program of the Navy covers four respectively three new frigates F-123 and F-124, four new submarines (Kl 212), two supply support ships (KL 702), 15 corvettes (Kl 130), a Maritime Patrol Aircraft (MPA 2000), a new helicopter (Super Lynx), and a new sea reconnaissance system.[33]

2. The Decline of the Defense Budget

From 1991 to 1997, the German defense budget has dropped by 24 % in real terms. In 1997, the defense budget amounted to DM 46,3 bn or 1,6% of the Gross National Product (GNP), more than half a percentage point below the average defense expenditures of the European NATO countries, and more than 1% less than Germany's major European allies France and Great Britain.[34] To keep in step with Europe´s allies, the German defense budget had to be increased by DM 5 bn.[35]

[31] See Weißbuch, pp. 104-105; Helmut Willmann, Wo steht das Heer heute? p. 3; idem, Das zukünftige deutsche Herr, Europäische Sicherheit, Vol. 46, No. 3 (March 1997), p. 10; Bernward Gellermann, Ausrüstung der Krisenreaktionskräfte, pp. 14-15; and Bundesministerium der Verteidigung, Bestandsaufnahme. Die Bundeswehr an der Schwelle zum 21. Jahrhundert, Bonn 1999, pp. 57-59.

[32] See Weißbuch, pp. 104-106; Bernhard Mende, Die Luftwaffe der Zukunft, Europäische Sicherheit, Vol. 44, No. 7 (July 1995), pp. 30, 32; idem, Die Luftwaffe auf dem Weg in die Zukunft, Europäische Sicherheit, p. 17; idem, Die Luftwaffe auf dem Weg in das nächste Jahrtausend, Europäische Sicherheit, Vol. 46, No. 5 (May 1997), p. 20; and Bundedsministerium der Verteidigung, Bestandsaufnahme, pp. 68, 70-72.

[33] See Hans-Rudolf Boehmer, Die Zukunft der Marine, Europäische Sicherheit, Vol. 44, No. 7 (July 1995), pp. 36-39; Hans Brandl, Das Waffensystem Fregatte 124, Europäische Sicherheit, Vol. 45, No. 6 (June 1996), pp. 16-25; Karl-Heinz Kelle, Rüstungszusammenarbeit im Marineschiffbau, Europäische Sicherheit, Vol. 46, No. 7 (July 1997), pp. 11-12; and. Bundedsministerium der Verteidigung, Bestandsaufnahme, pp. 81-85.

[34] For the data see Defense Expenditures of NATO Countries 1975-1997, NATO Review, Vol. 46, No. 1 (Spring 1998), D 14-16; and Wiener Dokument 1994: Jährlicher Informationsaustausch über Verteidigungsplanung, Bundesrepublik Deutschland, Auswärtiges Amt, Bonn 1998, esp. Annex 9-14.

[35] Bundesministerium der Verteidigung, Bestandsaufnahme, p. 21.

Table 2: Gross National Product and Defense Expenditures Annual Variation (%) of major NATO Countries

	1995	1996	1997
France	3,1 %	3,0 %	3,0 %
Germany	1,7 %	1,7 %	1,6 %
Great Britain	3,1 %	3,0 %	2,8 %
USA	4,0 %	3,7 %	3,6 %

The Defense budget received less than had been planned as necessary to keep the Bundeswehr fit. The 1997 Defense Budget suffered a net loss of DM 4 bn. The actual defense expenditures dropped to DM 46,2 bn, less than DM 2,2 bn or 4,15% of what the 29th Finance Plan had envisaged. In addition, the defense budget had to accept further burdens of around DM 2 bn for the Bundeswehr´s contribution to the IFOR mission (DM 575 million), higher personnel costs expenditures (DM 470 million), and an overall expenditure reduction (DM 1 bn).[36] The difference between the 29th and 30th Finance Plans amounts to DM 5,7 bn.

Table 3: Differences between the 29th and 30th Finance Plans (in bn DM)

	1997	!998	1999	2000
29th	48,4	48,9	48,9	49,0
30th	46,3	47,0	47,7	48,5
Difference:	- 2,1	- 1,9	- 1,2	- 0,5

More worrysome than the overall decline of the defense budget is the dramatic reduction of the investment part. Investments dropped to 21,9 % of the overall defense budget in fiscal year 1995. General Naumann, the General Inspector of the German Armed Forces, warned in early 1995, that if the investment part were not to reach the critical level of 30 %, considered sufficient in light of past experiences, an urgently necessary modernization of both the CRF and the MDF would be impossible.[37]

The dramatic decline in investment is highlighted by two critical benchmarks: Research & Development (R&D) and procurement. Compared to the French and British defense budget, the German defense budget spent less than half in both areas considered essential to maintain modern armed forces.

Table 4: R&D and Procurement in the German, French and British Defense Budget (in $bn)

1994	R&D	Procurement
Germany	1,613 (5,24 %)	3,548 (11,53 %)
France	6,041 (16,67 %)	8,856 (24,43 %)

[36] See IAP Report, No. 6 (June 1997), p. 3;. See also Bundesminsiterium der Verteidigung, Bestandsaufnahme, p. 129.

[37] See Klaus Naumann, Sicherheit in Europa - Konsequenzen für die Bundeswehr, Europäische Sicherheit, Vol. 44, No. 1 (January 1995), esp. p. 14.

Great Britain	3,615 (10,10 %)	10,517 (29,37 %)
1995		
Germany	1,940 (5,72 %)	3,885 (11,46 %)
France	6,888 (16,66 %)	10,670 (25,80 %)
Great Britain	3,616 (10,34 %)	10,910 (31,20 %)
1996		
Germany	1,811 (5,65 %)	3,627 (11,32 %)
France	5,456 (14,72 %)	11,293 (30,47 %)
Great Britain	3,439 (10,27 %)	10,705 (31,98 %)
1997		
Germany	1,771 (6,68 %)	3,367 (12,71 %)
France	4,586 (14,14 %)	9,108 (28,08 %)
Great Britain	3,542 (9,86 %)	12,006 (33,44 %)

The far lower share earmarked for R&D and procurement reflects a fundamental problem of the German defense budget: the growing gap between personnel expenditures and structural requirements.[38] The composition of the German defense budget from fiscal year 1995 to 1997 was moving in the opposite direction than the French and the British budgets: an overproportional amount was spent on consumption[39] which went at the expense of the investment part. While the British, French and U.S. budgets spent around 40% for consumption in the period 1995-1997, the German share was more than 60 %.[40] On the other hand, Germany spent less than half of what Great Britain and the United States used to spend on equipment expenditures.

Table 5: Distribution of Total Defense Expenditures by Category of Major NATO Countries

Personnel Expenditures	1995	1996	1997
France[41]	51,1 %	53,1 %	53,5 %
Germany	61,6 %	62,1 %	62,4 %
Great Britain	41,8 %	40,3 %	38,4 %
USA	39,8 %	38,8 %	39,7 %
Equipment Expenditures			
France	n.a.	n.a.	18,3 %[42]

[38] See Bundesministerium der Verteidigung, Bestandsaufnahme, pp. 130-132.
[39] The term consumption covers those elements of the defense budget devoted to people and consumables: the military personnel and operation and maintenance accounts.
[40] See Hartmut Bagger, Das neue Heer für neue Aufgaben, Europäische Sicherheit, Vol. 44, No. 7 (July 1995), p. 20.
[41] The figures for the French defense budget were taken from Dossier: Budget de la Défense pour 1998, Armées d'aujord'hui, No. 227 (February 1998), pp. 54-55.
[42] The procurement expenditures are based on the defense budget for fiscal year 1998.

Germany	11,4 %	11,1 %	11,7 %
Great Britain	22,0 %	23,9 %	26,2 %
USA	27,7 %	26,9 %	25,2 %

Defense expenditures will record no growth in the coming four years (1999-2002). They will increase in nominal terms from DM 47,5 bn in fiscal year 1999 to DM 49,4 bn in 2002; in real terms they will further decline by around 1% annually.

Table 6: 31th Medium-Term Finance Planning (in bn DM)

Fiscal Year	Defense Budget	Nominal Increase	Inflation (estimate)
1997	46,1985	---	0,6% [43]
1998	46,6797	1,04 %	1,0 %
1999	47,5178	1,80 %	2,1 %
2000	48,3258	1,70 %	2,1 %
2001	48,6150	0,60 %	2,1 %
2002	49,4321	1,68 %	2,1 %

By the year 2002 the investment budget will under optimistic assumptions increase to 28 %, the critical mark of 30 % will not be reached by the year 2000 as originally envisaged but by the year 2004 at the earliest, according to the Bundeswehr Plan 1999.[44] This ambitious goal can only be reached if the defense budgets will be fully funded as laid out in the 31th Finance Plan. As in previous years the defense budget will not be fully funded as laid out in the 31th Finance Plan. The 1999 budget falls 450 million DM short of the original planning goal of DM 47,5 bn.[45] The budget will be further diminished by roughly DM 500 million for salary increases and DM 130 million due to unbudgeted exchange rate risks vis-á-vis the Dollar. Instead of the planned goal of DM 47,5 bn defense expenditures in fiscal year 1999 will be around DM 46,4 bn - the costs of up to DM 1 bn for the various peacekeeping missions in the Balkan this year not included. With these additional financial burdens this year's defense budget will fall back on the level of fiscal year 1997, a loss of more than 3,5 % in real terms over the last three years.[46] The prospects of the defense budget to reach the planned goals over the next years remain bleak. Volker Kröning (SPD) and Oswald Metzger (Bündnis 90/Die Grünen), the two rapporteurs of the Finance Committee responsible for the defense budget, declared that the peacekeeping expenditures of up to DM 2 bn next year would have to be born by the defense budget and not again by Item 60 "General Finance

[43] The actual figures for 1997 and 1998 were 1,8 % and 0,9 %.

[44] Rühe sieht die Bundeswehr auf dem Weg der Konsolidierung, Süddeutsche Zeitung, 30 April/1 May 1998.

[45] As part of the coalition agreement the new government cut the defense budget from DM 47,5 bn to DM 47,28 bn. The coalition government also agreed to cut all budgetary items by 0,5 % as contribution to the consolidation of the overall federal budget. This means a further loss of DM 235 million for the defense budget this year. See Etwas niedrigere Neuverschuldung vorgesehen, Frankfurter Allgemeine Zeitung, 24 April 1999 and Haushaltentwurf für 1999, Frankfurter Allgemeine Zeitung, 19 January 1999.

[46] See Karl Feldmeyer, Scharping soll Haushaltskürzungen von mehr als einer Milliarde Mark hinnehmen, Frankfurter Allgemeine Zeitung, 12 March 1999.

Administration" as agreed upon this year. Finance Minister Hans Eichel demanded that each ministry come up with budget savings of 7,3 % as part of a Budget Reorganization Act to bring the structural federal budget deficit of DM 30 bn next year and of DM 50 bn by the year 2003 under control. Instead of getting additional DM 1,5 bn next year to cover unexpected expenditure, Defense Minister Scharping had to accept a further cut of DM 3,5 bn – DM 1,27 bn for procurement and material maintenance and DM 2,23 bn for general reduced revenues – approved by the cabinet on 22 June. In short, the defense budget will continue its slide; it will decline from DM 47,048 bn this year to DM 45,333 bn or 3,7 % (inflation not included) next year.[47] By the year 2003 the defense budget will shrink to DM 43,7 bn. Compared to the 31th Finance Planning Finance Minister Eichel´s austerity plan translates into a further loss of more than DM 12 bn over the next four years.

Table 7: Difference between the 31th Medium-Term Finance Planning and Eichel´s Austerity Plan (in bn DM)

Fiscal Year	31th Finance Plan	Eichel´s Finance Plan	Difference
1999	47,5178	47,048	0,500
2000	48,3258	45,333	3,000
2001	48,6150	44,800	3,800
2002	49,4321	44,500	4,900

The 31th Finance Plan will not improve the imbalance between consumption and investment. Consumption will slightly diminish from DM 37,1 bn or 79,25% in fiscal year 1997 to DM 38,1 bn or 73,7% in 2002, the personnel costs will slightly decrease from DM 25,5 bn or 54,55% in 1997 to DM 25,3 bn in 1999; procurement including infrastructure will increase from DM 7,1 bn or 15,25% in 1997 to DM 10,8 bn or 20,9% in 2002 while the part for R&D will stay constant at around 5,5%.

Table 8: The Composition of the German Defense Budget 1997-2002 (based on the 31th Finance Plan, in bn DM)

Fiscal Year	Operational Costs Maintenance, Personnel Costs	Procurement Infrastructure	Research & Development

[47] See Karl Feldmeyer, Die Bemühungen der Kontaktgruppe könnten teure Folgen haben, Frankfurter Allge,meine Zeitung, 2 February 1999; idem, Wenn die Hardthöhe zahlungsunfähig wird, Frankfurter Allgemeine Zeitung, 11 February 1999; idem, Scharping soll Sparbeitrag leisten, aber nicht Kosovo-Einsatz zahlen, Frankfurter Allgemeine Zeitung, 19 March 1999; Scharping fordert weiterhin Entlastung für den Verteidigungshaushalt, Frankfurter Allgemeine Zeitung, 20 March 1999; Christoph Schwennicke, Rudolf Scharping kämpft ums Geld, Süddeutsche Zeitung, 19 April 1999; Eichel fordert Minister zu drastischem Sparkurs auf, Süddeutsche Zeitung, 18 May 1999; Metzger: Eichels Sparvorgabe is absolut illusorisch, Frankfurter Allgemeine Zeitung, 19 May 1999; Manfred Schäfers, Wie der Finanzminister dreißig Milliarden Mark spart und wo er sie hernimmt, Frankfurter Allgemeine Zeitung, 24 June 1999; and Karl Feldmeyer, Eine neue Ratlosigkeit, Frankfurter Allgemeine Zeitung, 25 June 1999.

1997	37,1150 (79,25 %)	7,1415 (15,25 %)	2,578 (5,50 %)
1998	36,4315 (77,05 %)	8,3202 (17,60 %)	2,531 (5,35 %)
1999	36,3187 (74,90 %)	9,4458 (19,50 %)	2,708 (5,60 %)
2000	36,8776 (74,00 %)	10,1360 (20,32 %)	2,868 (5,75 %)
2001	37,5730 (73,70 %)	10,6288 (20,80 %)	2,785 (5,50 %)
2002	38,1312 (73,70 %)	10,7938 (20,90 %)	2,829 (5,50 %)

The composition of the consumptive part from 1997 to 1999 (data from the year 2000 to the year 2002 are not yet available) looks as follows:

Table 9 Composition of the Consumptive Part of the Defense Budget from 1997 – 1999 (in bn DM)

Fiscal Year	Personnel Costs	Operational Costs, Maintenance
1997	25,5476 (54,55 %)	11,5674 (24,70 %)
1998	25,1101 (53,10 %)	11,3214 (23,94 %)
1999	25,3274 (52,25 %)	10,9893 (22,67 %)

In short, the 31th Finance Plan of the Bundeswehr will continue the unfavorable trends of the past years: the defense budget will further decline in real terms over the next years and modernization programs have to be enacted on the background of a constantly shrinking budget in which consumption is still being favored over investment. The gap between ends (modern-equipped interoperable forces) and means (actual financial resources) puts into question the implementation of the even limited reform efforts, particularly the buildup of crisis reaction units, by the year 2000.[48] The "Bestandsaufnahme ("Stock Taking") of the Ministry of Defense gloomily concluded, "No sufficient financial provision have been taken for both the acquisition of new capabilities and a comprehensive modernization of the CRF."[49]

3. The Impact of the Defense Budget Squeeze

Barring a major increase of the defense budget, the gap will grow between the programs that the Defense Ministry has on its books and the resources likely to be made available for new military systems over the next four years. How are existing capabilities, completion of current-generation modernization, and the beginning of the next-generation acquisitions to be fitted into a declining defense budget over the next years? The real financial crunch will come when a large number of items like the Eurofighter (DM 22,3 bn), the Panzerhaubitze 2000 (DM 1,8 bn) or the frigates[50] are approaching the

[48] See Georg Bernhardt, Schritt für Schritt, p. 13; and Bernhard Mende, Die Luftwaffe auf dem Weg in das nächste Jahrtausend, p. 18.
[49] Bundesministerium der Verteidigung, Bestandsaufnahme, p. 168.
[50] For a detailed overview see The Military Balance 1997/87, Oxford University Press: London 1997, p. 40.

production stage.[51] Then the pressure is growing for rapid increases in procurement funding. Commitments to new weaponry threaten to create a "bow wave"[52] at the turn of the century pushing defense spending requirements higher. The investment buildup will also increase the requirements for operation and support funding. As the stockpile of weapons grows more expansive and technologically complex, the cost of operating and maintaining military systems[53] will grow, too, even if the number of weapons do not increase. On the other hand, the more the Bundeswehr pays for keeping older equipment serviceable the higher the costs for using them. In the end the maintenance costs of old systems will surpass the costs of new acquisitions. More and more weapons systems of the Bundeswehr are approaching this precarious state.[54]

In recognition of the budgetary reality the Defense Ministry decided to sacrifice modernization programs, terminating them or stretching them out. In January and December 1992, the Planning Conference of the Defense Ministry cut the following programs: an armoured combat vehicle, the Jagdpanzer Panther, and the infantry tank Marder 2. It agreed upon the following reductions: a light armoured reconnaissance vehicle was cut from 673 to 336 and finally to 164, the up-grading of the Leopard 2-A 5 tank from 2,125 to 699 and finally to 225, the howitzer 2000 from 850 to 255 and finally to 185, the Bergepanzer Büffel from 194 to 95 and finally to 75, and the combat upgrading of both the FlakPz Gepard and FlaRakPz Roland.[55] In addition, the transport helicopter NH 90 and support helicopter Tiger were reduced from 272 to 243 respectively from 212 to 80 pieces. Another victim of the financial constraints became the development of the infrared optical satellite project Helios II: in spite of an iron-clad commitment given by Chancellor Kohl at the Franco-German summits in Baden-Baden in December 1995 and in Nürnberg a year later, the German government was unable to provide the necessary funds.[56]

Another consequence of the budgetary decline is the increasingly intense competition between the three services over scarce funds for new and ever more costly weapons systems. The approval of the Bundestag in November 1997, after a delay of more than two years, of the production funding of 180 EF-2000 fighter jets will worsen the position particularly of the Army[57] for new weapons acquisitions. The Federal Audit Court pointed out that if the Ministry of Defense will not receive further funds for the Eurofighter, the funding of the Eurofighter would have a substantial "push effect"

[51] The life-cycle costs for a typical major program are: 15 % for Research & Development, 35 % f or procurement, and 50 % for operations and support.

[52] The term "bow wave" refers to increased weapons procurement funding brought on by the movement of several weapons programs from the Research & Development stage to the Production stage.

[53] Operation and support funding includes the budgets for operations and maintenance, military personnel, and readiness related to items like ammunition and spare parts

[54] See Karl Feldmeyer, Bundeswehr seit Jahren unterfinanziert, Frankfurter Allgemeine Zeitung, 17 October 1998.

[55] See Rolf Hilmes, Modernisierung des Heeres kommt voran, Europäische Sicherheit, Vol. 45, No. 6 (June 1996), pp. 59-60.

[56] Even though Defense Minister Rühe supported the program in principle, he cited financial constraints which prevented a German involvement in the project at this time.

[57] The Army with 233,400 troops compromises roughly 70% of the military personnel; it receives, however, less than 50% of the investment budget. See Karl Feldmeyer, Bundeswehr seit Jahren unterfinanziert, Frankfurter Allgemeine Zeitung, 17 October 1998.

(Verdrängungseffekt) on other armament programs, particularly those of the Army.[58] The decision in favor of the Eurofighter underscores the dilemma to balance competing demands from the other two services. As Defense Minister Rühe admitted, "I cannot mothball the army or sink naval ships on account of the aircraft."[59]

The Defense Ministry repeatedly stated that due to operational necessities planning priority would be given to the CRF in the next years.[60] The financial constraints do not allow a symmetrical modernization of all 22 Army brigades. The six CRF units will get first call on new equipment. In practical terms this means that the CRF brigades will receive the upgraded Leopard II tank, the new Panzerhaubitze 2000, a modern command and communication system or a new G-36 rifle. Only in the long-run the Defense Ministry promised to balance armament requirements of the MDF with those of the CRF.[61]

Officials of the Defense Ministry began to complain that as a consequence of the dramatic cuts within the defense budget, the Bundeswehr "had to accept in many areas a no longer sufficient minimum."[62] A series of recent budget cuts have been absorbed by freezing procurement for the MDF, while preserving funds for the CRF. As a consequence, the Army lacked sufficient resources for material maintenance and spare parts.[63] In response to the lack of resources the Army's MDF units began to engage in a so-called "controlled cut up" (gesteuerter Ausbau) or cannibalism to keep tanks, trucks, combat vehicles, helicopters and transport aircraft operational. The growing gap between MDF and CRF in terms of allocation of new equipment, manpower, and training experience tends to erode the careful balance in the overall Bundeswehr structure. It raises the specter of a two-tier army with different tasks, resources, and equipment, something German military commanders strongly oppose.[64]

If present trends continue, the Bundeswehr, within the next 10 to 15 years, can cooperate with the U.S. armed forces only at the lowest end of the mission spectrum, that is peace-keeping mission. General John Sheehan, commander of the Strategic Command

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[58] Bundesrechnungshof kritisiert Eurofighter, Frankfurter Allgemeine Zeitung, 17 September 1997.

[59] Quoted in Karl-Heinz Kelle, Rüstungszusammenarbeit im Marineschiffbau, p. 12.

[60] Hartmut Bagger, Die Streitkräfte der Zukunft - Anspruch und Realität, Europäische Sicherheit, Vol. 45, No. 4 (April 1996), p. 20. See also Weißbuch, pp. 103, 104; Michael Ludwigs, Die Krisenreaktionskräfte der Bundeswehr, p. 18; Bernhard Mende, Die Luftwaffe auf dem Weg in die Zukunft, p. 12; Georg Bernhardt, Schritt für Schritt, p. 14; Helmut Willmann, Das zukünftige Deutsche Heer, p. 10; and Bernward Gellermann, Ausrüstung der Krisenreaktionskräfte, p. 11.

[61] See Karl Feldmeyer, Entsteht bei der Umrüstung eine Zwei-Klassen-Armee? Frankfurter Allgemeine Zeitung, 18 August 1997; idem, Weniger Soldaten sollen mit weniger Geld mehr Kämpfen, Frankfurter Allgemeine Zeitung, 11 November 1995; and Bundesministerium der Verteidigung, Bestandsaufnahme, p. 147.

[62] A. Fischer, head of the division "Budget" within the Defense Ministry. Quoted in Karl-Heinz Kelle, Rüstungszusammenarbeit im Marineschiffbau, p. 12. High ranking military officials like General Hartmut Bagger complained about "the limitation of our resources, in particular personnel and financial means." Harmut Bagger Die Streitkräfte der Zukunft - Anspruch und Realität, p. 16. See also Hans-Rudolf Boehmer, Die Zukunft der Marine, p. 36.

[63] Helmut Willmann, Das zukünftige Deutsche Heer, p. 14

[64] In an interview General Hartmut Bagger, in his capacity of the Inspector General of the Army, warned already in 1994 about the negative consequences of a two-tier army. See Jane's Defense Weekly, 16 July 1994, p. 32. Claire Marienfeld, the parlamentarian ombudsman of the Bundeswehr, warned in her 1997 annual report that the lack of financial resources would lead to a two-tier army. See Marienfeld: Geldmangel führt zu Zwei-Klassen-Armee, Frankfurter Allgemeine Zeitung, 12 March 1997.

Atlantic in Norfolk, VA, told Defense Minister Rühe in early January 1997 in blunt terms that because of the further growing technological advantage of U.S. forces vis-à-vis the European allies, high risk operations would be assigned to the "high tech" forces of the United States while the "low risk" operations being left to the "low tech forces."[65] At the Wehrkunde meeting in Munich in early February of 1998, U.S. Secretary of Defense William Cohen warned about the danger of two-tier armies within the Alliance, "Ultimately, we risk diminishing our collective effectiveness as allies unwilling to commit sufficient resources become less interoperable with those who make the necessary investment in modern war-fighting technologies."[66] The message for the Bundeswehr is clear: if the oversized but underfinanced force structure will be preserved, the Bundeswehr would inevitably degenerate into a low-tech army for low risk military operations. In consequence, it will loose both its interoperability with high-tech armies of major allies and its capability to fulfil its tasks within the Alliance on an equal basis.

In sum, the Bundeswehr has a force structure that is either too large for adequate support or is being modernized too quickly.[67] With a chronically underfinanced defense budget the Bundeswehr, in its present structure, risks to develop into a hollow force ill-suited for coping with wider security tasks and ill-prepared to preserve its interoperability with major NATO allies. With low-tech forces earmarked for the last and most unlikely war, Germany risks to render itself dispensable both in political and military terms within the new Alliance. Thus, German decision makers confront a policy priority conflict: either to preserve the present force structure which can not be sustained by a constantly declining defense budget or to restructure the Bundeswehr along lines of the French, British and Dutch armies and create smaller but highly professional forces which are instantly available and rapidly deployable over long distances.

The Kosovo Force Gap

In February 1999, the new German government committed up to 6,000 soldiers for an international peacekeeping mission in Kosovo. The German parliament with a great bipartisan majority of 556:42 votes supported the participation of German troops in an international peace force to enforce a Kosovo peace accord.[68] In response to the refusal of the Yugoslav government to sign the Rambouillet peace agreement NATO, on 24 March, began what turned out to be an extended air campaign against Serbia to accept basic conditions of the international community for a peace accord. Operation Allied Force caused the suspension of the Kosovo Force (KFOR) mission for the time being. The systematic deportation of the Kosovar population by Serbian security forces in the wake of NATO's Operation Allied Force makes the presence of a robust international peacekeeping force in Kosovo even more urgent to assure a safe return of all refugees to

[65] Christoph Schwennicke, "Das ist NATO-spaltend und völlig einseitig", Süddeutsche Zeitung, 7 January 1997.
[66] Cohen's Remarks at Wehrkunde Conference Feb. 8, U.S. Information & Texts, No. 6, 11 February 1998, p. 10. SACEUR General Wesley Clark warned as well about the growing military strategic disconnect between American and European forces. See "Wir verstehen sehr gut, wie Milosevic vorgeht". General Clark zu den Optionen eines Eingreifens in Kosovo, Neue Zürcher Zeitung, 21 August 1998.
[67] See Bundesministerium der Verteidigung, Bestandsaufnahme, p.147.
[68] See Bundestag stimmt Einsatz im Kosovo zu, Frankfurter Allgemeine Zeitung, 26 February 1999.

their home towns and to bring about a lasting peace to this war-torn region. What has changed are the conditions under which ground forces would march into the embattled province. Because of the widespread destruction and dislocation in Kosovo, restoring life and security there would require more than the 28,000 peacekeeping forces originally planned. NATO is considering a force of up to 50,000 troops including a greater share of engineers, military police, combat teams and supply units, that can effectively manage a safe return of more than one million refugees to their homes and the reconstruction of the Kosovo.[69]

In view of the altered circumstances in Kosovo and the far greater quantitative and qualitative force requirements of an international peacekeeping mission, the government raised the German troop contribution to 8.500 men.[70] Together with the 2,800 troops in the Stabilization Force (SFOR) mission in Bosnia and the 1,000 troops for the humanitarian operation Allied Harbour in Albania and Macedonia, the total German force contribution could reach more than 12,000 German troops in the near future. However, the German commitment to a KFOR mission renders obsolete the basic assumptions on which the present force structure is premised. The structure has not been designed to provide capabilities for two large peacekeeping missions simultaneously and over an extended period of time. The German force structure tilting heavily towards the Main Defense Forces is ill-prepared to match the operational requirements of two demanding peacekeeping operations in Bosnia and Kosovo over an extended period of time. The inevitable shortage of specialized personnel within the CRF units will force German decision makers to make decisions far earlier and far more radical than originally envisaged to adapt the Bundeswehr´s capabilities to the real and pressing needs of the wider mission spectrum.[71]

The CRF capability has been deliberately kept limited to assure the Bundeswehr´s central task of providing stability in the center of Europe. As a reflection of its core mission the Bundeswehr is still organized as a garrison force standing guard against the emergence of a new strategic military threat in central Europe. The crisis reaction forces in their division structure, particularly those of the Army, simply do not have the specialized personnel in sufficient numbers to operate far away from their home bases over a long period of time. A serious shortage of specialized personnel exists in those areas which are of critical importance to "out-of-area" missions, i.e. logistics, communication, and medical supply, as General Helmut Willmann, the Inspector of the Army admitted.[72]

With a staying time of four months the CRF units of the Army will have to provide three times more forces – one contingent is in the field, the second in preparation

[69] See Près de 100 000 hommes pour une force de paix? Le Monde 15 May 1999; L´OTAN veut renforcer ses troupes au sol aux frontières du Kosovo, Le Monde 24 Mai 1999; Steven Lee Myers, NATO General Wants Large Ground Forces, International Herald Tribune, 22/23 May 1999; Eric Schmitt and Michael R. Gordon, 50,000 Peacekeepers, and Then? International Herald Tribune, 24 May 1999; and Alexander Nicoll, More troops considered for Kosovo, Financial Times, 24 May 1999.

[70] Christoph Schwennicke, Bundesregierung will größeres Kosovo-Kontingent, Süddeutsche Zeitung, 8 June 1999; and Kosten übersteigen Milliardengrenze, Frankfurter Allgemeine Zeitung, 9 June 1999.

[71] In an interview Defense Minister Scharping concluded that the German participation in an international peace mission in Kosovo would make a quick augmentation of the CRF capability inescapable. Der Tagesspiegel, 3 April 1999. See also Ministry of Defense, Bestandsaufnahme, pp. 54-55.

[72] See „Bei Sanitätern und Logistik wird es eng", Süddeutsche Zeitung, 3 March 1999.

and the third in after-preparation and recovery. With the third rotation at the latest there will be shortages in specialized personnel. The undeswehr leadership would then be forced to resort to the so-called "Somalia Principle" to take out the specialized personnel from hundreds of Main Defense Force units on a rather short notice. In short, a future Kosovo mission would break the rotation schedule. The alternative would be an extension of the staying time from four to six months as suggested by General Willmann.[73] A rotation every six months would certainly avoid the problems of a rotation schedule every four months. It would cause, however, tremendous problems to those troops called up for such mission. Besides the personal risks in a semi-permissive environment and high demands on stress resistance the soldiers would be deployed again and again, with few breaks in between. Recent experiences amongst professional U.S. forces show that married soldiers are no longer prepared to accept a separation of up to ten months from their families. If a staying time of six months plus four months preparation for the next mission becomes the rule, the Bundeswehr will have great difficulty to recruit specialized personnel needed to master the new information-based technologies and to provide the qualifications for the broader mission spectrum.

Independent of the rotation schedule will CRF missions over a longer period of time result in structural dislocation within a training organization like the Bundeswehr. Organized as a garrison army the Bundeswehr would be forced to take the necessary specialized capabilities for "out-of-area" missions away from its home base. The high demand on specialized personnel for long-lasting peacekeeping missions and their logistical support from home bases would deprive the MDF units of the Army the specialized personnel for training which as a consequence would not be available to train the next generation of specialized forces. In addition, the operational costs will dramatically increase because specialized personnel would not be available, for example, for medical treatment of soldiers; they would be transferred to private hospitals or doctors which are far more expensive than Bundeswehr doctors. To compound the problem, the spare part supplies tailored to the real needs of the CRF is poison to the Main Defense Forces. Their preparedness will further decrease as a result of the preferential treatment of crisis reaction forces with modern military equipment and spare parts.

In conclusion, the decision of the German government to provide up to 8,500 troops for the KFOR mission in Kosovo exposes the operational limits of Bundeswehr´s CRF capabilities. If the government wants to make good of its pledge then sweeping changes in the Bundeswehr's force structure are irresistible. The problem is that time is one asset the German government does not have anymore. The irony is that the augmented German force contribution to the KFOR mission will force the German government to move far earlier towards a professionalization of the Bundeswehr than it had originally envisaged with the appointment of the new Commission. The real and urgent needs of the broader mission spectrum make a restructuring of the Bundeswehr into a force of the 21st century inescapable.

[73] He suggested two rotations with 7,300 soldiers in the field and 7,300 soldiers in preparation; this rotation schedule would imply a staying time of six months for the German SFOR and KFOR contingent. Ibid.

Towards a German Defense Review

The German army is still structured to fight yesterday's wars in Europe with heavy armor which is not suited for engagement far afield. Germany's major allies see the capacity to project force beyond NATO's frontiers as the sina qua non of effective security. The focal point of the U.S. as well as the British and French reform efforts is to enhance the power projection capability over long distances, and sustain it over long periods.[74] The build-up of expeditionary forces is staunchly opposed by German decision makers as a role model for the Bundeswehr. Germany makes the greatest commitment for the least likely threat, and the least commitment for the most likely tasks, namely conflict prevention and crisis management outside NATO's treaty area. With a structure still geared to warding off obsolete threats to its own territory and ill-suited for a broader mission spectrum, with a defense budget tightly constrained to fund adequately for advanced military equipment, and a relatively small number of forces earmarked for crisis reaction mission, the Bundeswehr is ill-prepared to meet the ever growing demands of both tomorrow's challenges to the vital interests beyond the immediate borders of the Euro-Atlantic security zone and the strengthening of Europe’s defense capabilities to make European defense a reality.

Security needs will best be served by matching long-term defense programs with realistic projection of resources. There is a sizeable gap between the resources required to fund modernization programs the Defense Ministry has on its books and the actual resources available in the next years. The dilemma is that the German government wants to maintain a large conscript-based army and at the same time invest in modern armament within a constantly declining defense budget. The fundamental problem of the Bundeswehr is that its force structure is either to large for adequate support or it is being modernized too quickly.

The Personnel Structure Model 340,000 is no doubt an important step to adjust Germany's security and defense policy step-by-step to new strategic imperatives of the 21st century. However, if German decision makers define the Personnel Structure Model 340,000 as the end of an evolutionary process, then the Bundeswehr is poised to move towards a hollow force: oversized, underfinanced and ill-equipped. The glaring limitations of the Bundeswehr´s crisis reaction capabilities exposed by the Kosovo peacekeeping commitment, the structural constraints within the Defense budget and the pressing modernization needs make a structural reform of the German Armed Forces inevitable. Following the example of Germany´s most important allies, the France and the United Kingdom, the Bundeswehr has to be reduced to an affordable and effective size to meet the three core demands of its “Zukunfstfähigkeit” (ability to master the future):

first, the build-up of smaller but more capable forces which can adequately be equipped and sustained within a progressively declining defense budget;

second, the development of a modern army which secures the continued interoperability with major allied forces;

[74] The U.S. government in its "Defense Capability Initiative" is pushing for a radical transformation described by Secretary of Defense William Cohen as one from "fixed positional defense to a flexible, mobile defense." See Roger Cohen, European Contest U.S. NATO Vision, International Herald Tribune, 28/29 November 1998.

third, the creation of expeditionary forces which can participate in a broader mission spectrum outside the national borders of the Alliance and the European Union.

The major features of a German defense review are:

1. Within the next year, the CRF capability must be adapted to the bigger operational demands of the most likely mission spectrum. This requires three things: first, the CRF capability must be significantly enhanced from presently one division to two divisions to fulfil the greater operational requirements for two simultaneous big peacekeeping operations over an extended period of time. Second, those elements of the CRF have to be strengthened which are of critical importance to both the rapid deployment of forces into distant theaters and their sustainability and survivability in a hostile environment. These elements are logistic, communication and medical supply.[75] Third, the forthcoming international peacekeeping operation in Kosovo gives the government no longer the luxury to wait for the recommendations presented by the newly set-up Commission in mid-September 2000. The normative power of the fact puts German decision makers under enormous time pressure to take the long overdue decisions now.
2. The enlargement of the CRF capabilities in the very near future will be followed by a sweeping restructuring of the Bundeswehr over the next years. Its core elements are:

The reduction of the overall size of the Bundeswehr: The ever bigger operational demands for peacekeeping mission and the continued financial constrains on the defense budget make it a categorical imperative to further reduce the force size step-by-step from presently 340,000 to 300,000-men and eventually to 250,000-men; this will put the size of the Bundeswehr at the same level as Germany's major European allies, France and Great Britain.[76]

Development of expeditionary forces: The Bundeswehr still a heavy fighting force has to be transformed into a projection force to fulfil the operational requirements of the broader mission spectrum of the 21st century. Required are more flexible, highly mobile, sustainable and rapidly deployable forces which can operate far away from their accustomed bases and sustain and survive whatever level of conflict they may face. [77]
The development of a logistical basis for long-range missions: The development of expeditionary forces requires the build-up of a logistical basis to sustain German forces in

[75] See,i.e. the interviews of Defense Minister Rudolf Scharping with Der Tagespiegel on 3 April 1999 and the Inspector of the Army, General Helmut Willmannn with Süddeutsche Zeitung on 3 March 1999. Both acknowledged a serious lack of specialists in logistics and medical aid. See also Bundesministerium der Verteidigung, Bestandsaufnahme, p. 61. See also Bundesministerium der Verteidigung, Bestandsaufnahme, p. 167

[76] Franz-Josef Meiers, Obsolet, überdimensioniert, unterfinanziert, Frankfurter Allgemeine Zeitung. 14 August 1998. See also Reiner K. Huber, Umfangsreduzierungen der Bundeswehr zum Abbau des Investitionsdefizits, Europäische Sicherheit, Vol. 47, No. 10 (October 1998), pp. 43-47.

[77] German Minister of Defense, Rudolf Scharping, at the "Statesman Forum" of the Center for Strategic and International Studies on 23 November 1998 in Washington, "Meeting the Challenges of the Future - Germany's Contribution to Peace and Security in and for Europe", Manuscript, p. 19. See also his interview with Süddeutsche Zeitung, 9 December 1998; his speech at the Bundesakademie für Sicherheitspolitik on 26 January 1999, Bulletin, Presse- und Informationsamt der Bundesregierung, No. 6 (9 February 1999), p. 64; and Bundesministerium der Verteidigung, Bestandsaufnahme, p. 164.

operations far beyond national borders as needed in concert with allied forces. The restructuring of the logistical base is the most critical yardstick how to measure progress towards the build-up of expeditionary forces.

The creation of five organizational areas: The autonomy of the three services will be abolished in favor of a joint command and joint organization. To strengthen the operational requirements of "Jointness" of forces the three services will develop into commands under the control of a general staff. The logistics and medical command as well the territorial and training command will be added t to the Army, Air-Force and Navy commands.

The separation of mission and training forces: The conscripts will no longer be trained in mission structures. They serve exclusively within the territorial and training command. The strict separation of the training forces makes up to 150,000 forces of the four other commands instantly available for any mission.

The transformation of the Territorial and Training Command: The Main Defense Forces earmarked for territorial defense can be transformed into a militia or national guard system. The military service can be reduced from presently ten months to three to five months. Halving the conscription service from presently ten to five months would reduce the total number of conscripts from presently 135,000 to around 56,000.[78]

Table 10: Configuration of the Bundeswehr 2000

Command	Personnel Strength	Total
Territorial- and Training Command	44,000/56,000	
Logistic and Medical Command		250,000
Army Command		
Navy Command	150,000	
Air Force Commands		

"Identifiable developments within the armed forces of our most important allies" (Scharping), the serious imbalances within the defense budget and the far more demanding operational requirements of the broader mission spectrum will leave German decision makers no other choice as to use the professional armed forces of Germany´s major allies as the role model and to restructure the Bundeswehr into a force of the 21st

[78] See in particular the position paper of the FDP parlamentarian group Bundeswehr 2000 – auftragsgerechter Maßanzug für Attraktivität und Effizienz, Bonn, 23 March 1999, esp. pp. 33-36; and Dietmar Praun, Die Bundeswehr auf dem Weg ins 21. Jahrhundert, Fragen für die Kommission Zukunft Bundeswehr, Stiftung Wissenschaft und Politik, SWP-aktuell No. 33, Ebenhausen, January 1999.

century “so that we can project force, can deploy our troops, ships and planes beyond their home bases and sustain them there ...”, as British Prime Minister Tony Blair put it in his address at the Royal United Services Institute in London on 8 March 1999.

THE PROBLEMS OF EUROPEAN COORDINATION

Timothy Garden

In examining the problems of European Coordination in the context of European force structures, I shall use much of this paper to outline my thoughts on possible solutions. We can all describe the problems, which revolve around a lack of coherent security policy and a lack of effective military capability, and they are too often taken as an excuse for inaction and lack of progress. I shall examine the major problem areas as I see them, and then indicate where I see opportunities to overcome these supposed difficulties.

Europe is an economic power, but it is a long way from being a strategic power. To be a strategic power requires two key elements: a clear and coherent foreign policy, and the diplomatic and military means to implement that foreign policy. Europe currently has neither. For the 21st Century we must ask first whether we want Europe to become a strategic power. For myself, but not necessarily for most people in Britain, the answer must be yes. It seems inconceivable to me that a region which is as rich and populous as the United States, particularly after the start of monetary union, can expect to continue its foreign and security policy on either an exclusively national basis or only through NATO.

We see the limitations of the European position today as we try to deal with the Balkans. Even for a tragedy on our doorstep, we must look to the USA to provide the lead and the major military capabilities. We must shape our strategy for Europe always mindful of how it will play in Congress. We see this now as we debate the use of ground troops in Kosovo. NATO is important, but we cannot be sure that it will always be there to save us from ourselves.

The primary problem then is how do we develop a European Foreign and Security Policy which is underpinned by the necessary diplomatic and military capability to implement it. We need a design which maintains NATO but gives us a European capability to protect and promote European vital interests. The arguments too often revolve around the institutional debates.

The linkages between NATO, WEU, and the EU, coupled with debates over second and fourth pillars, do little to advance the military capability. A recent analysis by the Brookings Institution claims that "despite spending two thirds of what the United States does on defense, European NATO countries have less than 10 per cent of the transportable defense capability for prompt long range action." In the Kosovo operation, we have seen that these statistics are real: the almost total reliance on US capability, with the European nations each providing quite small capabilities. Hopes for fixing the problems of European defence capability currently centre on each nation modernising their military on a national basis. I believe that we are more likely to be able to improve Europe's defence effectiveness by eliminating unnecessary duplication through progressively seeking European, rather than national, capabilities.

The development of the common defence policy for the European Union, like the United Kingdom's recent strategic defence review, must be foreign policy led. The scale and the scope of the armed forces would be determined by the objectives of foreign policy developed within the CFSP, while ensuring that members of the North Atlantic Alliance could meet their NATO obligations.

This would not lead to any decoupling of European countries from their NATO undertakings. Nor should there be any duplication of the critical contribution to military co-operation provided by NATO, namely its command structures and headquarters, although certain developments of 'double-hatting' could take place. The most effective way for the members of the European Union to "get more deployable forces for a euro" is by systematically developing economies of scales in the support, training and operational management of their armed forces. Let me add that I do not for one moment believe that more than very minor role-specialisation is either likely or desirable.

There are two approaches whereby duplication between European armed forces could be eliminated and additional resources made available for increased force effectiveness. One would be in the common development of new common capabilities, and the other is the development of common support and logistic services. An existing Alliance example of the first approach is the common procurement and operation by fourteen allies of the AWACS (airborne early warning and control) aircraft. An example of the second approach is the way that four Nordic countries providing troops to IFOR/SFOR are supported by a common logistic battalion. The agreement by the Netherlands and Belgian navies to develop common headquarters and support services for their fleets is an hopeful sign that some European states have made a start to the elimination of expensive duplication.

In attempting to identify early candidates for common procurement, the fact that the armed forces of different countries want new tanks or new fighter aircraft at different times will be raised as a major objection. This can best be solved by at first concentrating on new projects on which there is a widely shared common requirement and where the technology is relatively mature. As an aside, I should say that I do not argue that a common European single defence industry will help. I believe that the efforts expended on this idea are almost entirely nugatory. If we were to end up with a single European defence industry, all governments would feel obliged to buy from it and we would have poor value for money with no competition.

The second approach will be a systematic analysis of support and logistic services to see where these could be provided on a Europe wide basis or for a group of countries procuring a common item of equipment. An immediate example is the Medium Scale Transport Aircraft, for which common tenders are being sought by seven European countries, as well as the proposed large Strategic Air Lift projects. These are two examples where common procurement and common operation could be considered. A reduction in the number of operating bases required would lead to much greater cost effectiveness. These could become early examples of European Force Elements. The development of a common European flight refuelling service could also be examined. In the longer term the common support and servicing of helicopters could make sense. The Eurofighter, already ordered by five countries, could provide a trial for a number of these concepts. Perhaps even more exciting is the possibility of common outsourcing to civilian firms for some capabilities. The air transport might be provided in this manner.

In the marine environment one can cumulate existing capacities and provide common supply services, possibly leading to a rationalisation of the number of European naval bases. Fleet auxiliaries can be envisaged as developing a common European service. An early candidate as one of the European Force Elements, would be a European mine counter measure service. The principle could be applied to larger ships. France,

Italy, Spain and the United Kingdom all wish to have some aircraft carrier capability; could it be provided by a common squadron thereby providing savings in support and logistic chains, while also ensuring that a viable force was available at all times? A European led Combined Joint Task Force in the maritime environment at present lacks a satisfactory headquarters ship; one, or more, of these could be acquired on a common basis.

It would make sense to begin the approach to land forces by looking at engineers, communications, transport and medical services, which could provide the first common programmes. The wider field of logistic support could follow and an early candidate would be the development of common IT systems for logistics. The question of outsourcing logistic and support services is now under active consideration in a number of European countries. There would be economies through the working out of common specifications and the use of a limited number of common suppliers. Success in these areas would enable a subsequent application of the approach of European Force Elements to artillery, armour and infantry units.

There are some force elements which are provided jointly to all armed services. Some of these, like protection against nuclear, biological and chemical warfare, are obvious candidates for common provision. Others, such as intelligence and mapping, are more difficult because of traditional transatlantic patterns of co-operation, but it would be a mistake for the development of a separable NATO for any capability to depend on a single ally, even the United States.

These examples suggest some areas where the development of European Force Elements and common support and logistic services could provide building blocks for the strengthening of European defence capabilities by the more effective use of European defence budgets through the removal of the cost overhang of separate support systems. Many argue that one of the problems is the reduction in national defence budgets. I see the problem differently. It is the problem that currently nations can see defence as a free good provided predominantly by the US taxpayer. If we develop common European budgeting arrangements for defence then nations will have a choice: either contribute capability or cash. Since there are both industrial and employment advantages in contributing capability, we would see an increase willingness to support European defence capability.

The time has now come to move forward with practical steps to develop a European Defence Capability. It will take time, perhaps many years, but a start must be made. It does not necessarily mean greater expenditure: much can be done with better use of current resources. None of the problems are as difficult as those of monetary union or enlargement. What is needed is a long term vision for defence at the European level coupled with progressive measures now to make it achievable.

THE WAY AHEAD: HARMONISATION, COMPLEMENTARY FORCES STRUCTURES, ROLE-SPECIALISATION, COOPERATIVE PROCUREMENT?

Kees Homan

Introduction

Kosovo reminds us again that European security challenges deserve solutions in which Europe can play a leading role. The European Union is a strong and growing economic force and should aspire to be a potent voice in European diplomatic and military matters as well.

The introduction of the concept of a common defence policy in the Maastricht Treaty was a major departure in principle for European integration, though its practical consequences have been slight. In the Amsterdam Treaty the incorporation of the WEU's "Petersberg Tasks" into the Common Foreign and Security Policy (CFSP) is a main point of substance. The European Union now has the competence to agree to deploy military resources as part of its response to international crises, supplementing the instruments of its "civilian power", such as diplomacy and economic leverage.

To become a defence-player, Europe continues to pursue a European security and defence identity within NATO. That will enable America's European allies to make a more effective contribution to missions and activities of the alliance and to act when NATO as a whole chooses not to be engaged. Such 'separable but not separate' forces should enhance European military capabilities without undermining NATO unity or diverting European energies away from NATO.

However, coming on the heels of British government's change of heart and its endorsement of a European defence organization in St. Malo last December, this latest attempt to develop a common security policy has a momentum that previous initiatives lacked. As Defence Secretary George Robinson of Britain has said: "Our ultimate aim is not so much a European security and defence identity but something altogether more ambitious – namely a European defence capability".

At the NATO Washington Summit in April, member-states acknowledged the resolve of the European Union to have the capacity for autonomous action so that it can take decisions and approve military action where the Alliance as a whole is not engaged. As this process goes forward, NATO and the EU should ensure the development of effective mutual consultation, cooperation and transparency, building on the mechanisms existing between NATO and the WEU.

NATO member-states also declared at this Summit to stand ready to define and adopt the necessary arrangements for ready access by the European Union to the collective assets and capabilities of the Alliance, for operations in which the Alliance as a whole is not engaged militarily as an Alliance. The Council in Permanent Session will approve these arrangements, which will respect the requirements of NATO operations and the coherence of its command structure, and should address:

- assured EU access to NATO planning capabilities able to contribute to military planning for EU-led operations;

- the presumption of availability to the EU of pre-identified NATO capabilities and common assets for use in EU-led operations;
- identification of a range of European command operations for EU-led operations, further developing the role of DSACEUR in order for him to assume fully and effectively his European responsibilities;
- the further adaptation of NATO's defence planning system to incorporate more comprehensively the availability of forces for EU-led operations.

Meeting in Bremen, Germany, on May 11, defence and foreign ministers of the WEU, essentially agreed to close the organization and turn over security affairs to the EU. The EU Council at its June 3-4 meeting in Cologne, Germany, decided that as regards military capabilities, Member States need to develop further forces (including headquarters) that are suited also to crisis management operations, without any necessary duplication. In this respect the Council declared that "The further arrangements set out by NATO at its summit meeting in Washington should address in particular:

- assured EU access to NATO planning capabilities able to contribute to military planning for EU-led operations;
- the presumption of availability to the EU of pre-identified NATO capabilities and common assets for use in EU-led operations".

The Council also appointed a High Representative for common security and foreign policy at this meeting. This individual's role will be largely coordinative although the position may develop into the equivalent of a European-wide foreign affairs and defence secretary.

But the same two issues that have kept Europe from developing foreign policy and military muscles to match its economic might – lack of consensus on foreign policy issues and absence of the necessary interoperative military hardware – must still be overcome.

To realize a autonomous European military capability, European nations should consider jointly obtaining the tools necessary to develop the command, control and communications capabilities, logistical support and strategic lift for the next century.

Europe must also recognize that a credible military force requires strategic investment, reallocation of resources, regular upgrading of equipment, research and development, and restructuring to generate funds for new priorities. With smarter spending, allies can do more without it necessarily costing more. The major issue in respect to the question of arguing for a European security and defence policy is that of arguing for a European strategy from different perspectives, approaches and motivations. But the rationalization of a policy is not the same as a rationale. Moreover, the differing national views on how to approach collective European security are not only situation driven, they also result in an incremental and empirical nature of the process of European security and defence integration.

Others factors influencing and complicating this integrative process are numerous. Ranging from diverging national interests outside the European sphere (overseas territories, post-colonial obligations), to strongly varying humanitarian engagement in conflicts, to national defence cuts as part of an effort to keep in line with the criteria for

the European and Monetary Union, these multiple effects underscore the paradoxical logic of European integration: the strategic rationale of integration is that the collective interests of individual members are best pursued in common.

But the lack of a 'duly constituted' European political authority prevents any European military force from 'marching to the wishes' of a joint initiative for the protection or promotion of a collective security interest, especially since these shared interests are nothing more than the lowest common denominator of the security interests of the different nations.

Harmonization

Speaking now on harmonization, the debate on this issue in Europe reflects the paradoxical increase in renationalization of security- and defence-related interests at stake (defence industry, conscription/professional soldiers, etc.) against a background of a growing internationalization of security problems and defence issues.

First of all, European states should commence to make an independent assessment of their security- and defence-related needs and plans. In doing so, they should not try to please or trick the US into staying involved in Europe. While the prospect for independent EU action is becoming more probable, a concomitant withdrawal of US troops from European soil would also present the European states with a range of security contingencies – not all like Bosnia and Kosovo – for which it is better to be well prepared and equipped. It implies defining EU security and defence tasks much more broadly than in the ambiguous and mostly misquoted Petersberg tasks. The assessment should encompass planning requirements for all kinds of missions, including the potential for a nuclear posture in the case of a potential use of weapons of mass destruction or so-called 'nuclear blackmail' from the fringes of European territory, especially since the stockpile of illegally obtained and manufactured nuclear weapons is on the increase and not on the decrease. Moreover it would imply an independent position for Europe in the arms control debate, both in the nuclear and the conventional league.

European publics will certainly not be ready to make any larger military contribution to regional and global order unless they understand the extent to which they already benefit from such order, the dangers which threaten it, and the problems of relying on the US to pay the military price. The extent to which Europe's prosperity and overall well-being depends on trade, investment and the overall undisrupted movement of goods, messages and people should not be too difficult for governments to get across if they so choose.

Discussions about the European interest in global order needs to be followed by assessment of the role of armed forces in its maintenance, preferably including some dialogue with the US. There are few grounds for believing that armed forces can always or even often act as the most appropriate or decisive foreign policy instrument, but on occasions their use is necessary. If there is to be real European cohesion on such occasions, then Italian and Dutch lives will need to be at risk as well as British and French.

There is thus little possibility of progress until the states reach some conclusions about their overall role in the world, and what kind of help they ought to be able to

provide to the US for collective security missions against an aggressor as well as for less dangerous peace support missions. The QDR in the US and the SDR in the UK set targets for number and types of war that the US an the UK ought to be able to wage anywhere in the world. Targets that have a clear impact on US and UK force structure and equipment programmes. Europeans too could collectively, as well as nationally, set targets regarding the number of units that they ought to be able to provide for major regional conflicts, and work through the WEU (later on EU) machinery to monitor progress and encourage further effort. The WEU should not just receive lists of Forces Answerable to the WEU, it should work for those lists to be expanded and strengthened.

Practical cooperation is most apparent at the bilateral/trilateral/quadrilateral level where a multitude of joint units are being established. The Eurocorps, EUROFOR, EUROMARFOR, and the UK-NL Amphibious Force are cases in point. The UK and France have set up a joint command arrangement to plan and execute air operations. The Netherlands and Belgium share a single naval command headquarters, while maintaining separate fleets.

Multinational forces in NATO are largely but not exclusively European, but NATO has a series of mixed-nationality corps (including the Dutch-German Corps) and the Allied Rapid Reaction Corps/Force. Multinational units are important symbols that defence has not been completely renationalized, and they represent votes of confidence that the participants will share a common approach to the maintenance of order as well as a commitment to each others' defence.

If European publics and governments could be persuaded that the WEU states should make a military contribution to world order commensurate to their economic weight and the benefits they receive, a helpful step would be for the wealthier WEU members to agree that a fixed share of their GDP, perhaps 3 per cent, to be spent effectively, would be a reasonable target contribution to the overall defence effort.

A commitment to spending a fixed share of GDP on defence makes more sense after the Cold War, when particular demands on forces cannot be clearly foreseen. During the Cold War, there was a specified threat and NATO states collectively had to do enough to deter it. 'Enough' might be a greater or lesser amount of GDP, depending on the other side's changed capabilities. After the Cold War, in a more uncertain context, it is prudent and sensible for states to devote a steady share of their income to deal with unknown challenges. As their economies grow, European states will after all be gaining more benefit from the global economic ties made feasible by a peaceful, orderly world.

A last measure would be for the WEU states collectively to procure capabilities that cannot be afforded nationally and to put in place arrangements for their use by individual members. A very modest beginning has been made in this area with the satellite data interpretation centre in Torrejon, but much more could be done. WEU states could collectively procure and operate an airborne ground surveillance system and assign it to NATO. They could collectively buy airborne tanker, airlift and sealift assets which members could use on WEU-approved missions.

There would clearly be many difficult practical matters of cost-sharing and operational control to address with regard to collective assets, but it seems unlikely that these are of a different magnitude to similar issues associated with the NATO AWACS and infrastructure programmes. If the EU states can agree on how to collect and share out

the revenues associated with the Common Agricultural Policy, the WEU states ought to be able to raise the money and manage a fleet of transport-aircraft.

The ongoing downscaling and restructuring of European armed forces affects the sustainment and reconstitution capacity in many ways. The basic factors of influence are interoperability, operational readiness (both in quantity and quality), sustainment factor (that is, endurance and rotation cycle of both equipment and personnel, logistical and maintenance), and last but not least the profile and quality of the individual soldier.

European harmonization on readiness, sustainment and reconstitution seems to be at cross purposes with the NATO drive for harmonization and interoperability using American standards as the norm. Europeanizing military standards could mean a serious rift with the US when it comes to compatibility, especially when the defence requirements would be industrially driven instead of operationally driven. The lack of common European standards resulting from the highly diversified products from respective national industries is already affecting compatibility, readiness sustainment and reconstitution. Even within NATO, harmonization and compatibility are not as well advanced as one would expect after fifty years of cooperation. This lack of interoperability and compatibility has its major impact on ground forces rather than air or maritime forces.

Task Specialization

Turning now to task specialization, this type of division of military labour has been proposed as a cost-effective solution to the problem of multinational military organizations, but has a highly sensitive political dimension because of sovereignty.

Tasks could indeed be shared out either among nations or according to the geographic environment where they would be performed. In the first case, for instance, France and the United Kingdom could concentrate their efforts on strategic nuclear forces, Germany on land forces, the Netherlands on naval surface warfare, Belgium on naval mine warfare etc. Although such proposals have some merits in specific, limited cases, they do not provide a general solution.

Indeed, as nations are by nature selfish, they would on the one hand reject tasks that require expensive equipment and are potentially dangerous. On the other hand, albeit this might often be contradictory, they would claim visible, potentially glamorous tasks that require technically advanced equipment, thus ensuring interesting sales for the national defence industry. It would be impossible to organize an equitable sharing of risks, costs, number of soldiers, economic and political advantages between nations.

Limited task specialization is perhaps more acceptable in logistical matters. In a task force, one nation could specialize in fuel supply and air refuelling, another in helicopter maintenance, a third one providing field hospital support etc.

However, with nations free to opt out for each specific peace support operation, task specialization presents obvious dangers: what happens with helicopters if the nation specialized in helicopter maintenance does opt out ?.

Specialization on geographical terms of small units for specific missions can be achieved. For instance, if the Netherlands buys winter equipment for one marine battalion and trains it accordingly. Similarly, the task of providing a frigate for a task force in the

Persian Gulf or in the Adriatic can be shared between Belgium and the Netherlands, each nation sending a vessel for six months. However, this is only acceptable if it is likely that costs and risks are approximately the same for two periods.

Harmonization of the defence industry

Speaking about the defence industry, the wish to integrate the European defence industries and markets in some way or other has been voiced regularly since the early 1950s. The project to create a European Defence Community, if it had been successful, would among other things have led to a joint programme of arms procurement. Following the failure of the EDC, various initiatives were taken within WEU, NATO and the IEPG. The European Parliament and Commission have also made proposals.

The European Security and Defence Identity (ESDI) and the aspiration for a European Aerospace and Defence Company (EADC) are distinct issues and the relationship is logically not a necessary one. It would be possible to imagine a common European defence that bought its equipment from multinational and national companies elsewhere because it lacked a defence industrial base of its own. The political acceptability of such an outcome is another matter. To many a consolidated European defence industrial base should be an element of a mature ESDI alongside other components.

The issue of armaments presents a high degree of complexity for three main reasons:

First of all there is a great number of public and private actors involved. Moreover, the situation varies considerably from member state to member state.

Secondly the armaments sector has its own specificity, because arms and military equipments are not ordinary market products. Since governments are the only legitimate customers, and in some cases major owners of the firms, the market differs from most sectors of the economy. The establishment of armament activity is subject to governmental authorization. Governments therefore have a decisive influence on any restructuring of the defence industry. Operational requirements and technical specifications for armaments vary from country to country, notwithstanding increasing efforts toward harmonisation. Long term demand cannot be forecast with certainty since it is dependent on external factors like regional conflicts or ethnic rivalry which determine the assessment of potential threats by national governments. Guaranteed sources of supply are essential to national defence interests. There may be areas where an indigenous capability is considered essential to the national interest.

Finally the third reason is the absolute necessity to deal with both the “demand” side (defining needs and tasks, procurement of hardware, opening of procurements, etc.) and the “supply” side (industrial restructuring, criteria for competitiveness, social and regional repercussions, research and development, etc.)

On the demand side the most efficient use of resources will be achieved only if the large proportion of military capability is acquired within the framework of a unified defence policy and strategic concept. NATO’s new strategic concept is insufficiently robust and detailed to define Europe’s autonomous capability requirements if the US contribution were not engaged.

On the supply side there must be consolidation of production capability but competition must be preserved if industry is to be efficient. This second requirement argues against a single EADC. Nonetheless European voters will expect a large proportion of defence spending to find its way back into European/national wealth creation.

It is not yet clear whether the BAe-Marconi or Matra-Aerospatiale mergers will be catalysts for, or impediments to, European industrial consolidation. Nor can we be sure that the St Malo Agreement will hasten the process of developing autonomous European military capability or lose momentum as so many initiatives in the past have faltered either for being too visionary or too politically expedient.

All these factors show the need for a structured response which should take the form of a broad common strategy involving all concerned: member states and particularly defence ministries, military staffs: the European Union; the WEU; the European Commission and industry.

Some sort of "master plan", not yet defined, would be a helpful instrument, especially to establish the right sequence of steps and measures. In this area, wrong timing for the required measures could be more damaging than keeping the status-quo and doing nothing.

Organising the right sequence is indeed of crucial importance to ensure the appropriate relationship between several key sets of measures like:

- the progressive opening up of the European market, balanced with negotiation on equal access with third countries, particularly the USA;
- shaping of a standardised European demand;
- the gradual integration of the national markets;
- the restructuring of the armaments industry, particularly in high tech segments;
- finally a financial support of traditional defence industries and installations.

But great obstacles to an integrated defence industry in Europe are the differences in regulations. Another barrier is the levels of rationalization and market adaptation among the European companies. Industrial areas have reached various levels of integration, concentration and rationalization. It also seems as if the preconditions for them to succeed in this process vary, not so much due to technical barriers but to market structure, regulation and political rigidity. A last barrier is the heterogeneity of members between such organizations as the WEU, WEAG and NATO, as questions about the future of the West European defence industry seem to be on the table of all these organizations. Although all these organizations are influenced by problems in the European defence industry, the questions must find their natural arena of discourse.

However, when restructuring is not started the military-industrial complex will become a dying business. A key problem is article 223 of the Rome Treaty, which excludes construction in and export of defence equipment from the European integrated market principle, as it touches on the heart of national sovereign interests. It has resulted over the years in the lack of a common European approach towards an agreed and collective restructuring of the defence industries. The ongoing restructuring at the national level and the growth of unemployment figures now go hand in hand. Governments have been reluctant to take tough decisions by subsidizing defence firms to

avoid the loss of jobs. This in turn took away the incentive to reorganize and restructure, resulting in a defence industrial vicious circle.

To conclude, Europe cannot be passive at the concentration in the defence-industry which has been developed in the United States. a rationalisation of the European market for defence material is most necessary. The USA is one internal defence market; the EU consists of fifteen national markets of which the biggest – the British, French and German – each has the size of one sixth of the American defence material market. Competition is good, however it should not lead to fragmentation of the market. We have to keep in mind that the USA produces one tank and Europe four. In the USA three types of armoured vehicles are made and in Europe sixteen. The USA build one type of frigate, the European countries eleven.

But when there is a will, Europe can manage. The Airbus-consortium holds with about 40 percent of the global civilian aerospace market a strong position. With this example in mind a rationalisation of the European defence-industry is no luxury.

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