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## *The British Strategic Defence and Security Review: Drivers, Issues and Possible Implications for NATO*

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*By the end of the month, the results of the much anticipated British 'Strategic Defence and Security Review' are expected to have been announced. There is likely to be no revolution in British strategic thinking. Britain's approach to defence and security policy will largely remain consistent. Still, a number of factors could force Britain to consider re-balancing its bilateral defence and security relationships. Further, economic constraints combined with a reduced political and public appetite for military intervention overseas means that Britain will likely do less of this in the future. The renewal of the UK's nuclear deterrent based on the Trident missile system is under threat.*

In July 2009, the Labour government committed to undertake a 'Strategic Defence Review' (SDR) shortly after the next general election, should they remain in office. The SDR would be the first for more than a decade.<sup>1</sup> This followed a commitment by both the Conservatives and the Liberal Democrats to undertake a review of British defence and security policy should they prevail at the next general election. Consequently, a 'Strategic Defence and Security Review' (SDSR) was announced shortly after the two parties coalesced and took office in May 2010. The 2010 SDSR is said to be 'foreign policy-led' (i.e. the priorities of the review are determined by foreign policy) with 'strong Treasury involvement'. The results are expected to be announced by the end of this month. Some have voiced concern over the speed and manner in which the review is being conducted.<sup>2</sup> In contrast to the 1998 SDR, the 2010 SDSR is wider in scope, cross-departmental and overseen by the newly formed National Security Council.<sup>3</sup> The SDSR will also stand alongside a new National Security Strategy. This reflects the incumbent government's preference for a 'united approach to security' and indicates a shift towards a US way of thinking on national security.<sup>4</sup> This paper will examine what drove the decision to review British defence and security policy; discuss some of the issues raised in the Green Paper entitled '*Adaptability and Partnerships: Issues for the Strategic Defence Review*', published by the previous Labour government in February 2010; and point to some of the possible implications for NATO.

### Drivers

**Economic pressures.** Defence spending rose under the Labour government (see Annex 1). As a percentage of GDP it remained fairly consistent at around 2.5%. The defence budget comprises three main areas (i.e. operations, equipment and personnel), all of which saw significant cost increases during the same period and subsequently brought considerable pressure to bear on the defence

<sup>1</sup> In July 1998, the previous Labour government published '*The Strategic Defence Review*'. After the terrorist attacks in the United States on September 11, 2001, it published the '*The Strategic Defence Review: A New Chapter*' in July 2002. This was followed by '*Delivering Security in a Changing World: Defence White Paper*' in December 2003, and '*Delivering Security in a Changing World: Future Capabilities*' in July 2004. The 2003 White Paper formed the basis of defence policy planning until the publication of a policy statement in December 2009.

<sup>2</sup> Last month, the Commons Defence Committee reported that the speed at which the review is being undertaken means that 'mistakes will be made and some of them very serious'.

<sup>3</sup> For further information on the National Security Council see the Conservative Party National Security Green Paper entitled '*A Resilient Nation*' (January 2010).

<sup>4</sup> There is also a cross-party consensus on legislating for regular defence reviews every four to five years, similar to the US 'Quadrennial Defence Review'.

budget.<sup>5</sup> As a result, the Ministry of Defence (MoD) has been forced to cut costs in order to balance the defence budget in the short-term as well as support the operation in Afghanistan. In December 2009, the National Audit Office reported that the defence programme was 'consistently unaffordable' and would be between 6 and 36 bn. GBP (7 and 41 bn. EURO) in deficit over the next decade.<sup>6</sup> The report attributed most of the deficit to deliberate decisions taken by the MoD to delay the in-service date of defence projects to meet affordability issues. If the pressure on the defence budget was not bad enough, the incumbent government indicated in June that it could see cuts of between 10% to 20% over the next five years as part of its austerity measures taken to reduce public spending in the wake of the global financial crisis.<sup>7</sup> Given the current defence budget stands at around 37 bn. GBP (42 bn. EURO), these cuts would come to between 3.7 and 7.4 bn. GBP (4.2 and 8.4 bn. EURO).<sup>8</sup> To make matters worse, the Treasury has insisted that the estimated 15-20 bn. GBP (at 2005/06 prices) (17.1-22.8 bn. EURO) capital cost of replacing the UK's nuclear deterrent based on the Trident missile system will have to be taken directly from the defence budget. Under the previous Labour government this was arguably not the case.<sup>9</sup>

**Obsolete planning assumptions.** The 2003 White Paper assumed that the armed forces would undertake 18 military tasks. Stabilization and counter-insurgency operations were not listed among them.<sup>10</sup> In terms of the scale, endurance and concurrency of operations, the 2003 White Paper planned for three scenarios: first, an enduring small-scale (deployment of battalion size – 700 soldiers) and medium-scale (deployment of brigade size – 5,000 soldiers) peace support operation with a one-off small-scale intervention operation; second, the enduring small-scale and medium-scale peace support operations with a limited duration medium-scale intervention operation; third, a demanding one-off large-scale (deployment of division size – 10,000 soldiers) operation with a simple small-scale peace support operation.<sup>11</sup> These planning assumptions have been out of step with the nature, scale, endurance and concurrency of the operations undertaken in Iraq and Afghanistan after 2004 and 2006. The armed forces have been committed to two enduring, medium- to large-scale stabilization and counter-insurgency operations, both of which have involved war-fighting in addition to an enduring, small-scale peace support operation in the Balkans. Consequently, the armed forces have been under-resourced and over-stretched for many years, a fact the MoD has itself recognized. In 2008, the MoD admitted that the armed forces 'have been operating at or above the level of concurrent operations to which they are resourced and structured to deliver for seven of the last eight years and for every year since 2002'.<sup>12</sup>

**Domestic criticism.** The knock-on effect of over-stretch has been that the 'harmony guidelines', which dictate the ideal frequency and duration of operational tours, have been 'consistently broken'. Further, recruitment and retention and the maintenance of an acceptable manning balance has been undermined, which has placed added strain on the armed forces. This has coincided with a series of high-profile reports and public inquests pointing to the poor standard of military equipment and housing, the low level of pay and pensions, and the provision of health care for injured Service personnel. In mid-2007, these issues came together around the question of the 'military covenant', and accusations from a large section of British society that the previous Labour government was breaching its duty of care to Service personnel.<sup>13</sup> Criticism intensified at the start of Gordon Brown's tenure. This was compounded by his apparent disinterest in defence policy, which was leveled in large part by military leaders. The double-hatting of the Defence Secretary with Scottish Secretary shortly after Brown took office seemed to substantiate such claims. The two main opposition parties, the Conservatives and the Liberal Democrats, linked the issue of the military covenant to the need for

<sup>5</sup> For further information see Timothy Edmunds and Anthony Forster, 'Out of Step: The case for change in the British armed forces' (2007), Claire Taylor and Tom Waldman, 'British Defence Policy since 1997' (2008), and Paul Cornish and Andrew Dorman, 'Blair's wars and Brown's budgets: from Strategic Defence Review to strategic decay in less than a decade' (March 2009).

<sup>6</sup> The exchange rate from GBP to EURO is set as of 12/10/2010 (i.e. 1 GBP = 1.14 EURO)

<sup>7</sup> <http://www.bbc.co.uk/news/uk-politics-10924719>

<sup>8</sup> <http://www.mod.uk/DefenceInternet/AboutDefence/Organisation/KeyFactsAboutDefence/DefenceSpending.htm>

<sup>9</sup> For further information see Clare Taylor, 'Future of the British Nuclear Deterrent: A Progress Report' (August 2010).

<sup>10</sup> The military tasks were updated in December 2009 to include 'Military Assistance to Stabilization and Development'.

<sup>11</sup> [http://www.mod.uk/NR/rdonlyres/83EF8AE6-F675-450F-A231-716C3E1677E3/0/cm6041I\\_whitepaper03\\_essays.pdf](http://www.mod.uk/NR/rdonlyres/83EF8AE6-F675-450F-A231-716C3E1677E3/0/cm6041I_whitepaper03_essays.pdf)

<sup>12</sup> <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmdfence/424/424.pdf>

<sup>13</sup> The Military Covenant is an unwritten social and moral commitment between the State and Service personnel in the Armed Forces that has developed through long standing convention and customs. Although it has no legal basis it implies that, in return for the sacrifices that Service personnel make, the State has an obligation to recognise that contribution and retains a long term duty of care toward Service personnel and their families.

a new SDR, which they subsequently committed to undertake. As a result, defence threatened to become a major election issue.

### Issues

As a first step towards a new SDR, the Labour government promised to examine a range of issues.<sup>14</sup> The results were later published in the form of a Green Paper entitled *'Adaptability and Partnerships: Issues for the Strategic Defence Review'*. The February 2010 Green Paper maintained that the strategic context for defence is characterized by uncertainty, affordability, complexity and the use of force. Within this context, it reached two overarching conclusions: first, that 'we must be more adaptable in the manner in which we structure, equip, train and generate our forces' and, second, that 'we must increase cooperation with our international partners to deliver defence more efficiently and effectively'. Based on these conclusions, the 2010 Green Paper posed a number of strategic questions for consideration.<sup>15</sup> The following paragraphs will discuss some of the issues raised.

**What (global) role?** Despite the economic constraints, it is highly unlikely that Britain will cease to be actively involved in international security. The 2010 Green Paper explicitly states that, 'this government believes that the UK's interests are best served by continuing to play an active global role, including through the use of force if necessary'. Further, both the Conservatives and the Liberal Democrats agreed with the Labour government in this regard and have made several statements to this effect since taking office in May 2010. Speaking in July 2010, the incumbent Defence Secretary stated that, 'these are tough economic times, but whatever the specific outcomes of the SDSR, I am determined to ensure that the UK retains robust and well-equipped armed forces capable of intervening abroad where necessary to protect our security and interest at home'.

**What balance between territorial defence and engaging threats at distance?** It follows then that the British armed forces will continue to be structured and organized around an expeditionary role. The 1998 SDR concluded that the character of the post-Cold War strategic environment and the threats that lie within it require that the armed forces 'be prepared to go to the crisis, rather than have the crisis come to us'. This logic was reinforced in the 2002 New Chapter, which argued that 'it is much better to engage our enemies in their own backyard than ours, at a time and place of our choosing, not theirs ... we need the rapidly deployable intervention forces which were the key feature of the SDR'. The 2003 White Paper went even further, emphasizing the need for 'modern and effective armed forces equipped and supported for rapid and sustainable deployment on expeditionary operations'. There is little to indicate that this logic has changed, especially given the continuing character of the threats and the difficulty in separating domestic security from international security. Indeed, the 2010 Green Paper states that 'many of our assumptions about ... expeditionary capabilities have been validated'. That said, recent operational experience has proven other assumptions to be false. Most notably, the 1998 SDR envisioned that the armed forces would 'go first, go fast and go home'. Yet operations in Iraq and Afghanistan have seen them become involved in enduring stabilization and counter-insurgency operations long after the initial intervention stage of the conflict. Therefore, greater emphasis is likely to be placed on sustaining capabilities at distance for longer periods in the future. In addition, the armed forces have been over-stretched and under-resourced as a consequence, a fact that is likely to be reflected in the new planning assumptions. Due to economic constraints, the result is likely to be a reduction in the scale and concurrency of the British contribution to similar operations in the future.

**What defence posture?** In the medium-term, defence planning will likely continue to be reconfigured towards the character of the operation in Afghanistan. The 2010 Green Paper asserts that the success of the Afghanistan operation is 'critical' to national security and, therefore, it must be the 'main effort' and continue to be resourced appropriately. In December 2009, the previous Labour government announced a series of cuts and delays to the defence programme in order to fund a 900 million GBP (1 bn. EURO) package to support the operation in Afghanistan (e.g. 22 new Chinook support helicopters, an additional C17 transport aircraft, extra Reaper unmanned aerial vehicles and counter-improvised explosive device measures). The incumbent government agrees that the operation in Afghanistan is 'vital' to national security and has confirmed that it remains the 'top priority'. This means that the Army will continue to be spared significant cuts until at least the next Parliament, though at the continuing cost to the Royal Air Force and Royal Navy. Still, that is not to say that the

<sup>14</sup> <http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090707/wmstext/90707m0001.htm#09070745000017>

<sup>15</sup> [http://www.mod.uk/nr/rdonlyres/790c77ec-550b-4ae8-b227-14da412fc9ba/0/defence\\_green\\_paper\\_cm7794.pdf](http://www.mod.uk/nr/rdonlyres/790c77ec-550b-4ae8-b227-14da412fc9ba/0/defence_green_paper_cm7794.pdf)

armed forces will be restructured and reorganized towards fighting insurgencies or 'wars-amongst-the-people' in the long-term. The 2010 Green Paper concluded that 'against the combined challenges of uncertainty, affordability and complexity ... we must continue to increase our adaptability, flexibility and agility across defence'. The incumbent government agrees with its predecessor in this regard. It has repeatedly emphasized that 'the wars of tomorrow will not necessarily mirror those of today' and has not ruled out the return of 'state-versus-state warfare'. Therefore, the armed forces are likely to adopt an 'adaptable posture', which involves maintaining generic defence capability across land, sea and air with sufficient ability to regenerate specific capability if and when required.

**Re-balancing relationships and further integration with key partners?** In the current strategic context, the 2010 Green Paper underscored the importance of 'efficient' and 'effective' partnerships. On a multilateral level, it stressed the importance of NATO as 'the cornerstone of our security'. In terms of bilateral arrangements, it underlined that 'none is more important than that with the United States' and argued that 'the UK benefits greatly' from the relationship and that it also 'increases our impact' on a number of issues (e.g. terrorism, proliferation and transnational crime). The incumbent government agrees with its predecessor in this regard. Speaking in June 2010, the Defence Secretary said, 'Britain's relationship with the US will remain critical to our security. It is the most important and prized strategic relationship for the UK. NATO will remain our first instrument of choice for responding to the collective security challenges we face'. Yet, looking ahead, the US-UK relationship seems set to diminish. Traditionally, Britain has sought to maintain the relationship through investing heavily in armed forces that, according to the 2003 White Paper, are 'interoperable with US command and control structures [and] match the US operational tempo' and capabilities that deliver 'the greatest impact'. However, economic constraints will likely undermine the ability of the British armed forces to connect to the US in the future. Further, the failure to notably influence US policy over the last decade, despite significant military contributions to the 2003 Iraq war and the ongoing war in Afghanistan, will also prompt some to question this logic. On a political level, the incumbent government has also begun to move away from the subservient relationship of the Blair years.<sup>16</sup> This will be reinforced by perceptions across the Atlantic. If the British armed forces lose their ability to connect to their US counterparts, then the strategic importance of the partnership in the eyes of the US military could diminish, which could be reinforced by what some already regard as the relatively poor performance of the British armed forces in both Iraq and Afghanistan. On a political level, the Obama administration has also adopted a more pragmatic approach to the relationship, which will additionally continue to be subject to structural shifts in the international system. There is little doubt that the US will remain the UK's primary strategic partner. Still, London knows that it must consider re-balancing its security and defence relationships.

It stands to reason then that the 2010 Green Paper envisioned 'stronger European defence co-operation' and maintained that 'the return of France to NATO's integrated military structures offers an opportunity for even greater co-operation with a key partner across a range of defence activity'. The incumbent government will be reluctant to consider the former even in an age of austerity. It has made no meaningful reference to the EU's Common Security and Defence Policy to date. Still, it will certainly contemplate working with the French on a bilateral level. Indeed, it has already begun to discuss the merits of co-operating on a number of specific projects (e.g. the Future Strategic Tanker, A330 tankers and C17 airlifters, and the future A400M transporters). Still, both regard the shared use of aircraft carriers as 'utterly unrealistic' in contrast to earlier reports. Closer Franco-British defence co-operation does make sense. Both share a similar strategic vision and culture. Both are willing to spend on defence (see Annex 2), but are currently feeling the financial squeeze. And both are acutely aware that structural shifts in the international system mean that the focus of the US will continue to shift towards Asia and the Pacific at the expense of Europe. None the less, there are a number of significant hurdles to overcome, not the least of which is the mutual mistrust left behind by the 2003 Iraq war, reinforced by what many perceive as France's half-hearted commitment to the war in Afghanistan – a point even the incumbent Defence Secretary has himself made. In February 2010, he wrote, 'while such co-operation is clearly desirable, France's selfish refusal to pull its weight in Afghanistan suggests such a partnership may be rather one-sided'.<sup>17</sup>

In reference to areas beyond Europe and North America, the 2010 Green Paper raised the possibility of 'formalising our long-standing bilateral relationships' and considered where 'new and

<sup>16</sup> The incumbent government has spoken of a 'solid, not slavish' relationship with the US.

<sup>17</sup> <http://www.telegraph.co.uk/comment/telegraph-view/7149856/Adapting-our-defence-to-a-dangerous-new-world.html>



expanded partnerships could bring mutual advantage and reinforce global and regional security'. Such ideas would appear to resonate with the 'distinctive' foreign policy outlined by the incumbent government.<sup>18</sup>

**Trident's renewal – under threat.** The Labour government took the decision to renew the UK's nuclear deterrent based on the Trident missile system in December 2006, which was subsequently approved in the Commons three months later. The 2010 Green Paper re-affirmed its position. During the build-up to the May 2010 general election, the Conservatives supported the previous Labour government's position, in stark contrast to the Liberal Democrats. Consequently, a compromise was reached upon their taking office. The Liberal Democrats dropped their opposition to a 'like-for-like' replacement in return for scrutiny of the Trident programme that would ensure 'value for money' (i.e. the utility of the programme matches the expenditure) within the framework of the SDSR. Further, they could continue to make the case for alternatives. In July 2010, the Treasury insisted that the estimated 15-20 bn. GBP (at 2005/06 prices) (17.1-22.8 bn. EURO) cost of replacing Trident must be taken as part of the defence budget, which reignited the debate and cast doubt over Trident's renewal. Many argued that meeting the cost from the defence budget would come at the expense of conventional capabilities. As a result, the Liberal Democrats argued that 'the exclusion of Trident from the SDSR is now untenable' and passed an emergency motion at their annual party conference accordingly.<sup>19</sup> While previous debates have focused on whether a cheaper and credible alternative to a submarine-based nuclear deterrent exists, the current debate centres on whether the existing policy of having one submarine on continuous patrol at any one time (known as 'continuous at-sea deterrence') can be relaxed.

### Possible Implications for NATO

Traditionally, Britain has attached special importance to NATO largely because of the transatlantic link. There is little to indicate that this reading has changed, especially given the composition of the incumbent government. For those in power, 'NATO will remain our first instrument of choice for responding to the collective security challenges we face'. Looking forward, Britain will remain an active member of the alliance, not least because British strategic thinking is largely in line with that that pervades the new Strategic Concept. Both the 2010 Green Paper and the analysis and recommendations published in '*NATO 2020: Assured Security; Dynamic Engagement*' by the appointed Group of Experts in May 2010 agree on the uncertainty of the current security environment and the character of the threats that lie within it (i.e. international terrorism, the proliferation of weapons of mass destruction, environmental degradation, the competition for strategic resources, and a more – even if only slightly – conventional military threat from another state). Since many of these threats are transnational in nature, the two assessments agree that domestic security cannot be separated from international security and they accordingly underscore the importance of an expeditionary role for the armed forces. The papers also draw similar conclusions from operational experience in Afghanistan, including the need to enhance the sustainability of expeditionary capabilities. And, finally, both maintain that the uncertain character of the international scene requires the transformation of armed forces towards a more 'flexible, mobile and versatile' posture. In short, this means that the British armed forces will likely continue to contribute to the military missions of the Alliance, albeit on a smaller scale and concurrency than in the past due to current economic constraints. Further, the political and public appetite for overseas military operations has been exhausted by the experience of both Iraq and Afghanistan, which will serve to inhibit British involvement in the near future, as it will that of many NATO member states.

The ongoing operation in Afghanistan has revealed a number of tensions within the Alliance, not the least of which is the inequity of burden sharing in combat operations. The refusal by many NATO member states to commit troops to the volatile south and east of Afghanistan and share the combat burden has created bitterness among those war-fighting allies and has prompted some, particularly in the US, to question the strategic utility of the Alliance. This is reinforced by the fact that most European allies continue to under-invest in defence. Britain has been one of those allies willing to fight, and has maintained the second largest contingent of troops deployed in the country, most notably in the southern province of Helmand. In addition, Britain has continually been among the top European members of the Alliance in terms of defence expenditure and is currently only one of five NATO

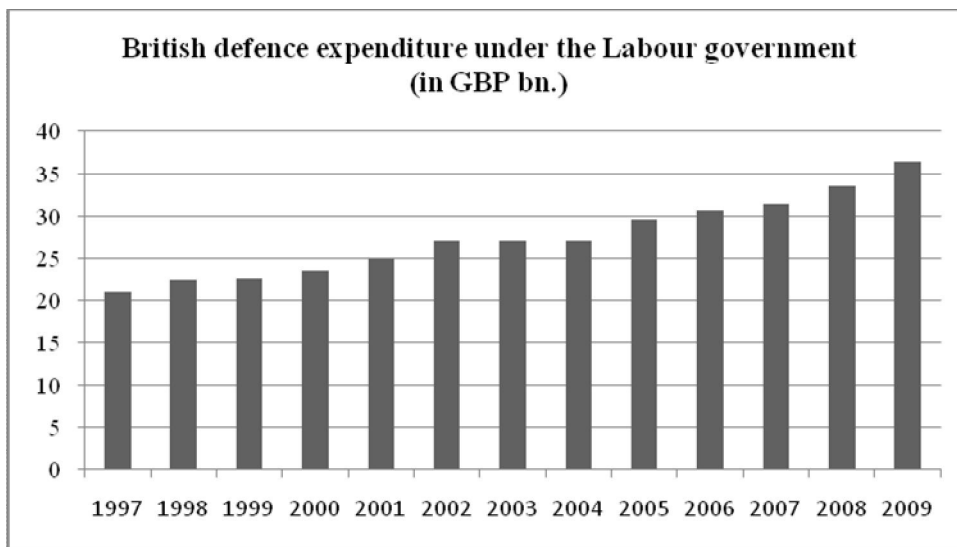
<sup>18</sup> <http://www.fco.gov.uk/en/news/latest-news/?view=Speech&id=22462590>

<sup>19</sup> [http://www.libdems.org.uk/news\\_detail.aspx?title=Emergency\\_Motion%3A\\_Trident\\_-\\_carried&pPK=9bd7bd33-84b7-4b43-83c5-c83666e6e95a](http://www.libdems.org.uk/news_detail.aspx?title=Emergency_Motion%3A_Trident_-_carried&pPK=9bd7bd33-84b7-4b43-83c5-c83666e6e95a)

member states to spend the stated goal of 2% of GDP on defence.<sup>20</sup> However, looking forward, economic pressures are likely to reduce the scale and concurrency of the British contribution to NATO's out-of-area military operations in the future, as well as weaken their interoperability with the US military. Also, economic pressures are likely to bring Britain's defence expenditure below the stated goal of 2% of GDP. This has the potential to reinforce the perception held by some, particularly in the US, that NATO is of declining strategic utility.

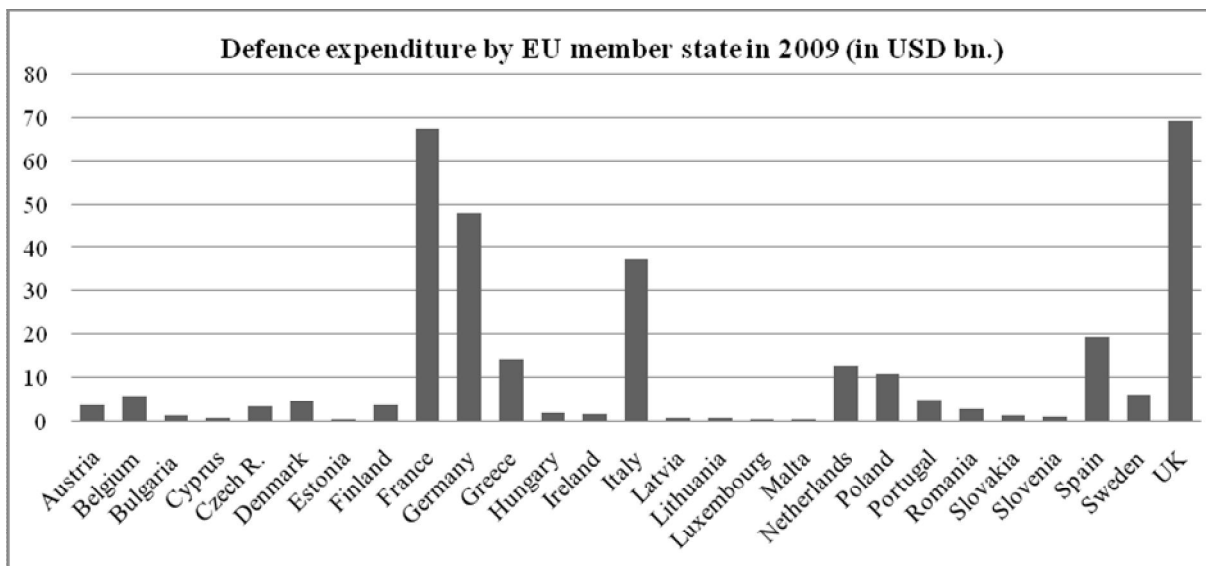
A decision by the incumbent British government to relax the existing policy of having one nuclear-armed submarine on patrol at any one time would likely have relatively little impact on the Alliance. The US umbrella will remain, which is undoubtedly of greater importance to the defence and security of the transatlantic theatre. Still, it would reinforce the growing inequity of burden sharing within the Alliance.

Annex 1.



Source: Defence Analytical Statistics and Advice, Table 1.1. Defence Expenditure Outturn<sup>21</sup>

Annex 2.



Source: SIPRI 2010 Yearbook, Table 5A.4. Military expenditure by country, in constant USD for 2000-2009

<sup>20</sup> The calculation is based on NATO figures for 2009. The other four countries are Albania, France, Greece and the United States.

<sup>21</sup> <http://www.dasa.mod.uk/modintranet/UKDS/UKDS2010/c1/table101.php>