



Security and Prosperity in a Different World

New Challenges for Transatlantic Relations

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Abstract

As the so-called 'Asian pivot' has become the most important strategic shift since the Cold War, NATO and the European Union need to adapt their policies addressing the altered challenges to security and prosperity in a systematic way. Cooperation is key to successfully addressing existing and emerging challenges to security and prosperity. The prerequisite to multinational collaboration is interoperability. Shifting the focus away from large platforms with long development periods toward smaller-scale in emerging, more operationally relevant domains – such as cyber-security, logistic support, unmanned systems, alternative fuels, power sources or autonomous data analysis – may yield better results than in the past. Particularly building *Situational Awareness* capabilities would constitute the foundation to a systemic, networked response to symmetric and asymmetric, traditional and networked security challenges. It would support partners and Allies working effectively together in a *plug to operate* approach.

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ANALYSIS

Strategic Shift

The so-called 'Asian pivot' has become the most important strategic shift since the Cold War. The Atlantic setting of West versus East has become redundant. Europe is no longer the cockpit of world affairs. Also the U.S. interest in the Arab world starts shrinking.

New Drivers

Two new drivers have come to the fore

- Nation Building in the U.S.
- Shale Gas

With view to sufficient economic and financial problems at home U.S. president Obama has started reorienting foreign commitments to face up to the rise of the Far East. Just like the focus on homework in the U.S. the strategic shift towards the Pacific is about economic common sense. The world has moved on. According to the McKinsey Global Institute, the last decade showed 'the fastest rate of change in global economic balance in history'. It calculates that the planet's 'economic centre of gravity' has been moving eastwards at a rate of about 140 kilometres a year.

According to NATO statistics, defence spending among European NATO countries fell to \$275 billion in 2010 from \$314 billion in 2008. Since most European countries are members of NATO and the European Union, Europe as a whole is in very bad shape militarily as well. But the problem is not just about money. Europe's unwillingness to invest in military capabilities like drones and electronic intelligence surveillance equipment predate crises. Europe has become a "free rider" as it has been taking the United States for granted in providing defence and filling military capability gaps.

Whereas many of America's old NATO allies have spent decades shrinking their military budgets and expecting the US to pick up the bill for the protection of the free world, the rising economies of the Pacific are investing more in their defences. It is hardly surprising that Obama prefers to work with the latter. In the last decade, Indonesia has trebled its military spending. Thailand has increased theirs by two thirds, and Australia and South Korea by almost half. This is attracting U.S. national interest clearly towards the Pacific.

Loosing interest in the Arab world – until recently, such an U.S. approach to the Arab world would have been dismissed as naive, given America's gigantic appetite for foreign oil and gas. But that is changing, thanks in large part to discovery of vast quantities of shale gas in the US. The International Energy Authority estimates that the US will be almost 'energy self-sufficient' by 2035. That prospect means that America will inevitably begin to reconsider the monstrous sums it spends protecting its interests in the Persian Gulf. The vast U.S. Fifth Fleet, which is almost entirely responsible for patrolling the key shipping channels of the Middle East, costs the US taxpayer up to \$80 billion dollars a year. But why should the U.S. sustain this effort? Most of the oil ends up in China and Europe.



Adapt Policies

Consequently NATO and the European Union – the latter is seen by the U.S. increasingly under German lead – need to adapt their policies in line with the ongoing paradigm shift. Both organisations have been addressing the broad range of emerging threats for quite some time, yet in a compartmentalized way, without clear-cut political guidance, in particular without a thorough conceptual underpinning. It is high time to address the altered challenges to security and prosperity in a systematic way. Coherent policies need to define each organisations role in addressing the existing and emerging security challenges.

Working together, as an Alliance, will become increasingly difficult, when the capability gap across the Atlantic keeps on growing. This is an important background to NATO Secretary General Anders Fogh Rasmussen's long-term strategy of smart defence that *"... some in NATO jargon call interoperability, but I believe it is more than that. It's the ability to connect all our forces. Common understanding. Common command and control arrangements. Common standards. Common language. And common doctrine and procedures. ... Not just among the twenty-eight Allies, but also with our partners around the world."*¹

Features of the Past

One prevalent feature of the majority of multinational collaborative defence programs has been the focus on large, expensive and platform-based systems. Such programs, conceived during the Cold War, have arguably outlived their operational purpose, and their continuation is to a large extent fuelled by considerations of sunk costs and the desire to preserve jobs and international cooperation as well as contractual obligations. In many cases, cancelling a program will incur such high fees for the government that it makes more sense to continue it.

Many decision makers still are paralyzed in managing huge platform programmes that governments and private actors no longer need nor are able to afford. At the same time they ignore the potential of developing synergetic systems. This has led to institutionally and conceptually fragmented capabilities that do not meet existing security challenges appropriately. Yet on the contrary, systemic capabilities are required. Institutional, conceptual, and operational coherence is at the core of these capabilities – nationally as internationally, governmentally as in private business.

The key question is whether it might be possible to leverage the theoretical advantages of multinational collaboration while mitigating most of the negative outcomes of past programs. Shifting the focus away from large platforms with long development periods toward smaller-scale in emerging, more operationally relevant domains – such as cyber-security, logistic support, unmanned systems, alternative fuels, power sources or autonomous data analysis – may yield better results. Funding stability would be less of an issue for such programs due to their smaller scale. Continuous support from political, military and bureaucratic leadership would also be less relevant due to shorter program cycles. Requirements should be easier to harmonize within a smaller scope, and operators in the field would benefit from shorter times to market. Smaller-scale, more agile programs should be able to better deliver real cost savings and produce superior operational capabilities and



therefore create more value than their larger, higher-profile, yet less successful counterparts. The challenge is to structure future programs to avoid past mistakes.

Security business needs to become a meaningful contribution to a comprehensive national and transnational security system. Closer links with the private sector are of principal importance. This requires far-sighted, cross-government and international action in cooperation with all relevant stakeholders including government institutions and private business. The nature of many emerging security challenges makes the established compartmentalization of responsibilities between the public and private sectors appear increasingly anachronistic. The urgency to enhance cyber security capabilities will lead to closer ties with software and hardware IT companies. The need to develop a coherent approach to energy security will require reaching out to private energy companies. Building and developing such new relationships will be challenging, since national business interests and collective security interests may sometimes prove difficult to match.

Features of Tomorrow

Building *Situational Awareness* would constitute a systemic, networked response to symmetric and asymmetric, traditional and networked security challenges. It would support partners and Allies working effectively together in a *plug to operate* approach. It would bring together different types and generations of equipment through a common connector. All security actors would be able to plug in. Architecture, processes, and tools would provide for informed, responsive decisions in an interagency and international security environment that includes the services of government actors and private business.

A common *situational awareness environment* would enable

- partnership policies,
- high quality real time decision-making,
- a common organisational and technical platform,

thus giving future architectures and processes direction and value.

An efficient and effective *situational awareness environment* also benefits private industry. Instead of huge platform programs a Situational Awareness Environment Program would allow for a plenitude of national and international security, research and business initiatives and foster broad participation of large, medium-sized and even small-sized companies in a transatlantic collaborative approach. As it focuses on optimization at the systems level versus the platform level, it does not favour any particular technology or platform. It enables trades of risk, cost and capability, and it opens competition at multiple work levels, giving small and large companies from around the world equal opportunity to compete. In doing so, it encourages, indeed demands, *best of industry* solutions and innovation.

¹ Rasmussen, Anders Fogh, NATO Secretary General on smart defence, speech at the Munich Security Conference 2012, <http://www.securityconference.de/Anders-Fogh-Rasmussen.829+M52087573ab0.0.html> (viewed 2012-02-06).



Leadership

Such a *situational awareness* capability doesn't come by itself. It needs serious political and industrial leadership. Industrially this approach builds on the concept of Lead System Integration as an important and viable operating model with rapidly increasing success on global markets. Politically it fully supports the emerging new world order with its co-operative, multilateral approach.

An increasingly uncertain, unpredictable and dynamically changing business and security environments has underlined the critical importance of ensuring that the right person has the correct information in time to formulate a decision and respond. It already has become a priority of Middle Eastern countries and especially those in the Gulf to invest in and develop respective capabilities in order to counter emerging threats in the physical and virtual world. This region – as others in the world – is ready to invest heavily in situational awareness and interoperability capabilities in order to respond quickly to the dynamic changes taking place in the region. Already a variety of multi-billion dollar infrastructure security projects in development across the region have C4ISR and situational awareness at their core.

Ensuring the acquisition and appropriate application of respective capabilities and assets will guarantee informational superiority in a century that has been deemed the age of information. Maximising situational knowledge and informational superiority translates not only into an operational advantage on the battlefield but an advantage in all domains – maritime, air, land, space and cyber space – in prosperity and security.

Key themes that would benefit from a bilateral approach include

- A Situational Awareness/C4ISR acquisition and application strategy in line with the dynamic changes occurring in critical regions;
- Assessing current gaps in Situational Awareness/C4ISR faced and an overview of the potential solutions being considered;
- Ensuring early and adequate multinational training to maximise efficiency and use of Situational Awareness/C4ISR systems;
- Building common employed air surveillance and reconnaissance capacity including unmanned aircraft systems;
- Integrating existing and planned air and missile defence systems;
- Building a regional C4ISR network to enhance the security of borders, economic assets and critical infrastructure.



Now is the Time

Now is the time

- to make the right judgments about the nature of our future security environment,
- to invest in the right capabilities and structures that address the relevant security trends,
- building a situational awareness environment that provides our nations and regions with a solid foundation to carry us into a bright, prosperous and secure future.

***Remarks:** Opinions expressed in this contribution are those of the author.*

About the Author of this Issue

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