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NATO's Defense Capabilities Initiative

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Abstract. At the 1999 NATO summit in Washington, D.C., the alliance launched the Defense Capabilities Initiative (DCI), an effort intended to better enable NATO to deploy troops quickly to crisis regions, to supply and protect those forces, to provide them with appropriate communications, and to equip them to engage an adversary effectively-all with greater compatibility. To meet the DCI's goals, however, most allied countries will need to increase their individual defense budgets, a step many have been reluctant to take. In addition, many policymakers are concerned over possible conflicts between DCI and the European Union plan to field an all-European force.

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Summary

With the end of the Cold War, the North Atlantic Treaty Organization (NATO) began to reassess its collective defense strategy and to anticipate possible missions the alliance might undertake. The conflicts in the Balkans pointed up the need for more mobile forces, for technological equality between the United States and its allies, and for interoperability. At the 1999 NATO summit in Washington D.C., the alliance launched the Defense Capabilities Initiative (DCI), an effort intended to better enable NATO to deploy troops quickly to crisis regions, to supply and protect those forces, to provide them with appropriate communications, and to equip them to engage an adversary effectively–all with greater compatibility. To meet the DCI's goals, however, most allied countries will need to increase their individual defense budgets, a step many have been reluctant to take. In addition, many policymakers are concerned over possible conflicts between DCI and the European Union plan to field an all-European force.

Background

Since the collapse of communism in the Soviet Union and Eastern Europe, the European threat environment has changed dramatically. NATO no longer requires a static, layered defense of ground forces to repel a large-scale Soviet invasion. Instead, the alliance must address new and different threats for which NATO would have far less warning time than a conventional assault; these might include terrorism, the use of weapons of mass destruction, proliferation, and, in some cases, ethnic strife. As the conflicts from 1992-1999 in the Balkans demonstrated, the alliance must be able to prepare for security contingencies requiring the rapid deployment of lighter, more mobile forces. NATO recognized this need for change already in its 1991 New Strategic Concept.[1]

During NATO's air war against Yugoslavia in the spring of 1999, U.S. aircraft flew a disproportionately large share–60%–of the combat sorties. The Kosovo action exposed

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[1] For background on the debate over NATO's geographic reach and force structure, see: CRS Report RS20086, *NATO's Future and the Washington Summit*, by Stanley R. Sloan. Updated March 18, 1999.

a great disparity in defense capabilities between the United States and its allies. That disparity, along with the transformation of the overall threat environment, has prompted the development of two parallel and, it is hoped, complementary transatlantic security initiatives aimed at, among other things, bridging the technology gap between American and European forces.

Kosovo motivated European Union (EU) members of NATO to accelerate the construction of a European pillar within NATO, called the Common European Security and Defense Policy (ESDP). ESDP is described as an attempt to achieve greater burdensharing and influence within the alliance. One aspect of ESDP is the EU effort to create a rapid reaction force, drawn from their own militaries, to undertake "Petersberg tasks"[2] in which other countries, including the United States, might choose not to participate. To achieve this, the EU member states, at their December 1999 Helsinki summit, set forth "headline goals" of creating, by 2003, a 60,000-strong European crisis management force that would be deployable within 2 months and sustainable for 1 year.[3]

The other significant change occurred at the NATO Washington, D.C. summit in April 1999, when the alliance launched the Defense Capabilities Initiative (DCI). The Initiative is intended not only to improve NATO's ability to fulfill NATO's traditional Article 5 (collective defense) commitments, but also to prepare the alliance to meet emerging security challenges that may require a variety of types of missions, both within and beyond NATO territory. To accomplish these tasks, the alliance must ensure that its troops have the appropriate equipment, supplies, transport, communications, and training.[4] Accordingly, DCI targets improvement of NATO core capabilities in five areas:

1. *Mobility and Deployability*. The alliance seeks to improve its ability to move troops and equipment rapidly to trouble spots, including areas outside the immediate region of the alliance. NATO is currently studying various options for improving troop and equipment transport, which involve both multinational cooperation as well as the possible use of commercial means of transportation.[5]

2. *Sustainability and Logistics*. Once NATO forces have been dispatched, particularly if to a location distant from alliance territory, they must have sufficient

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[2] Named after the German city in which they were formulated, these tasks include humanitarian and rescue missions, peacekeeping, and tasks of combat forces in crisis management, including peacemaking.

[3] For additional background, see: CRS Report RL30538, *European Security: the Debate In NATO and the European Union*, by Karen E. Donfried and Paul E. Gallis. April 25, 2000.

[4] One analyst privately observed that DCI appears to be an attempt to bring NATO's Force Goals process, which is classified, into the open in order to make it easier to generate political pressure for increased defense spending. Another defense expert saw several parallels between DCI and the U.S.-developed Revolution in Military Affairs. See: DCI: Responding to the U.S.-Led Revolution in Military Affairs. By Elinor Sloan. *NATO Review*. Vol. 48, No. 1. Spring-Summer 2000. p. 4.

[5] Some analysts believe the problem is more one of force *mobility*, rather than of munitions, and trace the genesis of DCI to the NATO-led operation in Bosnia, which required a rapid deployment of troops to a crisis region. Still other observers point back to the 1991 Gulf War, which revealed difficulties in interoperability–particularly of communications.

logistical support; during an extended commitment, fresh troops must be rotated into the area. The alliance has developed a Multinational Joint Logistics Center concept to enhance logistics interoperability and cooperation.

3. *Effective Engagement.* NATO must be able to engage successfully an adversary in a wide range of missions, from high to low intensity operations. One concrete step envisioned in this area is the procurement of additional precision-guided munitions, particularly for the suppression of enemy air defenses.

4. *Survivability.* During out-of-area missions, NATO troops and equipment cannot make use of existing military infrastructure on NATO territories. The alliance therefore must be able to provide sufficient force protection through improving air defense, reconnaissance, and intelligence capabilities; it must also be able to counter the possible use of weapons of mass destruction.

5. *Consultation, Command and Control.* Under DCI, the alliance is developing an enhanced consultation, command, and control (CCC) architecture that will emphasize international compatibility of communications and information systems. Increased multinational cooperation means that CCC systems will need to be interoperable at lower levels in the chain of command.[6]

To oversee and direct DCI developments, NATO formed a High Level Steering Group composed of senior officials from member countries and chaired by the alliance's Deputy Secretary General. The group meets monthly to review the implementation of the initiative, and to plan and coordinate DCI-related activities of the NATO defense committees.

As an additional measure to help DCI meet its stated goals, NATO has integrated the Initiative's objectives into the alliance's regular defense planning process, through the Force Goals that are negotiated with member states every two years.[7]

Current Issues

DCI has been criticized in some quarters. Some observers have questioned the need for the Initiative, arguing that NATO already enjoys vastly superior technological prowess, and that the alliance's current military capabilities–whatever their shortcomings–are more than sufficient to meet any threat.[8] Others are skeptical of the possible motives behind DCI; they contend that, given the current security environment, massive defense spending increases are unnecessary and wasteful, and that DCI merely serves to boost sales for high-

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[6] For additional discussion, see: NATO's Defence Capabilities Initiative: Preparing for Future Challenges. By Frank Boland, Head, Force Planning Section of NATO's Defence Planning and Operations Division. *NATO Review.* Vol. 47, No. 2. Summer 1999. p. 26.

[7] U.S. Department of Defense. *Report on Allied Contributions to the Common Defense: A Report To the United States Congress By the Secretary of Defense.* March, 2000. p. II-2.

[8] *A Risk Reduction Strategy for NATO.* Julianne Smith and Martin Butcher, eds. British American Security Information Council. Research Report 99.1. January, 1999.
[http://www. basicint.org/natorr4.htm]

technology arms and equipment manufacturers. It has also been suggested that the requirements of DCI effectively raise the bar for those countries that are currently hoping to join NATO.

Supporters of DCI, meanwhile, have expressed reservations over two major issues. The first concerns whether member states, particularly the Europeans, will be willing to commit sufficient funding in their defense budgets to make the changes, some of them costly, that DCI requires. The second question is whether ESDP will complement or conflict with the Initiative.

Allies' Defense Spending. To meet the goals of DCI–and ESDP–the Europeans intend to restructure and modernize their militaries and address, among other things, deficiencies in equipment procurement and in their research and development programs. All these activities, however, imply increased defense spending, which would require a reversal of the trend of the past decade: between 1992 and 1999, defense expenditures by European NATO countries fell 22%.[9] Although the United States has also cut back on defense, it still spends a significantly higher share of GDP on defense than the NATO average. Quoting NATO sources, the *London Sunday Telegraph* reported in March that "only the Czech Republic, Hungary, Norway, Poland, Portugal, and Turkey plan to increase military spending in real terms over the next five years."[10] On the other hand, Germany, which has the second-largest military in the alliance, has drastically reduced its military budget.

Some European member states are eliminating conscription in favor of smaller armies of volunteer forces, a move that would be costly in the short- to medium-term. In addition, NATO armed forces also are attempting to cope with unanticipated costs, such as the air campaign against Yugoslavia and peacekeeping in Kosovo, as well as such factors as higher oil prices. The Europeans reportedly are seeking additional savings through rationalizing their defense industries, and improving their procurement practices.

Some Europeans have argued that one of the reasons they have had problems modernizing their militaries arises from U.S. policies, including restrictions on the transfer of military technologies, controls on defense-related exports, and a reluctance to co-produce equipment. At the May 2000 North Atlantic Council meeting, the United States announced its Defense Trade Security Initiative, intended to address this concern.[11]

Because each country wishes to protect its sovereignty by maintaining a diversified defense force, the sum of European military spending will always buy less defense than a similar amount of spending by the United States. Some have argued that NATO would best improve its capabilities if groups of countries combined their resources for certain

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[9] NATO Parliamentary Assembly. Defence Budget Trends Within the Alliance. By Paul Helminger, Rapporteur. International Secretariat. AT 254 EC (00) 10. September 25, 200. [http://www.nato-pa.int]

[10] America Duped By Claims Of European Defence Spending. By David Wastell and Julian Coman. *London Sunday Telegraph*. March 4, 2001. [FBIS]

[11] Defense Trade Security Initiative. Press Statement. U.S. Department of States. Office of the Spokesman. May 24, 2000. For additional information, see: CRS Report RS20757, *Defense Trade Security Initiative: Background and Status*, by Daniel H. Else. February 8, 2001.

projects, or if individual countries specialized their defense capabilities in a complementary framework. NATO officials point to the alliance's Airborne Warning and Control System program as an example of pooled assets. The alliance is also reportedly considering tapping the common-funded NATO Security Investment Program.[12]

NATO does not dictate how much member states spend on their militaries, nor does it criticize countries that spend far below the alliance average. The fact that there was a consensus on DCI would seem to imply that all recognize the need to boost their defense budgets; however, some governments reportedly believe that they can satisfy DCI's goals simply by restructuring their forces and changing their procurement plans–without spending more. Most analysts doubt whether any of the goals of DCI can be attained without a *significant* increase in defense spending by all member states.

DCI and ESDP. Some policymakers have been questioning whether ESDP is working in a complementary fashion with DCI. They suggest that ESDP may divert the attention and energies of EU members from improving their individual military capabilities while they address their collective EU project; they argue, for example, that the dispute over the degree of autonomy of ESDP from NATO can jeopardize political goodwill within the alliance, and degrade its military capability as well. Skeptics also contend that, unless ESDP focuses sharply on increasing real defense capabilities, as specified in the DCI targets, it will wind up being just another paper institution–one that will need to call upon U.S. military assets in the event of a crisis. Finally, analysts note that the ESDP headline goals are aimed at providing the European force with the ability to conduct peacekeeping and related missions, while the DCI objectives are intended to address the full spectrum of potential conflicts; they caution that some European governments may tend to regard the ESDP headline goals as substitutes for, rather than a subset of, the DCI objectives.

NATO officials and representatives are not unaware of the need to reconcile the goals of DCI and ESDP. In a June 2000 report, the North Atlantic Council (NAC–the alliance's political decision-making body) stated that

> Achieving [DCI's] objectives will ... strengthen European defence capabilities and the European pillar of NATO, so that European Allies will be able to make a stronger and more coherent contribution to NATO. It will also improve their capability to undertake EU-led operations where the Alliance as a whole is not engaged. The EU's Headline and Capability Goals and the objectives arising from DCI will be mutually reinforcing. In addition, the initiative will improve the ability of Allied and Partner forces to operate together in NATO-led crisis response operations.[13]

The NAC statement, which referenced a report from the chairman of DCI's High Level Steering Group, added that there had been progress in several areas outlined in the initiative, including "strategic transport, air-to-air refueling, precision guided munitions,

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[12] Defense Capabilities Initiative Targets the Future. By Linda Kozaryn. *Space Daily*. September 24, 1999.

[13] Statement on the Defence Capabilities Initiative issued at the meeting of the North Atlantic Council in Defence Ministers Session held in Brussels on 8 June 2000. NATO Press Release M-NAC-D-1(2000)64. June 8, 2000.

air defence, exchanges of information on multinational formations and work towards the harmonisation of defence planning processes."

Assessing Progress. The success of meeting the DCI objectives is likely to vary among member states, depending upon where the different countries place the achievement of the Initiative's goals within their national security–and, thus, their national budgetary–priorities. The Norwegian government, for example, has virtually embedded DCI into its defense plans. In Poland, there has been some concern over the possible high costs of DCI, but analysts argue that it is in Poland's national interest for all NATO members to develop mobile, interoperable forces, and that, therefore, "within our financial means, we should aim at making our defense potential compatible with the capabilities of other allies."[14] The Turks endorse DCI, and hope it will enhance efforts to modernize their military; President Sezer declared that "Turkey supports NATO's Defense Capabilities Initiative and wants this initiative to share technology to a larger extent within NATO."[15] The French Foreign Minister, meanwhile, has argued that DCI and ESDP are consistent with one another, adding that "we have ensured compatibility between our [EU headline goal] commitments and those we have made under the DCI."[16]

In a January 8, 2001 *Washington Post* article, former Defense Secretary William Cohen described progress on improving NATO defense capabilities as "less than brisk"; he pointed out that, while the United States has significantly increased its military spending, other NATO member countries have flatlined or decreased their defense budgets.[17] On May 10, at a NATO seminar in Barcelona, outgoing U.S. Ambassador to NATO Alexander Vershbow concluded that "rhetoric has far outpaced action when it comes to enhancing capabilities," and gave the alliance a "failing grade." He singled out the European allies in particular, noting that non-U.S. defense spending had increased far less than would be necessary to accomplish the DCI objectives. He indicated that current burdensharing arrangements were politically indefensible for the United States, and linked future U.S. support for ESDP with improvements in European capabilities.[18]

Congress placed a provision (section 1039) in the FY2000 Defense Authorization Act (P.L. 106-65) requiring the Secretary of Defense to report annually to Congress on the implementation of DCI and the progress that the alliance and individual allies are making toward the attainment of each of the DCI goals. In addition, on November 8, 1999, the Senate agreed to Senate Resolution 208, a statement of U.S. policy toward NATO; the resolution cautions that "failure of the European allies ... to achieve the goals [of] the Defense Capabilities Initiative would weaken support for the Alliance in the United States."

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[14] Polish defense Ministry's expert Views Importance of DCI, Security Interests. By Marcin Koziel. *Warsaw Polska Zbrojna*. March 16, 2001. [FBIS]

[15] Turkey's Sezer Discusses Ties with Greece, Role in NATO. *Ankara Anatolia*. September 15, 2000. [FBIS]

[16] French Defense Minister's Speech to Munich Security Conference. February 7, 2000. [FBIS]

[17] Preserving History's Greatest Alliance. By Sec. William S. Cohen. *The Washington Post*. January 8, 2001. p. A19.

[18] U.S. Department of State. Washington File. Vershbow Remarks on Euro-Atlantic Security and Defense. May 15, 2001. [http://usinfo.state.gov/admin/006/eur210.htm]