

## THE NEW EURO-ATLANTIC COOPERATION DIMENSION – THE SMART DEFENCE INITIATIVE

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*The beginning of the 21<sup>st</sup> century brought critical transformations on the background of the strategic changes initiated by the major actors involved in the energy resources competition, after a financial crisis that led to austerity budget planning. This fact affected the defence budgets too, especially those of the European countries. That is why at the Chicago NATO Summit a new defence initiative was launched, an initiative that would support the European defence sector through collaboration in the wider framework of NATO. In our opinion, this new initiative – Smart Defence – will reopen on new bases the development of transatlantic relations.*

**Keywords:** USA; EU; European Union; Europe; defence; armament; Romania; Smart Defence; Pooling & Sharing

### **Introduction**

**T**he new international context has become, especially after the 2008 financial crisis, increasingly complicated. The competition for resources has intensified, echoes of the Arab Spring phenomenon have turned into a bloody civil war in Syria and the major international actors are adapting differently to these changing conditions. The U.S. planned to transfer its major strategic effort from the Atlantic to the Pacific area based on the strengthened positions of China and Russia in the region; China continues its race to accumulate energy resources, mean time transforming its army and military equipment, while Russia is strengthening – based on the financial resources gained from the exploitation of natural energy resources and rare metal provided by its national territory – a dominant position as compared

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to both the European countries and the US. In their turn, the European countries must cope with more and more difficult situations, due to the budget cuts imposed by the financial crisis. Those difficult situations have revealed, more than ever, the differences of opinion existing within the European Union, most of them based on the motivations founded on the issue of Member States' sovereignty.

***The strategic background of the Smart Defence initiative release***

As highlighted in the preliminary study analyses<sup>1</sup>, the current strategic environment can be perceived as a result of the strategic actions of the main international actors involved in the competition for energy resources, whether they act in order to strengthen their position in this competition as is the case of U.S., Russia and China, whether they want to get a stronger position for a larger area of influence, as is the case of France and Germany, the latter particularly in the European Union framework.

With the U.S. strategic positions under increasing pressure exerted by China and Russia, especially in the Indian Ocean, the Pacific Ocean and the Arctic Ocean, the Washington administration decided to transfer its major strategic effort to the Pacific Ocean region. Thus, in this region the United States can strengthen control on the main strategic directions chosen by Russia and China. Regarding China, the U.S. interest is doubly motivated, on the one hand to control the strategic directions of China, and on the other hand to achieve a more significant presence in the South China Sea, where maritime platforms have recently discovered significant hydrocarbon deposits, its coastal line being assumed to be rich in shale gas<sup>2</sup> based on preliminary geological tests.

Based on these strategic trends, and adding the cost of the Libya operations and the European countries defence budgets cuts, the Smart Defence initiative was released.

Although the phrase "*smart defence*" was firstly advanced by NATO's Secretary General Anders Fogh Rasmussen at the Munich Security Conference in 2011, in his speech about the need for new approaches to "*ensure greater security at a lower cost by joint efforts and higher flexibility*"<sup>3</sup>, the Smart Defence initiative

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<sup>1</sup> Stefan Mihai Dinu, *Strategic Tendencies of Some Major International State-Actors in 2011*, Strategic Impact, no. 1/2012, "Carol I" NDU Printing House, 2012, pp. 37-43.

<sup>2</sup> \*\*\*, *South China Sea Issue Explained*, China.org.cn, July 18, 2012 at [www.china.org.cn/china/2012-07/18/content\\_25941294.htm](http://www.china.org.cn/china/2012-07/18/content_25941294.htm)

<sup>3</sup> <http://natolibguides.info/smartdefence>

was officially launched a year later, during the talks that took place upon the Chicago NATO Summit in May 2012.

Briefly, the initiative can be defined as NATO's response to the challenge of equitable sharing related to defence responsibilities in a time of financial austerity and national budget cuts due to the severe financial crisis. Under these circumstances it is necessary to balance defence spending efforts between the U.S. and the European countries on the one hand, and to reduce the technological gap between the U.S. and its allied European states by the development of NATO operations critical capabilities by the latter ones, on the other. However, in order to achieve this goal, as NATO's Secretary General said in the above mentioned presentation, the European countries must demonstrate political unity and determination in order to ensure the proper investment framework. Otherwise, Europe will only confirm the political differences which keep it on a less strong position, far away from the U.S.<sup>4</sup>.

In this regard, the European countries should take advantage of the *Pooling & Sharing* program<sup>5</sup> – a program developed in the defence sector by the European Union states – in order to design, build and share the necessary capabilities and use the institutional NATO framework as the best tool for capitalizing the allies' knowledge to identify the states that have similar defence needs but lack the needed resources to achieve full independent capabilities to successfully conduct NATO operations.

#### ***Highlights of the institutional framework of transatlantic cooperation in the defence sector***

Although it brings a new spirit to the transatlantic cooperation, the Smart Defence initiative must face the challenges that arise from its implementation at NATO level. In this respect new tools must be developed in order to respond to the basic imperatives implementation of Smart Defence, namely the financial, operational, commercial, industrial and legal imperatives.

The success of transatlantic cooperation is, in this regard, directly related to the synchronization of North American defence market with the European defence market. If the North American market means, essentially, the U.S. and Canada, the

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<sup>4</sup> \*\*\*, Anders Fog Rasmussen, NATO Secretary General, Calls for 'Smart Defence' at Munich Conference, [www.nato.int/cps/en/natolive/news\\_70327.htm](http://www.nato.int/cps/en/natolive/news_70327.htm)

<sup>5</sup> Cristina Bogzeanu, NATO - EU Relation from the Perspective of the Implications of "Smart Defence" and "Pooling and Sharing" Concepts, Strategic Impact, no. 3/2012, "Carol I" NDU Printing House, 2012, pp. 33-40

European defence industry is mainly concentrated in six countries, namely France, the UK, Germany, Sweden, Italy and Spain. In this situation, the emergence of a transatlantic framework for cooperation in the defence industry, to regulate military equipment manufacturers' activities in both the U.S. and Europe, is more than expected.

In this respect, we think that a significant role in the design of transatlantic defence cooperation will be played by the European Defence Agency, also known as EDA. EDA's activity has been designed to support the development of European defence capabilities by strengthening the European cooperation forms, both in the production and marketing of military equipment, as well as in the development of scientific research and technological platforms.

If in the first years of its existence EDA got exclusive responsibility on launching in capabilities projects, in recent years it has recorded a rebalance of the Member States' role. EDA's approach aimed to initiate programs based on priorities that were more or less defined by consulting the Member States, based on a complicated algorithm aiming rather at a quantitative evaluation of the capabilities' deficit.

Thus, by assuming *the* European Defence Research & Technology (EDRT<sup>6</sup>), a prioritization of technologies was accomplished that requires investment from the Member States. In the spirit of the "*comprehensive approach*" promoted by EDA, EDRT also covers the aspects related to the modalities to achieve European forms of cooperation, aiming to support the development of capabilities.

The already created tools under the EDA institutional framework will provide a solid basis for the implementation of NATO's Smart Defence initiative, with the broad involvement of North American partners, and in a equitable regulated framework regarding the defence industry of all Member States. Romania could also contribute to a possible European consortium that is expected to be designed in the defence industry sector while exploiting the opportunities created to become eligible for specific contracts.

Our last statement relies on the fact that the Romanian national defence industry has been and continues to be a supplier of weapons and ammunition on several foreign markets. We think that the defence industry has the potential to further increase its export contracts, knowing that there are requests from traditional partners in arms exporting. In this regard we also think that support is needed in

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<sup>6</sup> [www.eda.europa.eu](http://www.eda.europa.eu)

order to implement a series of technical and marketing measures, which, under the new regulations imposed by the implementation of Smart Defence, to attract strong Western support that would lead to an increased significance of the Romanian national defence industrial entities in the framework of programs for building, testing and acquiring share capabilities with Alliance partners.

### **Conclusions**

In our perspective, Smart Defence is a pragmatic initiative whose goals are manifold:

- to boost the European *Pooling & Sharing* program that involves cooperation in the defence sector;
- to reduce the defence costs for the states involved, while ensuring the necessary capabilities;
- to support technological progress through research and development programs;
- to create a competitive market for the defence equipment;
- to create financial, commercial, industrial, legal and operational instruments in order to equitably regulate the transatlantic defence market;
- to make possible the emergence of a common defence market, based on the transatlantic relationship, which will be a counterweight to the already traditional relationship between Russia and China defence industries.

Although the positive consequences of implementing Smart Defence initiative are numerous, there are some issues that can delay the readiness of the project. Among them:

- lower strategic flexibility through specialization of capabilities among the allied Members;
- possibility to achieve political unity of decision to use the allied shared capabilities at multinational level. To achieve the unity of decision at the Member States' level, similar decision-making processes are required in each allied state, in other words the involved countries should have convergent national interests;
- the national governments' tendencies to protect their own defence industry at the expense of allied partners, considering the fact that the changes that will take place in the defence market by creating consortia or by mergers of different companies could lead to the emergence of social costs (restructuring or downsizing the workforce, for example);

- the emergence of nationalist movements due to the changes imposed by the Smart Defence initiative, considering the fact that the national decision-making process by state authorities involves a significant degree of sovereignty transfer from the state level to a supra-state level.

Despite these issues, we think that in order to test the potential of the SD initiative at the European level, the framework was created by the European *battle groups* or by the multinational military exercises (as those developed between the riparian states of the Black Sea). Obviously, the political decision-makers will have to propose new investment strategies in order to attract financial resources, without which any research and development program, any testing and implementation of new equipment could not be accomplished, in that way decreasing the operational response capacity of each Member State.

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