

European Update



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Shaping "Collaborative Connected Warfare": SACT General Lanata's Approach to Transformation

03/06/2019

By Murielle Delaporte

NATO's Allied Transformation Command will celebrate's its fifteenth year this year as NATO celebrates its seventieth.

Earlier this month, in an interview with the new Supreme Commander, General André Lanata, we had a chance to discuss his approach to ACT and its transformation mission.

When asked about the challenge posed by the resurgence of high intensity conflict as demonstrated in the last big scale NATO exercise Trident Juncture 2018 (TRJE 18), SACT highlighted the importance of building upon the past performance of the Alliance.

"Whenever there was a threat at its borders, NATO coalitions always responded, whether in terms of Inherent Resolve against ISIS or Resolute Support in Afghanistan ...

"Our role is to ensure that we accurately assess the threat and our capability gaps.

"We do this through prospective studies and through various review processes."

That kind of anticipation has been part of General Lanata's approach throughout his career.

He is a former Chief of Staff of the French Air Force and a former fighter pilot like his predecessors (ever since France rejoined the integrated command in 2008).

He has fought alongside the allies during the Gulf, the Bosnian and Kosovo wars.

He also has served in the office of plans and policy for air and joint staff, as well as as being the Deputy Director for International and Strategic Affairs at the Secretariat for National Defense and Security.

Then as Deputy Chief of Operations at the Joint Staff, he has worked on establishing the Franco-British Combined Joint Expeditionary Force (CJEF).

His goal is to "move forward together."

He highlighted that as a key goal in his speech during the command change ceremony at Allied Command Transformation (ACT) held on September 11th, 2018 as Hurricane Florence was threatening to hit the Virginia Coast hard.

As he has done throughout his career, he has focused on taking very concrete steps to achieve a broader strategic objective.

"We have built a very efficient innovation hub here at Norfolk, that we can now leverage to establish an Innovation Lab."

Another key focus for the head of ACT is to complete the reform of the NATO Command Structure (NCS).

One of the major changes affecting ACT is the regrouping by NATO of exercises planning within Allied Command Operations (ACO). (Allied Command Operations is responsible for the planning and execution of all Alliance operations. It consists of a small number of permanently established headquarters, each with a specific role. Supreme Allied Commander Europe – or SACEUR – assumes the overall command of operations at the strategic level and exercises his responsibilities from the headquarters in Mons, Belgium: Supreme Headquarters Allied Powers Europe, more commonly known as SHAPE.)

General Lanata explained that ACT will continue to lead on all 'transformation' aspects involving exercises.

ACE will remain in command of JFCT (Joint Forces Training Command) and JWC (Joint Warfare Center) as well.

General Lanata highlighted that he believed that new tools involved in modelling and simulation will allow the Alliance to provide for creative preparation for a wide range of scenarios.

Suggestive of the approach was his first visit as SACT to Europe in October 2018.

He visited Bydgoszcz, Poland, where the Poles host the JFTC and the yearly experiment CWIX (Coalition Warrior Interoperability eXploration, eXperimentation, eXamination, eXercise). 1

"At ACT, we produce norms.

"But this goes far beyond equipment compatibility."

He underscored that interoperability through the development of standards and certifications involves con-ops and joint training as much as working equipment compatibility.

Such an effort enhances common processes and norms and to operate effectively in times of crisis.

An exercise such as Trident Juncture 2018 (TRJE18), which took place last Fall in Norway, was an opportunity to test innovations in equipment (e.g. 3D-printed spares delivered by drone to the warfighter.²

It was as well an important opportunity to test out new operational concepts such as the Modular Combined Petroleum Units or MCPU.

As Chief of Staff for the French Air Force he set in motion the Franco-German Future Combat Air System.

This is an approach which highlights the importance of interconnections among platforms and connectivity to deliver a combat effect.

As SACT, he is clearly focused on the importance of a paradigm shift from platform-centric to a data-centric con-ops architecture.

He views the move from a platform-centric to a "data-centric capability architecture "as paving the way to what to shaping a "collaborative connected warfare" approach.

Notably, he highlighted this shift during last November's NATO Industry Forum in Berlin.

But to achieve the full effect of such a shift, he underscored a key cultural change which needs to occur within the Alliance and clearly one which is focused on trying to facilitate.

"If the 29 members are rather efficient in sharing data about common adversaries, there is more reluctance about sharing data about themselves. We all know that without that kind of sharing, there cannot be progress in fields such as artificial intelligence and the management of Big Data."

A new SACT is in town.

Coalition Warrior Interoperability Exercise: September 11, 2018

The Coalition Warrior Interoperability eXploration, eXperimentation, eXamination, eXercise (CWIX) is the largest annual NATO interoperability event held at the Joint Forces Training Centre (JFTC) in Bydgoszcz, Poland.

<u>CWIX</u> gathers different stakeholders from NATO and participating nations, providing a federated multifunctional environment in which:

Scientists eXplore emerging interoperability standards and solutions through collaborative innovation activities

Engineers eXperiment with new interoperability solutions and assess suitability for near term implementation

Testers eXamine technical interoperability among fielded and soon be fielded capabilities and generate scorecards

Operational users eXercise interoperability capabilities using a relevant scenario

Designed to support the continuous improvement of interoperability for the Federation, CWIX is a North Atlantic Council (NAC) endorsed, Military Committee directed, and Consultation, Command and Control Board (C3B) guided Bi-Strategic Command (Bi-SC) annual programme.

NATO's Allied Command Transformation (ACT) provides direction and management of the CWIX programme, while NATO and member nations sponsor interoperability capabilities. As a result, most of the funding comes from participating nations which is a clear indicator that nations value the testing opportunities CWIX provides.

CWIX addresses a wide spectrum of technical Communication and Information System (CIS) interoperability topics for current fielded, near-term, future and experimental CIS capabilities throughout NATO nations. The aim of CWIX is to improve technical interoperability in a timely and cost effective manner by testing systems, finding solutions for interoperability shortfalls, experimenting with alternative approaches, and exploring emerging technologies. In a highly federated multi-national environment, it is important to improve communication and collaboration between all stakeholders in order to meet mutual goals and objectives. CWIX is a key tool in helping the Federation meet the interoperability challenges of tomorrow by allowing NATO nations to address technical CIS shortfalls well before operational deployment reducing risk, resource requirements, and system failures in theatre.

As one of NATO's foundation venues for achieving and demonstrating interoperability, CWIX is fully in line with the Readiness Action Plan (RAP) and ACT's Smart Defence concept.

The Readiness Action Plan (RAP) is one element of NATO's future posture. It will contribute to ensuring that NATO remains strong, ready, robust, and a responsive Federation capable of meeting current and future challenges and threats. The key supporting initiatives, such as SMART Defence, continue to make progress.

CWIX supports NATO's SMART Defence concept by enabling federated multi-national pooling and sharing.

CWIX continuously improves CIS interoperability well before deployment.

CWIX validates and verifies CIS for achieving combat readiness of the NATO Response Force (NRF), Very High Readiness Joint Task Force (VJTF), followed by the STEADFAST COBALT and culminating in the TRIDENT JUNCTURE/JOUST exercise.

Germany's Embargo on Saudi Arabia and the Limits of European Arms Cooperation

04/05/2019

By Pierre Tran

Paris – Germany's renewal of an arms embargo on Saudi Arabia effectively casts doubt as the lead partner for France to build a future fighter jet, drone, and tank, key projects to boost consolidation in the European defense industry.

Berlin on March 28 extended by a further six months a ban of the sale of weapons to Riyadh. German imposed that sanction last October in the wake of the slaying of journalist Jamal Kashoggi by Saudi officials in Turkey.

There is some easing on existing contracts but the renewed embargo forbids new German arms contracts with Saudi Arabia and slows delivery on existing deals, effectively dragging shipment of parts to maintain equipment in service.

Britain and France have privately and publicly lobbied Germany to ease that clampdown.

For London, the restriction hinders hopes of signing a contract worth £10 billion (\$13.2 billion) for the sale of 48 more Eurofighter Typhoon jets to Saudi Arabia.

Germany is a partner of the Eurofighter consortium through Airbus and engine builder MTU.

Paris has urged Germany to slacken the sanction, which blocks delivery of key German subsystems for the MBDA Meteor long-range, air-to-air missile, to arm the Typhoon.

This embargo casts a shadow on how much Paris can rely on Berlin as lead partner on the Future Combat Aerial System, a vast project including a next-generation fighter jet, drones flying as remote carriers and smart cruise missiles.

France may lead on the FCAS project but export efforts will require German approval.

That reliance on Berlin's green light extends to Franco-German plans to design and build a future tank, dubbed Main Ground Combat System, and new artillery, named Common Indirect Fire System. Germany will lead the programs for those land weapons.

Berlin also takes the lead industrial role in a European medium-altitude, long-endurance drone, another major bilateral project with Paris.

Those cooperative projects will be key to a consolidation of European industry and interoperability with the services. Spain has signed a letter of intent to join the FCAS project.

Dassault Aviation is piloting the next-generation fighter project, which seeks to maintain a French bid to retain national sovereignty on an important capability.

But while it is critical to be able to design and build an advanced combat aircraft, its profitability will hang on selling as many jets as possible. And for that, German consent will be essential.

French and German officials have long held talks behind closed doors to update bilateral rules for arms exports, but they have so far failed to reach agreement.

The officials have sought to agree the threshold of German or French content in a weapon system which would require just one nation's approval for foreign sale, not both countries.

Those negotiations are critical to KNDS, which partners French state-owned Nexter with German privately owned KraussMaffei-Wegmann. That joint venture plans to build the successor to the Leclerc and Leopard tanks and the new artillery.

A reluctance to sell weapons to Saudi Arabia and tardiness in agreeing a new export regime reflect the need to reach consensus in German domestic politics, said François Lureau, a former French arms procurement chief.

In Berlin, the coalition government led by the conservative Christian Democrats must negotiate with their junior partner Social Democrats. The center-left party takes a dim view of arms sales and seeks to limit deals with countries in the EU and NATO.

Chancellor Angela Merkel has called for closer cooperation with European allies on arms exports, but it will be her successor, Annegret Kramp-Karrenbauer, who must find a politically acceptable solution.

Consensus is the German way, Lureau said. It will take time, but an agreement will last.

That party political debate has led to some compromise in the arms ban on Saudi Arabia.

Cooperation with European allies in joint projects was allowed to go on, as long as fresh conditions were observed, *The Telegraph*, a British daily, reported.

Fully assembled new weapons should not be sent to Saudi Arabia, was one of the conditions.

That looked like a ban on delivery of new Eurofighters.

European partners of Germany may supply weapons to Saudi Arabia, but those arms should not be used in the civil war in Yemen, was another condition.

The British foreign minister, Jeremy Hunt, wrote a private letter earlier this year to his German counterpart, calling for an easing of the crackdown, which hurt BAE Systems, the British partner on the Eurofighter and supplier of spares for the Tornado fighter.

Florence Parly and Bruno Le Maire, the French armed forces and economy ministers, have also called on Germany to relax the sanction, to little avail.

"It is useless to produce weapons through improved cooperation between France and Germany if we are unable to export them," Le Maire told Welt am Sonntag newspaper, Reuters reported.

"If you want to be competitive and efficient, we need to be able to export to countries outside Europe," he added.

Berlin's reluctance to authorize foreign sales from European partners extends beyond Riyadh.

Arquus, a French builder of light armored vehicles, finds it hard to pitch its products not just to Saudi Arabia and Egypt but also Indonesia and India, said CEO Emmanuel Larcher, business daily La Tribune reported Feb. 6.

German clearance was slow for automatic gearboxes and engines, which may be civil products but they would be fitted on military vehicles.

Sale of those German products is not banned but a lengthy regulatory clearance is seen as effectively forcing the German suppliers to practice "self censorship," forcing Arquus to look elsewhere, he said. The French company relied on US firm Allison and German manufacturer ZF for gearboxes.

In the long term, development of new technology such as batteries will break out of "this vicious circle," he said

Italy, France and the Chinese-European Relationship

03/28/2019

While the EU puts together an initial response to the challenge of Chinese investments and infrastructure ownership in Europe, Italy and France this week signaled sovereign decisions to shape their own approaches within the evolving context.

Two articles in the EUObserver published this week provide insights into the priorities of the leadership of each country.

With regard to Italy, the Chinese have their first EU participant in their global "silk road" initiative.

In an article by Mads Frese and published on March 22, 2019, the Italian position on the silk road initiative was discussed.

During Xi Jinping's visit to Rome the Italian government will sign a Memorandum of Understanding (MoU) about its participation in China's ambitious <u>One Belt, One Road</u>, also known as the Belt and Road Initiative (BRI), which aims to create an intercontinental infrastructure connecting Asia with Africa, the Middle East, Latin America and Europe.

Consequently, Washington has put a lot of pressure on Rome not to sign, primarily citing security issues related to digital infrastructure.

According to Lucio Carracciolo, director of the geopolitical magazine Limes, Italy has thus, "without even noticing", ended up "in the ring where the US and China are competing for the World Heavyweight Championship".

Later in the week, the Chinese leader was in Paris meeting with President Macron. He was not seen wearing a yellow jacket.

In an article by <u>Andrew Rettman</u>, published on March 26, 2019, entitled "France Takes Chinese Billions Despite EU Concerns," underscores the tight rope act which President Macron is playing with regard to China.

France has signed \leq 40bn of business deals with China, despite concerns on strategic investment and human rights abuse.

The bulk of the new deals, worth €30bn, were in the form of 300 airplanes to be sold by European firm Airbus to China Aviation Supplies Holding Company, while the rest covered energy, transport, and food.

French president Emmanuel Macron and Chinese president Xi Jinping announced the moves at a bilateral meeting in France on Monday (25 March).

They will meet again in an enlarged format with German chancellor Angela Merkel and European Commission president Jean-Claude Juncker also in France on Tuesday....

The wave of Chinese investment, which had so far focused on poorer central European states, has raised alarm in Europe that China's acquisition of sensitive assets, such as commercial ports, or involvement in high-end IT projects, such as 5G telecoms networks, posed strategic, intellectual property, and security threats to the EU.

"If some countries believe that they can do clever business with the Chinese, then they will be surprised when they wake up and find themselves dependent," German foreign minister Heiko Maas warned on Sunday.

Gunther Oettinger, Germany's EU commissioner, also voiced concern the same day that, soon, "in Italy and other European countries, infrastructure of strategic importance like power networks, rapid rail lines or harbours [will] no longer be in European, but in Chinese hands"

Meanwhile, the same French government is working with Australia to build a new generation of submarines whose clear focus is upon the Chinese military push out into the Pacific.

Italian and French actions do raise concerns at the EU level, notably with a new effort being launched to raise not just awareness of Chinese investments but also the question of infrastructure controls.

Europe Moves To Better Monitor Foreign Investments, Sort Of A CFIUS

By Murielle Delaporte

March 26, 2019

Breaking Defense

https://breakingdefense.com/2019/03/europe-moves-to-better-monitor-foreign-investments-sort-of-acfius/

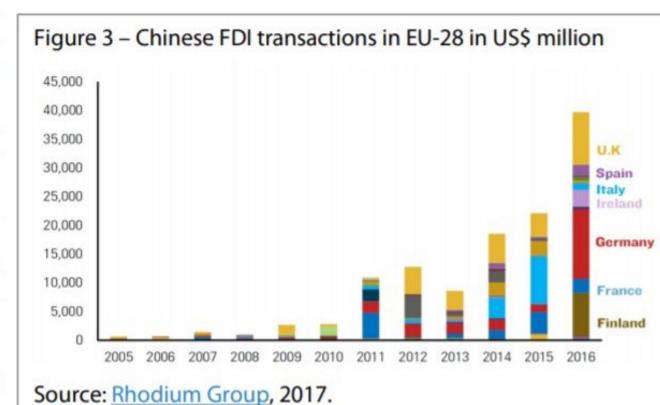
WASHINGTON: The European Union <u>has taken a major step</u> toward more effective national security screening of foreign direct investments, implementing a new "framework" for the EU.

It is the beginning of a more unified approach across the vast market on a long-standing issue. Even though China is not explicitly targeted in the new document, the timing of this new legislation comes as EU leaders met for two days to prepare for the April 9 EU-China Summit. That was no accident. A key indicator about the importance of the Chinese issue is found is this line from the latest European Commission Report about China: "China can no longer be regarded as a developing country." That sentence sums up the change of mood in Europe regarding everything Chinese. One can identify several triggers to the switch.

- The coming to power of President Xi Jinping and his new strategic vision embodied in China's five-year plan (2016-2020) and Made in China Strategy (2015) and implemented with the development of a more aggressive approach to strategic assets, such as the Silk Road Fund and the Asian Infrastructure Investment Bank (AIIB) meant to support the global One Belt One Road (OBOR) initiative;
- The increasing number of Chinese acquisitions or attempts to control strategic assets. To name just two: the Greek port of Piraeus, purchased by the state-owned COSCO Shipping. COSCO bought 67 percent of its capital in 2016. Priraeus is part of the 29 ports and 47 terminals now ran by Chinese companies in more than a dozen countries in Europe and

- elsewhere. Another recent example is the debate over the fate of the Toulouse airport, located at the heart of France's aerospace industry and research community. The Chinese consortium Symbiose's firm Casil owns 49,99 percent;
- A new willingness to promote a true European defense prompted by Russian actions starting with Ukraine and Crimea, as well as other factors such as Brexit, President Trump's rhetoric about NATO allies, the arrival of President Macron in power with a passion to rebuild the old Franco-German fulcrum in European institutions.

FDI screening mechanisms and FDI inflows?



Europeans have clearly come to accept that they must protect their industrial base both for economic reasons and for security reasons. Infrastructure and mobility are for instance now hot topics in the EU, each member being for instance required by the end of the year to establish national plans for military mobility and focusing on improving interoperability. The same goes for cyber and network security, as the debate about Huawei's 5G mobile network

investment in Germany (with the US warning about reduced intelligence sharing with Berlin if the deal goes ahead) shows. There has been a similar debate in France, but the battle there is more about "digital sovereignty" and the promotion of a European champion that can compete with what Europeans call the GAFA (Google, Apple, Facebook, and Amazon), which are now required to pay a tax based on their revenue generated in France.

Indeed if China is most targeted by the EU's new policy, Russia is also central and is the reason why Nordic countries finally came on board with the new screening legislation.

So what does this new legislation really mean?

One can compare the new mechanism to the US Committee on Foreign Investment in the US (CFIUS). It provides a way to monitor foreign direct investments on a EU-wide basis. The regulation states the main objective: to provide... the means to address risks to security or public order.

Key to the new approach is language granting individual members the right to take"into account their individual situations and national specificities. The decision on whether to set up a screening mechanism or to screen a particular foreign direct investment remains the sole responsibility of the Member State concerned."

As anyone who has done national security business in a European state knows, not all EU members possess the national means to effectively monitor and enforce standards and policies and preferences differ a great deal among them.

Figure 2 – Formal FDI screening mechanisms in the EU (as of February 2019)



Source: EPRS update of information provided by the <u>European</u> Commission in 2017.

Source : EU Framework for FDI Screening, European Parliament

Article 8 of the new regulation details the range of targeted investments — anything "regarding critical infrastructure, critical technologies or critical inputs which are essential for security or

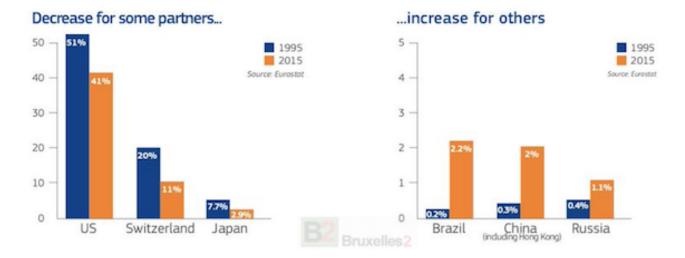
public order." That includes dual-use technologies – such as artificial intelligence, robotics, nanotechnologies. But it also includes sectors related to energy, data processing and storage, health, transportation, communications. The supply chain and access to strategic resources (including food security) should also be affected. Cyber also, with, in addition a new focus on access to personal data, as well as on media freedom....

It requires member states to inform the European Commission about foreign direct investments when relevant; other member states can only comment:

The final decisions about "any measure taken in relation to a foreign direct investment not undergoing screening remains the sole responsibility of the Member State where the foreign direct investment is planned or completed." So, while there is a new paradigm, it is voluntary, in contrast to the US model.

Even though the system is not mandatory, European analysts and business lawyers share three broad areas of concern;

• it may affect the reputation and competitive edge of the EU as the most welcoming trade partner at a time of slow growth when investments are crucial. Indeed, with the value of exchange of goods between the EU and China larger than1.5 billion euros a day, the EU is China's biggest trading partner and China is the EU's second after the United States. The stakes are high and many European countries – especially those without a strong industrial base – desesperately need these investments – whether in infrastructure like the 16 + 1 Group – a group gathering 11 EU members and 5 Balkan countries under the initiative of China and focusing on the funding of projects such as the Belgrade-Budapest High Speed rail, or other ares such as health (recent shortages of drugs in Europe have highlighted our overall dependency on Asia in this crucial public health field as well...) -.



- Even though not constraining, the regulation may be enough to discourage investors, as more time, uncertainty about feasability and therefore cost could be the ripple effects, especially for firms with Chinese ties which will go under more scrutiny.
- It has already an impact on national legislations being reinforced or established, while the new regulation will be adding an extra layer in a bidding process complicated enough, and could be used to break deals or favor other competitors, even through mere political exposure and pressure.

It happened in the past both in the United States with the CFIUS system and in Europe just through resolution, and it is indeed the goal and the deterrent impact which the legislators hope to achieve with this new bold statement.

However, as the signing into law last summer of the Foreign Investment Risk Review Modernization Act (FIRRMA) by President Trump shows, the initial CFIUS mechanism seems to have been circumvented by Beijing via other means, such as real-estate acquisitions and technology transfer through joint-ventures, to name a few.

The new battle emerging from Brussels means President Trump is not alone anymore in his focus on protecting America's industrial base. But then again, China and Russia don't worry much about a level playing field. An annex related to Article 8 lists specific programs connected in particular with space, telecommunications, energy and transportation:

List of projects or programmes of Union interest referred to in Article 8(3)

- European GNSS programmes (Galileo & EGNOS):
 Regulation (EU) No 1285/2013 of the European Parliament and of the Council of 11
 December 2013 on theimplementation and exploitation of the European satellite
 navigation systems and repealing the Council Regulation (EC) No 876/2002 and
 Regulation (EC) No 683/2008 of the European Parliament and of the Council (OJ L
 347, 20.12.2013, p. 1).
- Copernicus:
 Regulation (EU) No 377/2014 of the European Parliament and of the Council of 3
 April 2014 establishing the Copernicus Programme and repealing Regulation (EU)
 No 911/2010 (OJ L 122, 24.4.2014, p. 44).
- 3. Horizon 2020: Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104), including actions therein relating to Key Enabling Technologies such as artificial intelligence, robotics, semiconductors and cybersecurity.
- 4. Trans-European Networks for Transport (TEN-T): Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).
- 5. Trans-European Networks for Energy (TEN-E):
 Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17
 April 2013 on guidelines for trans-European energy infrastructure and repealing
 Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No
 714/2009 and (EC) No 715/2009 (OJ L 115, 25.4.2013, p. 39).
- 6. Trans-European Networks for Telecommunications:
 Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11
 March 2014 on guidelines for trans-European networks in the area of
 telecommunications infrastructure and repealing Decision No 1336/97/EC (OJ L
 86, 21.3.2014, p. 14).

- 7. European Defence Industrial Development Programme:
 Regulation (EU) 2018/1092 of the European Parliament and of the Council of 18
 July 2018 establishing the European Defence Industrial Development Programme
 aiming at supporting the competitiveness and innovation capacity of the Union's
 defence industry (OJ L 200, 7.8.2018, p. 30).
- 8. Permanent structured cooperation (PESCO):
 Council Decision (CFSP) 2018/340 of 6 March 2018 establishing the list of projects to be developed under PESCO (OJ L 65, 8.3.2018, p. 24)

A Five Year Anniversary: Russia Changes the Game in Europe

03/17/2019

Recently, the <u>Norwegian government</u> reminded us of the anniversary of the new phase of European development.

Five years have passed since Russia illegally annexed Crimea and Sevastopol on 18 March 2014. This act was a serious violation of international law and a challenge to the established international order. Norway therefore reiterates its condemnation of Russia's annexation of Ukrainian territory, which it urges Russia to reverse. Norway considers it essential that relations between states are guided by international law,' said State Secretary Audun Halvorsen.

Russia committed several other violations of international law prior to the annexation. Under the false pretext of restoring law and order in Crimea, Russian forces entered Ukrainian territory and took control of important institutions and key societal functions. In the course of a few weeks, a part of Ukraine was forcibly placed under Russian administration.

The illegal referendum on 16 March 2014 was used to legitimise Russia's use of force. In the absence of any form of international recognition, the referendum was presented as justification for the illegal incorporation of Crimea and Sevastopol into the Russian Federation two days later.

'We are concerned about the deteriorating human rights situation in Crimea and Sevastopol. Norway urges Russia to fulfil its human rights obligations and to grant organisations such as the UN, the OSCE and the Council of Europe access to the peninsula without delay,' said Mr Halvorsen.

The Return of Direct Defense in Europe: The Challenge to the Infrastructures of the Liberal Democratic Societies

04/06/2019

By Robbin Laird

Russia and China as 21stcentury authoritarian powers are challenging the liberal democracies in both classic military terms as well as in less classic ways.

The Russians with their approach to hybrid warfare and the Chinese with their evolving operational approaches in the "gray zone" are crafting innovative approaches to enhance their objectives short of significant engagements with peer competitors.

They are working to push the "red line" further down the spectrum of conflict and shaping a wider range of operational space within which their forces and capabilities can achieve desire objectives.

Another key area in which they are operating is with the direct engagement of their peer competitors is through expanded control or influence within the infrastructures of the economies and societies of those competitors.

The Finnish Perspective

The Finns have focused squarely on ways to enhance their capability to resist incursions from the Russians and to work towards expanded ways to enhance democratic military capabilities. They prioritize security of supply and have maintained military inscription system to prepare to mobilize in a crisis as well.

The Finns recognize that this is not enough given the nature of their 21stcentury competitor. They have established a new Centre to deal with the challenge of not just new ways of conducting influence operations but against European infrastructure as well. And they have done so in a manner which underscores that a purely national solution is not enough and requires a broader European Union response as well.

The Government of Finland has stood up a new Centre designed in part to shape better understanding which can in turn help the member states develop the tool sets for better crisis management.

This is how the Finnish government put it with regard to the new center in its press release dated October 1, 2017.

The <u>European Centre of Excellence for Countering Hybrid Threats</u> has reached initial operational capability on 1 September 2017. The Act on the European Centre of Excellence for Countering Hybrid Threats entered into force on 1 July 2017, following which Matti Saarelainen, Doctor of Social Science, was appointed Director of the Centre. The Centre has now acquired premises in Helsinki, established a secretariat consisting of seven experts and made the operational plans for this year.

"Hybrid threats have become a permanent part of the Finnish and European security environment, and the establishment of the Centre responds well to this current challenge.

Since early July, rapid progress has been made to allow the Centre to begin its operations. The Steering Board will be briefed on the progress at its meeting next week," says Jori Arvonen, Chair of the Steering Board of the Centre.

The Centre will launch its activities at a high-level seminar to be held in Helsinki on 6 September. The seminar will bring together representatives of the 12 participating countries, the EU and NATO. Approximately 100 participants will take part in the seminar. The Centre's communication channel (www.hybridcoe.fi) will also be opened at the seminar. Minister for Foreign Affairs Timo Soini and Minister of the Interior Paula Risikko will speak at the seminar as representatives of the host country. The official inauguration of the Centre will be held on 2 October.

The Centre is faced with many expectations or images. For example, the Centre is not an 'operational centre for anti-hybrid warfare' or a 'cyber bomb disposal unit'. Instead, its aim is to contribute to a better understanding of hybrid influencing by state and non-state actors and how to counter hybrid threats. The Centre has three key roles, according to the Director of the Centre.

"First of all, the Centre is a centre of excellence which promotes the countering of hybrid threats at strategic level through research and training, for example. Secondly, the Centre aims to create multinational networks of experts in comprehensive security. These networks can, for instance, relate to situation awareness activities. Thirdly, the Centre serves as a platform for cooperation between the EU and NATO in evaluating societies' vulnerabilities and enhancing resilience," says Director Matti Saarelainen.

The EU and NATO take an active part in the Centre's Steering Board meetings and other activities. As a signal of the EU and NATO's commitment to cooperation, Julian King, EU Commissioner for the Security Union, and Arndt Freytag von Loringhoven, NATO Assistant Secretary General for Intelligence and Security, will participate in the high-level seminar on 6 September.

Currently, the 12 participating countries to the Centre are Estonia, Finland, France, Germany, Latvia, Lithuania, Norway, Poland, Spain, Sweden, the United Kingdom and the United States. EU and NATO countries have the possibility of joining as participant countries.

 $\underline{\text{http://valtioneuvosto.fi/en/article/-/asset_publisher/1410869/eurooppalaisen-hybridiosaamiskeskuksen-toiminta-kaynnistyy-helsingissa}$

During a 2018 visit to the Centre, we interviewed Päivi Tampere, Head of Communications for the Centre, and with Juha Mustonen, Director of International Relations and discussed the approach of the new Centre to the authoritarian states.

The Centre is based on a 21st century model whereby a small staff operates a focal point to organize working groups, activities and networks among the member governments and flows through that activity to publications and white papers for the working groups.

As Tampere put it: "The approach has been to establish in Helsinki to have a rather small secretariat whose role is to coordinate and ask the right questions, and organize the work.

"We have 13 member states currently. EU member states or NATO allies can be members of our Centre."

"We have established three core networks to address three key areas of interest.

"The first is hybrid-influencing led by UK;

"The second community of interest headed by a Finn which is addressing "vulnerabilities and resiliencies."

"And we are looking at a broad set of issues, such as the ability of adversaries to buy property next to Western military bases, issues such as legal resilience, maritime security, energy questions and a wide variety of activities which allow adversaries to more effectively compete in hybrid influencing."

"The third COI called Strategy and Defense is led by Germany.

"In each network, we have experts who are working the challenges practically and we are tapping these networks to share best practices what has worked and what hasn't worked in countering hybrid threats.

"The Centre also organizes targeted trainings and exercises to practitioners.

"All the activities aim at building participating states' capacity to counter hybrid threats.

"The aim of the Centre's research pool is to share insight to hybrid threats and make our public outreach publications to improve awareness of the hybrid challenge."

With Juha Mustonen, who came from the Finnish Ministry of Foreign Affairs to his current position, we discussed the challenges and the way ahead for the Centre.

"Influencing has always been a continuum first with peaceful means and then if needed with military means.

"Blurring the line between peace time influencing and war time influencing on a target country is at core of the hybrid threats challenge.

"A state can even cross the threshold of warfare but if it does not cross the threshold of attribution, there will be no military response at least if action is not attributed to that particular state.

"Indeed, the detection and attribution issue is a key one in shaping a response to hybrid threat."

And with the kind of non-liberal states we are talking about, and with their expanded presence in our societies, they gain significant understanding and influence within our societies so they are working within our systems almost like interest groups, but with a focus on information war as well.

Mustonen: Adversaries can amplify vulnerabilities by buying land, doing investments, making these kinds of economic interdependencies.

"They can be in dialogue with our citizens or groups of our citizens, for example, to fostering anti-immigrant sentiments and exploiting them to have greater access to certain groups inside the European societies.

"For example, the narratives of some European far right groupings have become quite close to some adversaries' narratives."

Question: But your focus is not only on the use of domestic influence but mixing this with kinetic power as well to shape Western positions and opinion as well, isn't it?

Mustonen: Adversaries are using many instruments of power. One may identify a demonstration affect from the limited use of military power and then by demonstrating our vulnerabilities a trial of a psychological affect within Western societies to shape policies more favorable to their interests.

"If you are using many instruments of power, below the threshold of warfare, their synergetic effect can cause your bigger gain in your target societies, and this is the dark side of comprehensive approach."

"The challenge is to understand the thresholds of influence and the approaches.

"What is legitimate and what is not?

"And how do we counter punch against the use of hybrid influencing by Non-Western adversaries?

"How can we prevent our adversaries from exploiting democratic fractures and vulnerabilities, to enhance their own power positions?

"How do we do so without losing our credibility as governments in front of our own people?"

Clearly, a key opportunity for the center is to shape a narrative and core questions which Western societies need to address, especially with all the conflict within our societies over fake news and the like.

Mustonen: Shaping a credible narrative and framing the right questions is a core challenge but one which the Centre will hope to achieve in the period ahead.

"We are putting these issues in front of our participants and aim at improving our understanding of hybrid threats and the ways we can comprehensively response to the threats."

The Authoritarian Regime Approach

These two approaches – military enabled (hybrid war and "gray zone" con-ops) – and direct infrastructure engagement – lay a solid foundation for the authoritarian powers to engage effectively in information war, another key element of challenging the European democracies.

This challenge was the focus of a study published in 2018 written by Thomas Mahnken, Ross Babbage, and Toshi Yoshihara which was entitled "Countering Comprehensive Coercion: Competitive Strategies Against Authoritarian Political Warfare." [1]

"Authoritarian regimes in Beijing and Moscow have clearly committed themselves to far-ranging efforts at political warfare that hope to achieve the ability to comprehensively coerce the United States and its allies.

"Only by clearly and frankly acknowledging the problem and organizing the respective governments to respond do we stand a chance of defending fee societies from these sophisticated efforts at manipulating public opinion and the decision-making pace of elected officials and government policy makers."

One of the authors of the report, Ross Babbage, discussed with us further how he looks at the challenge.

"For the liberal democracies, there is a pretty clear break between what we would consider war and peace.

"For the Chinese and the Russians, there is not quite the same distinction.

"They perceive a broad range of gray areas within which political warfare is the norm and it is a question of how effective it is; not how legitimate it is.

"They are employing various tools, such as political and economic coercion, cyber intrusion, espionage of various types, active intelligence operations and so forth."

Shaping a purely military response to the new challenges posed by direct defense in Europe is a necessary but not sufficient response to the threats posed by the 21st century authoritarian states.

Babbage went on to identify in the interview how we might repond.

What can we do to actually stop this and fix it?"

At present we are not telling the story of foreign political warfare broadly enough within our political and economic sectors.

We've got to improve our information operations. We need to throw sunlight on what these guys are doing and do so in a comprehensive and sustained manner.

Beyond that effort, I would identify a number of potential components of what one might call an effective counter strategy.

First is a denial strategy.

Here the objective is to deny, not just the operations and make them ineffective, but also to deny the political benefits that authoritarian states seek to win by conducting their operations.

Second is a cost imposition strategy.

We need to find ways to correlate their behavior with an imposed cost. We need to make clear that if they are going to behave like this, it will cost them in specific ways.

Third is focused on defeating their strategy, or making their strategy counterproductive.

We can turn their strategy on its head and make it counter-productive even within their own societies.

Their own societies are fair game given the behavior of the of our combined assets Russians and Chinese.

Fourth is to make it damaging, and even dangerous, for authoritarian regimes to sustain their political warfare strategy.

Authoritarian regimes have their own vulnerabilities and we need to focus on the seams in their systems to make their political warfare strategies very costly and risky.

And we need to do this comprehensively as democratic allies.

There's no reason why we can't coordinate and cooperate and make the most of our combined resources, as we did in the Cold War.

But do we have the right tools and coordination mechanisms for an all-of-alliance strategy to work well?

In my view, the Western allies have a great deal of work to do.

A Danish Perspective

During a conference held in Copenhagen on October 11, 2018, the Danish Minister of Defence provided an overview on how the government views defence and security, particularly challenges in direct defence of Denmark and Europe – cyberwar posed by Russia and the need to enhance infrastructure defence are of key concern.

The lines between domestic security and national defense are clearly blurred in an era where Russians have expanded their tools sets to target Western infrastructure. Such hidden attacks also blur the lines between peace and war.

Within an alliance context, the Danes and other Nordic nations, are having to focus on direct defense as their core national mission. This will mean a shift from a focus on out of area operations back to the core challenge of defending the homeland.

Russian actions, starting in Georgia in 2008 and then in the Crimea in 2014, have created a significant environment of uncertainty for European nations, one in which a refocus on direct defense is required.

Denmark is earmarking new funds for defense and buying new capabilities as well, such as the F-35. By reworking their national command systems, as well as working with Nordic allies and other NATO partners, they will find more effective solutions to augment defensive force capabilities in a crisis.

It was very clear from our visits to Finland, Norway and Denmark over the past few years, that the return to direct defense has changed as the tools have changed, notably with an ability to leverage cyber tools to attack Western digital society to achieve political objectives with means other than use of lethal force.

This is why the West needs to shape new approaches and evolve thinking about crisis management in the digital age. It means that NATO countries need to work as hard at infrastructure defense in the digital age as they have been working on terrorism since September 11th.

New paradigms, new tools, new training and new thinking is required to shape various ways ahead for a more robust infrastructure in a digital age.

Article III of the NATO treaty underscores the importance of each state focusing resources on the defense of its nation. In the world we are facing now, this will mean much more attention to security of supply chains, robust security of infrastructure, and taking a hard look at any vulnerabilities.

Robustness in infrastructure can provide a key defense element in dealing with 21st century adversaries, and setting standards may prove more important than the buildup of classic lethal capabilities.

A return to direct defense, with the challenge of shaping more robust national and coalition infrastructure, also means that the classic distinction between counter-value and counter-force targeting is changing. Eroding infrastructure with non-lethal means is as much counter-force as it is counter-value.

We need to find new vocabulary to describe the various routes to enhanced direct defense for core NATO nations.

A new strategic geography is emerging, in which North America, the Arctic and Northern Europe are contiguous operational territory that is being targeted by Russia, and NATO members need to focus on ways to enhance their capabilities to operate seamlessly in a timely manner across this entire chessboard.

In an effort to shape more interactive capability across a common but changing strategic geography, the Nordic nations have enhanced their cooperation with Poland and the Baltic states. They must be flexible enough to evolve as the reach and lethality of Russia's air and maritime strike capabilities increases.

Clearly, tasks have changed, expanded and mutated.

An example of a very different dynamic associated with direct defense this time around, is how to shape a flexible basing structure.

What does basing in this environment mean? Can allies leverage national basing with the very flexible force packages needed to resolve a crisis?

One of the sponsors of the Danish Conference was Risk Intelligence, provide a very cogent perspective on how to look at the challenge.

Their CEO, Hans Tino Hansen, a well-known Danish security and defense analyst explains the new context and challenges facing the Nordic countries:

"We need to look at the Arctic Northern European area, Baltic area, as one. We need to connect the dots from Greenland to Poland or Lithuania and everything in between. We need to look at the area as an integrated geography, which we didn't do during the Cold War.

"In the Cold War, we were also used to the Soviet Union and the Warsaw Pact being able to actually attack on all fronts at the same time, which the Russians wouldn't today because they are not the power that they used to be.

"And clearly we need to look beyond the defense of the Baltic region to get the bigger connectivity picture."

He went on to assert the need to rethink and rebuild infrastructure and forces to deal with the strategic geography that now defines the Russian challenge and the capabilities they have [...] to threaten our interests and our forces."

Evaluating threats across a spectrum of conflict is the new reality. "We face a range of threats in the so-called gray area which define key aspects of the spectrum of conflict which need to be dealt with or deterred."

A system of crisis identification with robust procedures for crisis management will go a long way towards effective strengthening of infrastructure in the face of the wider spectrum of Russian tools.

"A crisis can be different levels. It can be local, it can be regional, it can be global and it might even be in the cyber domain and independent of geography. We need to make sure that the politicians are not only able to deal with the global ones but can also react to something lesser," Hansen says.

"The question becomes how to define a crisis.

"Is it when x-amount of infrastructure or public utilities have been disrupted or compromised?

"And for how long does the situation have to extend before it qualifies as a crisis?

"This certainly calls for systems and sensors/analysis to identify when an incident, or a series of incidents, amount to a crisis. Ultimately, that means politicians need to be trained in the procedures necessary in a crisis similar to what we did in the WINTEX exercises during the old days during the Cold War, where they learned to operate and identify and make decisions in such a challenging environment".

In short, the Russian challenge has returned – but in a 21st century context. that incorporates incredibly invasive infrastructure threats.

Direct defense strategies must include these threats as part of any comprehensive national security concept.

Strategic Communications and Resilience – Speech by Director Matti Saarelainen

"This morning I'm going to take my 10 minutes to talk about three things:1) How states and institutions can response to Hybrid threats effectively (and Strategic Communication's role in that)

- 2) Where EU and NATO can improve their response to Hybrid Threats
- 3) What the Hybrid CoE is doing to enable Member States and the institutions to build capability in this area
 - 1. How: Given the theme of this conference I wanted to focus on the centrality of communication to effective Hybrid response. A few thoughts.

Separation anxiety- Strategic Communication suffers from a degree of separation anxiety- it is often treated as a separate field, with separate experts and communities. But at Hybrid CoE we see it as an intrinsic part of the response.

Effective resilience requires an open conversation with our population about unfolding Hybrid events (and our response to them) which maintains trust in our values, democratic processes and governance structures. Resilience also requires persuasive communications as we prepare our populations- campaigns which encourage them to change their behaviour and improve their own personal resilience are critical- whether we are asking them to put aside peanut butter or improve password security.

Separately, Effective deterrence of Hybrid threats requires States to demonstrate: resolve, coherence, capability, agility, willingness to attribute and desire to act in concert. To shape the adversary's perception, we need to make sure our actions are effectively communicated- to achieve ultimate impact. Our strategic communicators are best placed to do this.

All this speaks to the importance of strong- connective tissue between strategic communicators, policy makers and the intelligence community. They should not be an afterthought in the national or institutional crisis response structures. They should be at the policy making table, thinking not just about how to communicate the government or institution's response but what that response should be. They also need to be in close contact with the intelligence community. Strategic communicators often have a detailed understanding of the open source debate surrounding a Hybrid event (and access to the tools required to analyse it). Given the challenge of information sharing within and between governments open source material can and should be the bedrock of our resilience and deterrence strategy. A strong relationship between these two communities will ensure it is effectively leveraged.

2. Where: Mr. Chairman, you asked me to focus on where I think the EU and NATO response was strong and where there was room for improvements. Hybrid CoE has a unique perspective,

being neither EU, nor NATO and given one of our core goals is acting as a neutral facilitator between the two. A couple of thoughts on each.

On strengths, I want to pause a moment on vulnerabilities and values. Often the values which are central to these institutions: respect for human rights, strong democratic institutions, the market economy, freedom of speech and media and rule of law are singled out as intrinsic vulnerabilities. And there is no doubt many of these have been exploited by our adversaries for their own ends. But they are also the values with which we won the Cold War. They are in fact our strength. They form the foundation of our resilience as institutions (and the resilience of the member states within them). It is both glib and true to say we need to be better about communicating them.

On a more practical level, EU and NATO have developed a strong set of commitments and actions on countering Hybrid Threats. There is a good level of awareness of Hybrid and political will, at the most senior levels, to address it. The key now is to implement these effectively and and communicate that implementation with impact. While initiatives are key, it is their implementation which will shift the dial.

And with that I turn to a discussion on where the collective response could be improved... At our inauguration Commissioner King encouraged the Centre to be challenging... So, in that spirit a few areas for the EU and NATO to consider.

Hybrid threats are full spectrum in nature. The use of multiple means in coordination and with malign intent to achieve a political ends requires a coordinated response. At Hybrid CoE, when we talk about deterrence our underlying principle is that we will most effectively deny the benefit or impose cost on our adversary if all aspects of government and society are coordinated in their response. The same is true at the institutional level. Between them, EU and NATO have the capabilities to detect and respond to a hybrid attack. They also have the tools to effectively impose cost and deny benefit to the adversary. There is still a need at a strategic level to have discussions between the two organisations about using these capabilities and tools in a coordinated and coherent way, as part of a campaign to protect the values that are central to the institutions. So strategic level discussions about a coordinated response is key.

This however requires a whole of institution response to Hybrid within each organisation. The bureaucratic vulnerability, as we call it at the Centre is the single biggest spoiler in any actor's response to Hybrid threats. Siloes, blocks and poor information flow hampers response. On the EU side this means coherence between the Commission, EEAS, Council and Parliament and on the NATO side this is fusion across the civilian military divide. Both organisations are restructuring their approach to Hybrid internally, so we are keen to see the results. The logical extension of this is the creation of informal communities across the organisations (more on that later).

Agility is also key in cross institutional response and where there is always room for improvement at the national and institutional level. Particularly when it comes to crisis responses and political decision making. The PACE exercises have been key in exercising the organisations alongside each other. There is no substitute for exercising to test agility. Coherent and parallel exercising will remain important and the Hybrid CoE was pleased to support a joint NAC/PSC scenario-based discussion last autumn which tested this agility and provided an opportunity for a strategic discussion about a coordinated response. They will also support the exercises proposed as part of the Finnish EU Presidency.

Member States provide a key role in encouraging and supporting effective institutional response to Hybrid Threats. They also critical to overcoming some of the key barriers to closer institutional cooperation on Hybrid Threats. I continue to encourage all Hybrid CoE Member States to support their institutions in overcoming these barriers and being more ambitious in their implementation of these actions.

3. What the Hybrid CoE does to support the institutions and Member States to improve response.

In the last nearly two years we have focused our work in four key areas which we believe to be key to improving the Euro-Atlantic region's response to Hybrid threats.

Networks: We have built practitioner networks across our 20 member states, EU and NATO and the private sector. These networks train, exercise and share best practice with one another, as well as coordinating action and testing policy response options. We have practitioner networks on: energy, drones, maritime security, technology and hybrid warfare, strategic

communication, open source data, countering hostile states and legislative resilience. A networked response requires a networked solution.

Training: One of the Centre's core goals is to improve the capability of its member states to counter Hybrid threats. Training is an important way in which we do this. We have two flagship training events. One on using open source material to counter Hybrid threats. As I noted earlier, open source material is a critical enabler in building situational awareness and responding to Hybrid Threats. We train analysts and policy makers from across our Member States EU and NATO to analyse open source data and use it as part of their policy response to countering disinformation. We have run this course twice already and will run it on a further three occasions this year. This builds and supports our digital community of analysts across our 20 member states EU and NATO. We also train journalists to counter disinformation (with thanks to NATO support).

The second flagship training is on countering electoral interference. Elections, as I need not tell this community, are particularly susceptible to Hybrid attack. The two day event aims to bring together strategic communicators, intelligence and other government practitioners involved in securing elections- it and exercises them together. Facebook and Microsoft are our private sector partners. This roadshow will take place in six capitals this year.

Exercising and scenario based discussions are mainstreamed in most of our activities because they are so critical to ensuring agility and testing the ability to coordinate. We have held two strategic multinational exercises on Hybrid Threats with participation of our member states, EU and NATO. We have also held numerous subject specific exercises on everything from de-synchronisation of energy supply networks, to countering electoral interference (and in support of the Romanian Presidency last week hosted an exercise on mass casualties – to support EU and NATO crisis response). In addition to running our own exercises we run them for institutions- the NAC/PSC scenario-based discussion is a case in point. We also support others with scenario development.

Trend Mapping and Intellectual Matchmaking: There are plenty of actors out there willing to admire the problem but at Hybrid CoE we are actively engaged in trying to counter it. Trend mapping has been key to this. We have a unique methodology for doing this which brings nominated academic experts from across our Member States (we call them our expert pools) together with practitioners working on that topic to map emerging trends in the Hybrid landscape. In Madrid last week we held a trend mapping exercise in this academic/practitioner format behind closed doors on Russia. We find this intellectual matchmaking the most effective way of ensuring cutting edge academic thinking makes it into the policy making bloodstream.

High Level Retreat: Finally, we host an annual EU/NATO high level retreat in Helsinki for senior leaders from both organisations. This outcome focused event gives staff from both organisations the chance to talk (beyond the confines of staff to staff cooperation) about emerging challenges and how the two institutions can develop a collective response.

It has been a pleasure to address you this morning. At the Centre we aim to lead the conversation on Countering Hybrid Threats. I look forward to hearing what follows."

[1] https://csbaonline.org/research/publications/countering-comprehensive-coercion-competitive-strategies-against-authoritar

Do France and Germany Speak for Europe on Defense?

03/19/2019

By Robbin Laird

There seems to be a persistent assumption in Paris and Berlin that the two largest states in Europe speak for Europe on defense.

President Macron is clearly committed to this notion and his calls for a true European Army really are reduced in large part to the relaunching of the Franco-German initiative and projects like the Future Combat Air System.

Chancellor Merkel has certainly overseen the expansion of German power within Europe as the EU has expanded and has persistently downplayed the importance of defense within the overall evolution of Europe.

President Trump has provided a useful foil to pose the need for greater "European autonomy" to deal with defense, given American uncertainties.

What seems to be neglected in all of this is less Trump than Putin, something not missed in the Nordic region or what used to be referred to as Eastern Europe.

But do France and Germany really represent Europe on defense and its future?

Such a claim made in Berlin and Paris overlooks the situation of the most significant defense player in Europe, namely, the United Kingdom.

The struggle over Brexit continues and the uncertain relationship of Britain to the continent will certainly affect the future of the defense of the European continent.

Already it is clear that a post-Brexit British defense policy is focused on national defense and the UK's role on the flanks, rather than on the continent.

This would highlight key changes which can happen in Germany with regard to continental defense.

And what is happening there?

We learn from recent press pieces that the very modest increases proposed by Germany are perhaps overall optimistic.

We also learn that Trump is used once again as the crutch to not deal with what is your national interest and certainly in terms of projected European leadership on defense.

Ms. Merkel publicly pledged last year to increase German military expenditure to 1.5% of gross domestic product by 2024 and bring it closer to the 2% level members of the North Atlantic Treaty Organization have <u>set themselves as a target</u>. The promise followed mounting and increasingly overt pressure by Washington under Mr. Trump.

Berlin currently spends about €43 billion (\$49 billion) or over 1.2% of GDP on defense. Under the new budget plan, unveiled by the finance ministry Monday, the spending would rise to 1.37% of GDP next year, but then decrease again to 1.33% in 2019, 1.29% in 2022 and 1.25% in 2023.

The draft budget includes €44.7 billion in spending for the Defense Ministry, well under the €47.2 billion Defense Minister Ursula von der Leven had requested—and communicated to NATO—according to lawmakers who had seen the draft.

"The commitment we have made to NATO states that spending should reach 2% if the budget conditions allow for it. We haven't abandoned the target but it remains a challenge that the federal government wants to master," said a senior government official.

The same article notes that "Berlin is pushing for Europe to chart a more independent geopolitical course."

But clearly a strong defense capability is not part of that push from Berlin's perspective.

Even more striking are the comments made by the current French defense minister in Washington, Florence Parly.

What always amazes me is that comments made in DC by a foreign visitor seem to be the only reality most journalists focus upon than that foreign visitor is in DC.

There is a bigger context, including the country they are from.

The current Macron government is decidedly unpopular and facing a significant internal set of challenges and threats.

No observer of France for a long time would expect a low growth country with significant domestic upheaval and losing its key European defense partner from the core of Europe to be able to lead a European defense effort.

Yet that is what the defense minister claimed as she went on a defense of European autonomy as the European trump card to play against the uncertainties of the United States in her speech to the Atlantic Council.

One searches in vain for a single mention of Brexit and how France is going to "lead" with their major defense partner on the exit ramp from the European Union.

To their credit, both the UK and French governments are working hard on ways to do so, but my point is simple — what does this have to do with a European Army or enhanced European sovereignty a la the EU?

And even more predictably she went out of her way to criticize the F-35 element of enhancing European deterrence and accusing Washington of pushing F-35 sales as opposed to supporting Article V.

One could point out that the F-35 coalition is largely the former F-16 coalition plus Britain.

So a little history lesson for the Minister might be necessary for her.

What are the prospects that France will build up its defense capability to defend Germany, for example?

France is relying on its nuclear force for the direct defense of France against any direct Russian threat.

How does that work out for Germany and its defense approach?

Clearly, missing from all of this of course are the "bad" European states like Poland which face Russia directly.

Poland is often accused of not following "European values" but last I looked they are sandwiched between those states practicing "European values" and the Russians who are a pure play authoritarian state.

If Germany fails to recover its military capability, it is very unlikely that it is part of an effort to lead Europe on defense.

The reality is that neither Germany nor France speak for European defense.

Full stop.

The leaders of direct defense in Europe are the Nordics, the UK and the struggling states East of Berlin.

For France and Germany to lead European defense, they need to deliver capabilities which can deter the Russians.

To play chess with Putin, you need to do more than simply become more energy dependent on him.

 $\frac{https://www.atlanticcouncil.org/blogs/new-atlanticist/a-message-from-france-to-united-states-don-t-be-afraid-of-european-autonomy}{}\\$

French Nuclear Weapons and Deterrence in Post-Brexit Europe

02/25/2019

By defense.info

The Cold War has not returned; but the Russians have.

And the nature of the Russian challenge has changed along with it.

With the gaping holes in European defense capabilities and the with the United States working to repair the focus on the land wars, there clearly is a major gap in a credible continental deterrent force.

In this sense the ability to combine hybrid warfare means, significant offensive strike missiles, and an ability to blend in low-yield nuclear weapons in the mix are designed to give the Russians flexibility in coercing European states.

With such an approach, how can European states, European NATO and the United States enhanced a credible warfighting approach which can deter the Russians?

Unfortunately the current state of much thinking in Europe is that the challenge is to keep legacy arms control in place and to have a slow roll approach to conventional deterrence.

Such an environment is an ideal one for the Russian approach to using military power for political gain.

But what might a credible US and European offensive-defensive capability which could leverage nuclear weapons in a crisis look like?

We recently posed this question in a look at the role of nuclear weapons in the return of direct defense in Europe.

Clearly, the Brexit dynamic has exposed, triggered or opened up disaggregation dynamics within Europe as a whole.

For the Brits, their independent nuclear deterrent is perhaps enhanced in its importance for the direct defense of Britain although what its future will be within the evolving defense force and strategy remains to be seen.

The aspiring Franco-German defense initiative naturally raises the question of what role French nuclear weapons could play in a broader European role.

The French nuclear doctrine has always been centered on a national deterrent and the force structure in both numbers and kind have reflected this last resort approach if somehow the Soviets and now the Russians would confront Europe without a credible American nuclear deterrent.

A recent article in <u>DW</u> has asked the question "Could France Take the Lead in Europe's Nuclear Security?"

We are in the midst of a new nuclear arms race — that much is clear from this year's Munich Security Conference.

There is also growing doubt over whether the US can guarantee Europe's security.

Who will fill the gap?

Behind closed doors, down a long, winding hallway at the Bayerische Hof hotel — home to the Munich Security Conference (MSC) — conversations are taking place that are too complex for the public stage. Or perhaps too delicate. One such conversation is "the future of nuclear deterrence in Europe."

Those present for the talks said they focused on the <u>demise of the Intermediate-Range Nuclear Forces (INF) Treaty</u> and Russia's announced intention <u>to restart the development</u> of medium-range rockets.

"Things could get worse than they already are," one participant in the closed-door meeting told DW, referring to the New START treaty between the US and Russia which covers strategic nuclear weapons and is set to expire in 2021.

On the main stage, German Chancellor Angela Merkel <u>reminded attendees</u> that the New START treaty had its beginnings at the MSC in 2009.

The world has changed quite a bit since then.

"With our elementary interests, we will try everything to take steps towards disarmament," she said.

"Because the answer cannot now be to blindly [build more arms]."

Merkel's view that a new nuclear arms race between the United States, Russia and China must be stopped is shared by many Europeans.

It's within this geopolitical context that talks about France's nuclear arsenal are taking place — behind closed doors, of course.

The chairman of the MSC, former German Ambassador to the US Wolfgang Ischinger, called for France's nuclear deployment capabilities to "cover not just its own territory, but the terrority of its EU partners as well."

In addition, the six European NATO members that have the capable aircraft could join together to form a "European nuclear force," wrote Klaus Naumann, a retired four-star general in Germany's military, the Bundeswehr, in an article for the Security Times.

However, Naumann himself acknowledged that France would "never share" its nuclear weapons with the European Union.

And in a recent IFRI report, Emmanuelle Maitre focused on <u>The Franco-German Tandem: Bridging the Gap on Nuclear Issues.</u>

The report focuses on how French and German views on the nuclear dynamic are attenuating and boils down to ways to avoid an out of control nuclear arms escalation process. The concern is clearly with the Trump Administration and perceived responses to or interactions with Russian actions and behavior.

The paper concludes that "in the absence of American leadership, there is an opportunity for the French-German tandem to fill the gap and, through coordinated action and with the EU, advance their priorities in terms of dealing with proliferation crises, revive the non-proliferation regime, and promote the survival of credible arms-control measure.

"On proliferation, the two countries have followed very similar trajectories, and have a history of successful endeavors in advancing their agenda both with the EU and outside it. Given the current crises, their cooperation is all the more needed to help the European Union take a stand on this issue and promote well-crafted diplomatic solutions to proliferation concerns."

The agenda implied by this paper is that of preserving the historical agenda and "achievements," yet how does France and Germany even if they cooperate more closely together actually influence Russian behavior or lead in some way to the reshaping of Trump Administration nuclear policies?

Even more challenging is how does France's nuclear deterrent help in such an effort?

From a deterrent perspective we are left with the challenge which Putin's Russia poses to Europe which is why direct defense of Europe is back on the table.

If neither Germany have credible conventional forces to shape a defense in depth in conventional terms, and with the leadership of France and Germany directly playing off of some of Trump's words to suggest the US is no longer reliable as a partner in European defense, it is difficult to see how coming up with "well-crafted" diplomatic solutions will look anything less than providing reassurance when none can be delivered alone by the diplomatic process.

The Return of Direct Defense in Europe: Russia and the Role of Nuclear Weapons

02/24/2019

By Robbin Laird

Although the Cold War is not back, the Russians are.

And the Russian challenge is being shaped in the context of several key dynamics very different from the Cold War, which place the nuclear question in a different manner than during the Cold War.

During the Cold War, up until its end in 1989, strategic nuclear parity was a key objective for US policy, for reasons of both national and theater defense.

There was a broad consensus in favor of theater nuclear weapons as a means to prevent the Russians from having any illusions that winning a conventional campaign in Europe would leave them unscathed.

The INF conflicts in the 1980s functioned as a prelude to the end of a certain understanding of nuclear deterrence.

Here the Reagan Administration focused on ensuring that the Russians would not believe that there own missiles directly threatening Europe but not the United States would deter the US and its NATO allies from retaliation, even nuclear retaliation.

The decision to deploy land-based strike missiles on European NATO territory was hotly debated and contested but at the end of the day starting to do so was part of the process of bringing the Russians to the negotiating table and would lead eventually to the INF treaty.

At the same time, the strategic nuclear competition was being capped through Russian and American judgments that there was no real political or warfighting advantage to be gained from pursuing significant asymmetries in strategic nuclear arsenals.

In this sense, the US pursued <u>arms control</u> with the Soviet Union really as an adjunct to defense planning, rather than an end in and of itself.

But thirty years have passed since the end of the Cold War.

And it is in THIS period we need to relook at the question of how nuclear weapons are woven into the fabric of European defense.

The European Union expanded and grew, only now to face serious conflict over its future, and with the prospect of Brexit hanging over it.

NATO expanded eastward but without new forces for the direct defense of Europe and the significant reshaping of US and European forces to operate in the Middle East, rather than to defend Europe against a nuclear-armed continental conventional power.

And added to this the rise of a credible rival to the United States in the form of China and the rise of a nuclear power in terms of North Korea, which both have led to shift in US focus and policies, whether it be Obama or Trump,

Now Europe faces a different Russia and with it a nuclear threat in the new context, one in which the currency of nuclear weapons has grown in value.

Thinking the unthinkable has returned; and with it the realization that nuclear weapons as part of great power diplomacy as well as shaping warfighting approaches and capabilities are a key part of Paul Bracken has called the "second nuclear age."

As Bracken recently put it:

"What role will nuclear weapons play in major power rivalry?

International politics and technology suggest that their role will be substantial.

But perhaps nuclear weapons will play little or no role. Cyber, drones, AI, hypersonic missiles and so on might obviate the need for nuclear weapons and shift the locus of competition to these technologies.

Many writings about cyber and advanced technologies seem to make this case, because they essentially ignore nuclear weapons altogether, or suggest that they are "confined" to a very small box of remote possibilities. They may be needed; this argument goes, but only in highly unlikely and largely unimaginable circumstances.

This view of nuclear weapons in major power rivalry is highly appealing.

If we must have nuclear weapons, it offers a way to minimize their impact.

An answer might look like this. Suppose each major power (the United States, Russia and China) had 100 secure, protected second-strike weapons. Nuclear weapons could then be eliminated from the rivalry because there would be no benefit to getting more of them. If a country were to do so, the action would be met immediately, by other major powers responding in kind.

The problem with this perspective is that it narrowly frames the problem of what nuclear "use" really means.

Because the lesson of the first nuclear age, the Cold War, is that you don't have to fire a nuclear weapon to use it.

There are nuclear head games, as Richard Nixon's "madman" behaviour showed during the Vietnam War. The Cuban Missile Crisis alerts, brinksmanship, deterrent posturing in the Taiwan crisis, the US maritime strategy in the 1980s and the Pershing missile threat to destroy Moscow command centres all "used" nuclear weapons.

The purpose was to scare the other side, as with maritime attacks that could destroy a high fraction of a protected second-strike submarine force – the US maritime strategy of the 1980s.

Nuclear weapons were also used for easy rhetorical threats, and to signal anger, if not much else. And they were used for defence on the cheap, to cut expensive conventional forces.

Also, they were used for enforcing a status hierarchy in world order. Only Washington and Moscow went to strategic arms control meetings. Beijing, Paris, London and Delhi weren't invited to this party. This institutionalized the world order into a two-tiered system: the superpowers and all the rest.

Given that there are many ways to use nuclear weapons, when these are considered it seems difficult to accept the naive theory that a new major power rivalry won't also be a nuclear one. Deterrence is only one criterion. It was the most important criterion in the first nuclear age, and probably will be in the second.

But it is still only one criterion.

If we address Russian capabilities, strategy and their focus in the Europe of today versus the Soviet Union of yesterday, the question becomes where does the nuclear capability fit into their toolbox?

Putin's Russia is clearly focused on clawing back its place in the world and to be treated as a great power in Europe for sure.

They may be not that strong economically, but can use military power to redraw the European map without much fear of a European military power by itself pushing back on Russian actions.

Putin's Administration has frequently threatened a nuclear response if a particular European country decided to join in the US mission defense system in Europe.

Putin has repeatedly made the argument that US missile defense systems really are part of the US violations of INF, a bit of a stretch but it is part of his nuclear deterrent approach.

Clearly, Putin have been well schooled in the Soviet approach, has focused on trying to isolate particular European states and to pressure them with the use of a variety of means, and to develop hybrid warfare tools to do so as well.

The build up of the Russian missile arsenal, short, medium and long range, with clear violations of INF limitations are designed less to create a so-called anti-access and area denial capability than an arsenal designed to make the recovery of classic conventional deterrence seem beyond reach in Europe.

The anti-access and area denial bit is really about defending the Kola Peninsula, the largest concentration of military force in the world as well as the always vulnerable "European" Russian area.

But with the gaping holes in European defense capabilities and the with the United States working to repair the focus on the land wars, there clearly is a major gap in a credible continental deterrent force.

In this sense the ability to combine hybrid warfare means, significant offensive strike missiles, and an ability to blend in low-yield nuclear weapons in the mix are designed to give the Russians flexibility in coercing European states.

With such an approach, how can European states, European NATO and the United States enhanced a credible warfighting approach which can deter the Russians?

Unfortunately the current state of much thinking in Europe is that the challenge is to keep legacy arms control in place and to have a slow roll approach to conventional deterrence.

Such an environment is an ideal one for the Russian approach to using military power for political gain.

But what might a credible US and European offensive-defensive capability which could leverage nuclear weapons in a crisis look like?

The French Shape an Evolutionary Approach to Their Future Combat Air System

03/06/2019 By Pierre Tran

In a story first published on <u>February 29, 2019</u>, Pierre Tran provide an overview on the proposed F-4 Rafale upgrade program.

French Armed Forces minister Florence Parly announced Jan. 14 the award of a €1.9 billion (\$2.2 billion) development contract to upgrade the Rafale fighter jet to an F4 standard, while evoking national sovereignty, operational capability and exports as key factors.

That budget was agreed after close negotiations between government and industry, a source close to the talks said.

"This is a guarantee of our sovereignty," Parly said on a visit to the Dassault Aviation factory at Mérignac, next to Bordeaux, southwest France.

"This is a chance for our capabilities," she added.

"It is also a necessary investment to ensure the Rafale's competitiveness for exports in the coming decades and to safeguard the industrial sector for the fighter jet."

Parly said she was proud to be the lead advocate for the Rafale in any prospective foreign deal, adding that the upgrade offered further argument in favor of the French fighter.

Dassault, MBDA, Safran and Thales are the four big companies working on the Rafale.

The main modernization features include a connectivity of data links with French and allied forces, greater detection and identification of threats, and fitting upgraded missiles.

A modernization to F4 was in response to the French Air Force's "evolution of probable threat," said Etienne Daum, manager for aeronautics, defense and security at think-tank CEIS, based here.

The F4 is important as a a step toward to the Future Combat Air System.

The F-4 upgrade is the first technology package which allows the French fighter to fly in a data network until the planned Next-Generation Fighter flies some time after 2035.

That fighter will be a key element in the FCAS, a European project for a system of systems, which will include a mix of piloted jets, unmanned armed drones and smart weapons.

A Rafale upgrade could be seen as a victory of pragmatism over a cultural stereotype of the French character which is said to favor philosophy.

The upgrades are due to be installed in two phases, with a first batch in 2023, followed by a second in 2025, the Armed Forces ministry said in a statement.

That incremental approach is intended to fit the features as soon as they are available, part of a new defense policy.

"The F4 standard is part of the ongoing process to continuously improve the Rafale in line with technological progress and operating experience feedback," Dassault said in a statement.

The work will also allow more weapons to be fitted to aircraft, including Mica New Generation air-to-air missile and 1,000-kg AASM powered smart bomb.

Planned upgrades of the ASMP-A airborne nuclear-tipped missile and Scalp cruise weapon will also arm the F4.

France will order a further 30 Rafale in 2023, with delivery of 28 due by 2024, Parly said.

Dassault will be industrial architect, the company said.

"We will be responsible for implementing innovative connectivity solutions to optimize the effectiveness of our aircraft in networked combat (new satellite and intra-patrol links, communication server, software defined radio)."

There will be also be upgrades to the active electronically scanned array radar, front sector opto-electronic targeting system, and helmet-mounted display, the company said.

There will a new service contract and a prognosis and diagnostic aid system intended to deliver a predictive capability.

Maintenance will draw on the use of Big Data and artificial intelligence.

A new control unit for the M88 engine will be fitted.

The Spectra electronic warfare system and Talios targeting pod will be boosted, the ministry said.

The Direction Générale de l'Armement (DGA), Joint Chiefs of staff and the service wing — Direction de la maintenance aéronautique (DMAé) – worked together to draw up the F4 requirement, seen as essential to maintain French capability with the introduction in Europe of the F-35 joint strike fighter.

France signed a development contract with MBDA for the Mica NG, the company said Nov. 11, 2018.

The weapons is intended to have greater range and sensitivity in sensors, with lower service cost.

First delivery is due in 2026.

Pierre Tran then added a look at the evolutionary approach the FAF is taking towards FCAS in a story published on February 25, 2019.

Negotiations are being held with electronics company Thales and European missile maker MBDA on joining Airbus and Dassault in a joint concept study for the Future Combat Air System, said a source who declined to be identified.

The industrial partners aim to decide who does what, for how much, and with whom, said the source, adding, "We are not far from an agreement."

Airbus and Dassault Aviation, which signed a contract Jan. 31, 2019 with the French and German governments, have agreed on their respective roles in the two-year joint concept study.

French Armed Forces minister Florence Parly, in the company of her German counterpart Ursula von der Leyen, announced Feb. 6 the study, worth €65 million (\$74 million). The ministers were visiting Safran's engine plant at Gennevilliers, just outside the capital.

Parly also announced a €115 million contract for a feasibility study, dubbed Turenne 2, in which Safran will develop new turbine blades for the M88 engine, which powers the Rafale fighter jet.

The new blades are expected to boost the M88's thrust to nine tons compared to the present 7.5 tons.

Safran and its German partner MTU signed, during the ministerial visit, a cooperation agreement to build engines for a Next Generation Fighter, with Paris and Berlin expected to sign this year a contract for an engine demonstrator for the future fighter.

The joint concept study seeks to define architecture and concepts of the Next Generation Fighter, a pack of "remote carriers," and missiles. These elements are due to be hooked up in the Future Combat Air System, a system of systems.

A demonstrator for the new fighter is expected in 2025/26, with the aircraft due to enter service in 2040, the source said.

French, German and Spanish officers gathered Feb. 20 at the offices of Dassault at St Cloud, just outside the capital, in the "kick-off" meeting for the study.

Airbus and Dassault executives also attended.

Spain signed a letter of intent Feb. 15 to join France and Germany, and that is expected to be firmed up to a memorandum of understanding. The Spanish Airbus unit is likely to be the industrial partner.

The partner nations expect to announce at the Paris air show contracts for studies for a demonstrator for the planned fighter, and research and technology for an engine and remote carriers.

Other studies may also be unveiled.

Dassault will take the lead role in the new fighter, which will replace the Rafale and Eurofighter Typhoon.

The new fighter is expected to be in the 30-ton class and be between 15-20 meters long.

The French version will be able to land on aircraft carriers.

For French planners, there are four classes of remote carriers, comprising a large drone weighing several tonnes, a cruise missile, a Smart Glider and a variety of smaller remote systems. That compares with the US, which has drawn up a framework encompassing some 15 different remote carriers.

A remote carrier is an unmanned system which would fly in a first wave of attack and seek to destroy, confuse or disable enemy systems, allowing manned aircraft to fly in.

MBDA unveiled at the previous Paris air show in 2017 its Smart Glider concept, a family of low-cost, unpropelled weapons deployed in "packs" while interconnected with manned aircraft.

The new fighter will be capable of air-to-air, air-to-ground missions and carry a nuclear weapon for the French forces.

Currently, for the Germans, the Tornado can carry the B61 nuclear bomb, with the German government considering the Tornado replacement.

"We, as Dassault Aviation, will mobilize our competencies as system architect and integrator, to meet the requirements of the nations and to keep our continent as a world-class leader in the crucial field of air combat systems," Dassault executive chairman Eric Trappier said Feb. 6.

Dirk Hoke, chief executive of Airbus Defence and Space, said, "Both companies are committed to providing the best solutions to our nations with regard to the New Generation Fighter as well as the systems of systems accompanying it."

Officers of the French Direction Générale de l'Armement procurement office, air force and navy, and their German and Spanish counterparts attended the Feb. 20 meeting at St Cloud.

And the at the Paris air show to be held from June 17-23 is where the companies promised to showcase demonstrators.

Editor's Note: The question of using remotes as the initial entry platform will require low observability, engines which can support low observability, secure data links which can operate in a severely contested environment, and an ability to be appropriately weaponized, and in the case of having non-lethal means of destruction, effective small power plants.

And of course, the remotes will need to operate in a GPS jammed environment as well.

Reworking the Franco-German Arms Export Policies: A Crucial Challenge Facing FCAS

04/19/2019

By Pierre Tran

Paris, France

France and Germany need to update a 1972 joint agreement on arms exports, a bilateral pact which has economic bearing on a planned European fighter jet, the future combat air system or FCAS.

Eric Trappier, chairman of a French aerospace trade association, highlighted the challenge at the French Arms Association press conference on April 18.

The French and German clearance for the foreign sale of weapons should be "harmonized," he said at a news conference on the 2018 results of Gifas.

"French companies are calling for a revision of the Debré-Schmidt treaty," he said.

That update would address the export outlook of the fighter jet in the Future Combat Aerial System, an ambitious Franco-German project.

That bilateral treaty refers to an agreement signed in 1972 by the then French defense minister Michel Debré and his German counterpart Helmut Schmidt, adopting a cooperative approach to selling arms abroad.

Despite that accord, French concerns have risen in recent years over a reluctance in Berlin to clear the sale of German equipment for French weapons, holding up exports for France.

The "German problem" on exports stems from differences between the coalition partners, Trappier said.

Britain and France are relying on German clearances for equipment, he added.

In France, there is broad political consensus on backing arms exports, with defense ministers and presidents promoting French weapons when abroad.

"At a certain time, at the start of development, the issue of exports arises," Trappier said.

"There is an economic reality."

The "internal" European market is not big enough for European companies to recover investment, unlike the U.S. market, which is large enough for American firms working on the F-35 fighter to make money, he said.

"There need to be rules of the game if we are to cooperate," he said.

The rules will cover operational requirements, which will include some specific capabilities, and also exports.

France bans all foreign arms sales, so companies must apply for government clearance from an inter-ministerial committee, dubbed Commission Interministérielle pour l'Etude des Exportations de Matériels de Guerre (CIEEMG).

"It's complicated," he said.

But despite the need, it was unlikely France and Germany will come to a common export agreement in the near future, according to Thomas Gassilloud, deputy of the La République En Marche (LREM), a center right party launched by French president Emmanuel Macron.

Perhaps the two countries could form a "common consultative governance body," Gassilloud argued in a Feb. 2 interview with La Tribune, a business website.

That organization would deliver advice on whether or not to approve French and German arms sales.

France takes into account the German "interest and opinion" on exports and the planned Franco-German tank, dubbed Main Ground Combat System, he said.

On the prospects for Britain later joining the FCAS project, Trappier said, "It is a question of timing."

Britain is tied up in talks on Brexit, on whether or not to leave the European Union, whether on hard or soft Brexit terms, during or after summer, he said.

Whether the UK leaves the EU, the country has its role in European defense.

British companies are members of AeroSpace and Defence Industries (ASD), he said.

ASD is a European trade association in Brussels, lobbying on behalf of aeronautics, space, defense and security companies.

Those British companies are considered European, he said.

"We have told those firms: even if Britain leaves the EU, you will still be considered European," he said.

"The hand of French and European companies absolutely will be held out to you."

It is up to the British and French governments to pursue the 2010 Lancaster House defense cooperation treaty.

"It is the responsibility of France and Great Britain to continue to cooperate" he said.

Britain has announced its project for Tempest, a potential British rival to the Franco-German fighter in the FCAS project.

Dassault will be prime contractor for the new European combat aircraft.

France plans to announce contracts for a fighter technology demonstrator at the Paris airshow, which opens June 17.

Airbus and Dassault are equal partners on a study on concept and architecture of the demonstrator.

Thales, an electronics company, will have a key role in the demonstrator project, French defense minister Florence Parly has added as well.

"I have plans to sign contracts between now and the middle of summer on this demonstrator: in this system of systems, Thales, thanks to its capabilities as an integrator, will play a full role in building the dialogue between the objects connected in this system of collaborative combat," she said April 15.

Parly was visiting a Thales radar factory at Limours, just outside the capital.

Gifas reported a 1.2 percent rise in 2018 sales to €65.4 billion (\$ billion), of which 23 percent was in defense. That compares to sales of €64.2 billion in the previous year.

Exports accounted for 85 percent of sales.

Orders fell 17 percent to €58.2 billion, of which military accounted for 28 percent.

Gifas booked orders worth €68.2 billion in the previous year.

Some 4,000 jobs were created last year, with 15,000 new posts expected this year.

Editor's Note: Discussions with sources in London have confirmed the key concern which Britain also has with German vetoes on commonly built aircraft, in this case the sale of weapons and aircraft to Saudi Arabia.

Britain has tested its unmanned prototypes on Australian ranges in the past, and with the announcement of the new loyal wingman program in Australia, the UK is certainly interested in this program and UK opportunities to work with Australia and export common aircraft.

And Tempest unlike FCAS can draw upon the F-35 program in which the UK is a 15% stakeholder.

If indeed the UK is a "European defense power," then the UK and its involvement in the F-35 logically makes this a key aspect of European industry as well.

With regard to Australia and the UK:

According to Wikipedia, "On 5 February 2014, BAE revealed information on the Taranis' flight tests. The UCAV's first flight occurred on 10 August 2013 at Woomera Test Range in South Australia. This flight lasted for approximately 15 minutes. A second sortie was launched on 17 August, and subsequent flights surpassed expectations for the airframe, flying at various speeds and heights for as long as one hour. By 2014, the Taranis' development costs had reached £185 million, compared to £140 million as originally projected. The Taranis is planned to be operational "post 2030" and used in concert with manned aircraft."

With regard to the UK and its engagement in the F-35 program: According to a recent <u>UK MoD</u> article:

The UK currently owns 17 F-35B aircraft with the reformed 617 Sqn having arrived back in the UK last year, with RAF Voyager aircraft providing air-to-air refuelling on their trans-Atlantic journey. More jets are due in Britain over the coming years, and there is an overall plan to procure 138 aircraft over the life of the Programme.

The F-35 is the world's largest defence programme at over \$1.3 trillion, with UK industry providing 15% by value of every one of over 3,000 jets set for the global order book.

That makes the economic impact greater than if we were building 100% of all 138 aircraft which we intend to buy.

The programme has already generated \$12.9 billion worth of orders and at peak production will support thousands of British manufacturing and engineering jobs.

French Naval Group and the Australians: Working the Cultural Challenges

04/17/2019

By Pierre Tran

Paris

Naval Group (NG) is implementing a change in employee communications and behavior, in a bid to smooth out cultural differences between French and Australian staff working on a US \$34 billion (A \$50 billion) program to build submarines for the Australian Navy, senior executives said.

That drive to improve "intercultural" relations stems from Australians' difficulties in understanding the French way of work soon after NG won a three-way competition in 2016 to build 12 ocean-going boats, dubbed the Attack submarine class.

These undersea vessels for Australia's Sea 1000 Future Submarine Project will be a diesel-electric adaptation of the Barracuda, a nuclear-powered submarine NG is building for the French Navy.

The French company has sold Scorpene submarines and Gowind corvettes around the world, with a transfer of technology to allow local assembly. Among these, Brazil and India are building their Scorpene boats, while Egypt has assembled its first of four Gowind warships.

But this is the first time the company has been asked to rethink its cultural approach, as Australian-French teams were formed and problems of communications unfolded.

Reshaping a Work Culture

The aim is to develop a common working culture built from Australia and France, allowing these submarines to be built on time and on budget.

"Not everyone thinks like the French," said Jean-Michel Billig, NG program director for the Attack submarine.

"We have to make a necessary effort to understand that an Australian does not think like a French person, and that it's not better or worse, it's just Australian."

There is a need to organize the Attack program accordingly, he said. That includes translating French not just into English but Australian English.

There is need to go beyond that, "to speak a common language in cultural terms," he added.

The importance of Australia as a distinct and important region can be seen by The Guardian, a British daily, publishing UK, US, International and Australia editions of its news website.

"Based on discussions, there is a willingness to know the qualities and faults of each other, not to use them but to converge, to find common points so we can work together, so we can deliver." said Yvan Goalou, NG institutional relationship manager.

"There is search for openness and sharing."

There is need for listening and humility, he said. Goalou is a former French Navy commander of both the nuclear-missile and nuclear-powered attack submarine.

Australian Barbecue as Cultural Signifier

An example of Australian culture is the barbecue, an important part of fostering good work relations, Billig said.

There is a reciprocal need for Australians to understand the French sanctity of the lunch break, not just a sandwich snatched at the screen.

Another bid by NG to boost its openness to "Anglo-Saxon culture" is publishing its inhouse magazine in French and English, seen internally as a radical move.

Big companies such as Airbus and Thales may have long published inhouse magazines in English and French, but an NG executive said those firms lack a 400-year history as a state arsenal.

Another need to bridge a cultural gap could be seen in the letter to staff from CEO Hervé Guillou, who referred to initiatives to be adopted after "la rentrée."

It had to be explained to Australians la rentrée that refers to staff going back to work in September after the company closed down for the month of August for the traditional French holiday. A one-month holiday stunned Australians who thought of a short "summer break."

On the French side, there was surprise to see an Australian insistence on punctuality, that a meeting scheduled for an hour meant just that, not an extra 15 minutes. So when Australians got up and left a meeting whether an agreement had been reached or not, that startled French counterparts.

In France, there is the concept of a "diplomatic 15 minutes," indicating that one is not considered to be late if the tardiness is a quarter of an hour.

NG pursues a "multidomestic" approach as it seeks deals with countries with distinct cultural difference such as Malaysia, Brazil or India, said Arnaud Génin, strategic communications director.

"One would think Australia would be relatively easy because of ease of language, but the cultural difference goes deeper," he said. "We have to work on that."

Preparing French Staff

NG is training some 20 Australians on design and manufacture of the Attack boat at Cherbourg, northern France, and that is due to rise to more than 150 key staff. Some personnel are accompanied by their family and those Australians need to adapt to life in France.

Meanwhile, French staff are preparing to fly to the other side of the world and work in the Australian subsidiary in Adelaide, south Australia, where the boats will be built.

There are some 350 staff working on the program in France, with 100 in Australia.

In France, that staff tally will climb to a peak of 700 around 2021/22 before falling to 200 by 2030, as the work moves to Adelaide, Billig said. In Australia, the staff will rise "smoothly" to 1,500 in five to six years when the manufacturing hits full pace.

The company is developing tools for the intercultural courses, which include two-hour seminars and one-day workshops, Marion Accary, global human resources business partner said.

These aim to prepare French expatriates and their families "how to behave, how to understand and decode," she said. "The staff will learn how to communicate, hold meetings and work in French-Australian teams. Personnel will also be encouraged to take distance from situations which might seem to be conflictual due to misunderstanding."

There is also work in Australia to develop training and communications.

Separate seminars for French NG staff and Australians started last May in Cherbourg. The former includes the history of Australia as a way to explain the behavior of Australians, importance of defense, and strategic significance of the South Pacific for the Commonwealth of Australia.

In France, there is strong staff demand for English language courses. There is interest in learning French in Australia but it is harder to find teachers.

The willingness of French teams to take part in the intercultural program is an indirect indicator of a keenness to overcome cultural problems, Billig said. If there were an "evaporation" of that readiness, that would undermine the program.

Cultural play of Three Nations

NG will work with Lockheed Martin, which will supply the combat management system for the Attack boat. NG does not expect problems in working with the US company, as the French firm has worked with partners on other vessels.

"We will learn by working with Lockheed Martin on this program," he said. "It will be a three-way process of cultural learning."

NG will work with its local partner, state-owned ASC, formerly known as Australian Submarine Corporation, as well as working with the Australian authorities.

Asked if there is a change of business culture, Billig said the Australian program "has pushed Naval Group's ambition a couple of ranks higher in the drive for a multidomestic approach."

That intercultural approach is part of the technology transfer, as Australians want to extend know-how to know-why.

That requires a great deal more than handing over a sheet of paper and say, "Voilà, I have transferred technology," Billig said. It is about explaining the French approach to building a submarine. The French way is not the German or Japanese way.

Current French Submarine Building Approach

The cultural factor is the French intellectual approach to building the submarine, he said. That reasoning led the French to adopt certain methods, allowing the French Navy to deploy a submarine permanently at sea for 47 years.

"That French method is a concentration of history, competence, training, and the French ecosystem," he said. "Part of the technology transfer baggage is having to explain what we do, why we do it this way, and it is not good enough to say you have to do it this way. If you said that, part of the know-how would have evaporated."

That approach is offered to explain why the French aim to use water rather than laser to cut steel and use French rather than Australian steel.

"The French have a welding method, Americans have their own," he said.

NG's dedication to the Attack program reflects the company's need to win — and retain — foreign deals, as the company cannot rely solely on the domestic market. Australia picked the French firm in a competition which drew rival offers from German shipbuilder ThyssenKrupp Marine Systems and Mitsubishi Heavy Industries, which led a Japanese group, backed by the Japanese government.

It is clear NG intends to deliver on the intercultural approach as the Commonwealth of Australia, buyer of the Attack submarine, saw the need to improve communications.

"The client asked for this effort," Billig said.

"This is a key factor for success. It is not for us to be Australian, for them to become French. We keep our roots. We learn the culture of the other."

Editor's Note: This is the initial look at this dynamic between France and Australia.

To be clear, this is not a technology transfer program of an existing submarine.

This is a co-development of a new build submarine.

As such, the opportunity on the French side is to redo, even significantly, how they build new classes of submarines going forward.

And at the heart of the challenge of working through the program is that the Australians intend in this program and in the frigate to build a manufacturing line around digital production of the sort that Naval Group does not currently do.

Different work styles are also at work, whereby the French follow an approach significantly different from the Australians, and there is likely not just to be cross-learning, but the possibility of significant change on the French side as well.

There is a very signifiant opportunity for Naval Group to expand its concepts of operations and production technologies and work appraoch through the program, something useful not just in Australia but in France and globally.

For example, an interesting question in play: What is the nature of the Barracuda being offered to the Dutch Navy and how does it relate to the Australian program?

European Disintegration

02/17/2019

By Robbin Laird

Douglas Webber in his book published this year on the politics of crisis in the European Union looks back over the past decade to assess the nature of the crisis facing the European Union and how key coalitions might shape its future.

As an aside, one should note that Webber's book is a bit of an anomaly in the academic literature on the European Union.

The academic assumption has been the great march forward with regard to integration, which, of course, raises an even more fundamental question about why academic research is often a self-licking ice cream cone.

Webber is to be credited with actually looking at reality and asking some good questions about the crises and how fundamentally they are changing the way ahead for Europe.

He argues that the European Union has a long history of crises; but that the quadruple crises of the recent past are concurrently challenging the integration path.

Those crises are the Eurozone crisis, the migration crisis, the Ukrainian crisis and Brexit.

He argues that Germany has been the clear leader of Europe but that it is only a semi-Hegemon and has provided important but limited leadership across the spectrum of these crises.

One could also add that we are talking about Chancellor Merkel and her governments, which are increasingly challenged to govern Germany let alone lead Europe.

Because of the central role of the German economy in Europe, the Eurozone crisis has been largely managed by Germany; in the Ukraine crisis, Merkel talked frequently with Putin and the German government worked to shape a broader European solution.

Along the way she decided to attack Putin publicly, something which seems to have been put aside for the Nordstream II deal.

With regard to the migration crises, this has blown up as a full-scale set of national conflicts, which really are rooted in the decision to have a free zone of movement but without a clear capability to impede the deluge of refugees from the Middle East.

And the Chancellor sought a German defined European solution which certainly has led to further fractures in the European Union.

With regard to Brexit, the German government helped create the crisis by failing to work with PM Cameron when he was looking for a relatively modest restructuring, but in the crisis has essentially followed or supported a relatively hard line toward the United Kingdom.

The author certainly hopes that further EU integration will occur but comes closer to our work on what we refer to as clusterization within Europe rather than continuing the long march of Brussels led integration.

The author projects two core groups which could shape the next phase of integration.

The first could be a deepened Franco-German partnership.

The second could be a deepened German working relationship with the new Hanseatic league players, the Dutch and the Nordics and of course the UK can come through the back door.

The third possibility which seems highly unlikely given the nature of the crises which have shaped Europe over the past decade, namely a suprational (I almost wrote 'supernatural') great leap forward.

For me, one of the key issues is the Polish-German relationship and how that shapes a way ahead.

And here the fight over "European values" is important but even more so with whether or not Germany is serious about the direct defense of the Central European region.

While it is I am sure invigorating to attack Donald Trump, the problem for Merkel is that the Poles trust the Donald more than her to stand up to the Russians.

Or put another way, with the migration crisis raising fundamental questions of security and the Russians generating both concern and the rebuilding of defense in several parts of Europe, the questions for which the EU has never been very good, namely security and defense will have a determinate impact on the way ahead for European collaboration.

For me, it is less a question of European integration than a question of what kind of European Unions we are likely to see in the period ahead.

https://www.amazon.com/European-Disintegration-Politics-Crisis-Union/dp/1137529466/ref=sr 1 1?ie=UTF8&qid=1550443383&sr=8-1&keywords=european+disintegration+the+politics+of+crisis+in+the+european+union

The End of Europe

02/01/2019 By Robbin Laird

James Kirchik in his book entitled **The End of Europe** reflects on his experiences while living and working in Europe since 2010 to provide a sense of the dynamics of change in Europe and the impact of those dynamics on the European order which has emerged from the post Cold-War world.

He highlights the forces which in his view could thrust Europe into a new dark ages and the forces that are destroying the kind of multi-cultural and multi-national liberal order which has been the historical achievement of West Europeans through 1989.

But as those institutions created for the post-War period and underwritten by American defense, trade and economic institutions have been challenged in the post-Cold War period, how will the European order evolve, survive, mutate or collapse?

The book contains several chapters which look at individual countries and the challenges which these countries are facing, and works from the individual to the general to highlight ways in which the inherited order is cracking and perhaps collapsing.

The style is very readable and the examples very clear and certainly poignant.

It is a very good catalogue of the pressures dismembering the inherited European order.

I would have put the analysis a bit differently from the author in that the challenge to the West European order underwritten by the United States was changed dramatically with the collapse of the Soviet Union and the German-lead expansion of the EU eastward and the American led expansion of NATO eastward.

Was this an example of projecting institutions onto new actors and players who were themselves not easily integrated into the inherited institutions?

And has there simply been a significant leadership failure on the part of the West Europeans who became the German-led Europeans after unification?

And of the American Administrations as well to recognize the lack of fit between what was built before and what needed to be built to accommodate the new actors in Europe?

It must be realized that any of the new old European states have no long tradition of democratic experiences or commitment to liberal values.

Much of the material in the book suggest that this is so.

There is an interesting tension between his clear focus on the need to maintain the liberal democratic order and believing there is something inherently rooted in the initial post-Cold War period which would facilitate progress.

Trends in East Central Europe complicate the thesis famously advanced by Francis Fukuyama in his seminal 1992 work, The End of History and the Last Man.

In our post-communist, post-ideological age, Fukuyama argued, no viable alternative exists to a liberal democratic political system married to regulated free-market capitalism; the only foreseeable political disputes concern how best to manage this arrangement.

While the past two decades have proved Fukuyama's thesis to be premature when applied to less developed parts of the world, recent trends in Europe show that not even Western democracies are immune to serious regression.

I would argue that it was not premature; it was and is dead wrong and reflected the misguided approach to simply adding members to the EU and NATO clubs without seriously considering the consequences for those institutions themselves.

And when he discusses Poland and Hungary and their crises of democracy, this misses the core point, namely, that they simply do not have democracy as experienced by Western Europe for the fifty years following World War II.

It was not that long ago — the 1960s to be precise — when analysts were concerned with whether West Germany could really become democratic,

History and culture have their own dynamics and reality and institutions built by the Americans with European state building in the West have proven not easily adaptable to the new entrants to the club.

And the Europeans clearly have NOT been able to deliver what the 1950s Americans could with regard to fundamental institutional change in the newly incorporated states,

European leaders who are the inheritors of the Western liberal democratic tradition need to focus on the adaptations necessary in Europe to keep that tradition viable in the decade ahead.

Rather than using Brexit as a blunt instrument to enforce continued commitment to the Brussels led European order, it is time to recover enlightened nationalism to salvage the liberal democratic order and to provide for a viable defense effort.

The author comes a conclusion which certainly makes sense to me:

"More Europe," the mantra of federalists in response to every setback for their project, need not mean the investiture of more power in Brussels.

"The paradigm for further European integration should more often than not be greater cooperation cooperation along the lines of De Gaulle's "Europe of nation-states," not the strengthening of the Brussels bureaucracy.

"Practically, this would translate into shifting some powers from the unelected European Commission to the EU Council, composed of the ministers of the national governments. "Ever closer union," a clause in the Preamble to the 1957 treaty establishing the European Community which became a major sticking point in the Brexit debate, need not be a religion.

"Forging greater consensus on a common external policy is the most important aspect of integration, as it holds the key to Europe's wielding influence alongside the United States as a liberal world power.²

Even though the direct defense of Europe to deal with the threat of the authoritarianism is not the subject of his book, many of the challenges facing Europe which he highlights do raise the question of how the inherited approach to multilateralism and Article V can survive the kind of fragmented Europe he describes.

What role will shaping a new approach to direct defense play within Europe and who will be the key players as Europe is recast and redefined?

It is notable that the Nordics are considerably more serious about their direct defense than is Germany and can such a gap really sustain European integration or will that work at cross-purposes?

Footnotes

- 1. Kirchick, James. The End of Europe: Dictators, Demagogues, and the Coming Dark Age (p. 66). Yale University Press. Kindle Edition
- 2. Kirchick, James. The End of Europe: Dictators, Demagogues, and the Coming Dark Age (p. 227). Yale University Press. Kindle Edition.

The featured photo shows French Air Force General Andre Lanata delivering his first address as Supreme Allied Commander Transformation during the Allied Command Transformation change of command ceremony at the command's headquarters.

Allied Command Transformation's mission is to contribute to preserving the peace, security and territorial integrity of Alliance member states by leading the transformation of military structures, forces, capabilities and doctrines.

The mission must enable NATO to meet its level of ambition and core missions.

(Photo by Sarah Schulte)