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THE EUROPEAN RAPID REACTION FORCE: JUST HOW SERIOUS ARE THEY?

BY

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THE EUROPEAN RAPID REACTION FORCE:
JUST HOW SERIOUS ARE THEY?

by

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CARLISLE BARRACKS, PENNSYLVANIA 17013

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ABSTRACT

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After reviewing the development of the European security and defense policy (ESDP), this paper assesses the feasibility and progress towards development of the European Rapid Reaction Force - a declared goal of EU countries during their 1999 Helsinki summit. After defining the anticipated requirements of the force, the paper assesses the contributions and relevant geopolitical, economic, and domestic factors involved, focusing primarily on Germany. The assessment includes discussion of the potential for EU/NATO competition for resourcing and whether the EU's Headline goals for the force are achievable.
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THE EUROPEAN RAPID REACTION FORCE: JUST HOW SERIOUS ARE THEY?

European leaders have said again and again that the decisions made at the 1999 Helsinki summit were directed to strengthening European military capabilities and reducing dependency on US involvement in smaller contingencies. This decreases the burden for the United States and simultaneously enhances Europe's strategic flexibility. The European Headline Goals adopted at Helsinki will strengthen NATO, but also call for a European expeditionary force. Such a capability does not exist in Europe today and no force generation process or donors' conference can create it without a significant increase in European defense spending levels and a transformation in the military structure of several European countries. Unless Europe can make the tough choices, the European Rapid Reaction Force will remain a paper tiger.

The purpose of this paper is to describe the European Union's nascent Rapid Reaction Force, evaluate the impetus behind it, identify where it is today, and appraise what is expected of it in the future. I will then present the realities of the domestic and geopolitical environment that are hampering its development. An EU Rapid Reaction Force will never become a reality without the commitment of resources from Europe's three largest defense spenders - the United Kingdom, France, and Germany. This analysis focuses on Germany as the "long pole in the tent." While Germany has one of the strongest economies in the world, its defense spending as a percentage of its GDP is among the lowest in Europe and its military is the least prepared of the big three to project rapid reaction forces. Without a firm commitment from Germany, it will be years before the EU Headline Goals are achieved.

A PERSPECTIVE FROM EUROPE

ESDP

Two years into the new century we find Europe struggling to adapt to a dramatically changed international environment. It has been just thirteen years since the collapse of the Soviet Union and, along with it, the ominous military threat that was poised just beyond the "iron curtain." Efforts to integrate the former East Germany into the Federal Republic have been ongoing for just as long. Former members of the Warsaw Pact and even parts of the old Soviet Union may be invited into NATO and soon the European Union. The European Union has emerged from the Cold War with substantial economic and monetary might and a greater self-awareness. With new global prestige come new areas of interest and responsibilities. Ambassador Marc Otte, head of the European Council Task Force in the Council of the
Secretariat of the European Union, stated that the European Union "has become a political entity whose time has come to develop its own security needs and the means to defend itself." The European Security and Defense Policy (ESDP) was developed by the European Union, external to NATO, from its nascent Common Foreign and Security Policy (CFSP) in order to give Europe more freedom of action in international affairs. But political and resource realities prevailed. European states were split over the form it would take: Britain wanted it subordinated to NATO, but France wanted it fully independent of NATO. An independent ESDP would also provide resources and capabilities redundant to NATO and would come at the expense of the Alliance. In April 1999, NATO made the commitment to reinforcing its European pillar through the development of an effective EU European Security and Defense Identity (ESDI), which could respond to European requirements and at the same time contribute to Alliance security. By assuming greater responsibility for their own security, the European member countries may help to create a stronger and more balanced transatlantic relationship which will strengthen the Alliance as a whole.

THE PETERSBERG TASKS

The idea of a European Rapid Reaction Force (ERRF) began to gain momentum following the creation of the Common Foreign and Security Policy during the EU Maastricht Treaty in 1991. At a June 1992 meeting in Petersberg, Germany, members of the Western European Union, a European alliance structure that predates NATO but has seen little development or operational use, established a new, broader mission that included humanitarian and rescue efforts, peacekeeping, and crisis management involving deployment of combat forces. The European Union within the context of the Amsterdam Treaty adopted the so-called Petersberg Tasks in May 1999. Furthermore, the European Council decided that the European Union must have the capacity for autonomous action, backed by credible military forces, the means to decide to use them, and a readiness to do so with or without NATO. In December 1999, EU leaders at the Helsinki summit established the Headline Goal for the European Union: by 2003, to deploy within 60 days up to 60,000 military personnel, for up to one year, and capable of carrying out the entire range of Petersberg tasks. Today there is significant momentum and support behind this commitment but the European countries lack significant capabilities that will allow them to change from the land-based, highly US dependent, heavily armored, defensive dinosaur of the Cold War era to a relevant, power projection, expeditionary force capable of efficient, and professional execution of the Petersberg tasks.
COLD WAR MILITARY FORCES IN A POST-COLD WAR ENVIRONMENT

During the Cold War, the United States and its NATO allies had about 3.6 million military personnel deployed to repel a full-scale attack on NATO's European fronts by the Soviet Union. The basis of military equipment, doctrine, infrastructure and support was intended to protect the alliance against potential Soviet aggression. While the dissolution of the Soviet Union dramatically reduced NATO's vulnerability to conventional attack, new threats emerged as new states were created and old institutions dismantled. The civil war in the Balkans exemplify almost a worst-case scenario in the new European security landscape. If the conflict in the Balkans was a test of post Cold War Europe's ability to indemnify regional stability, Europe failed. Yugoslavia's collapse into brutal ethnic conflict brought British, French and Dutch units into Croatia and Bosnia. Bound by UN resolutions, a confusion of command, and hesitant governments, these troops proved ineffective and by 1995, under constant harassment by warring factions, and failing to prevent ethnic cleansing, NATO, under the leadership of the United States, intervened. By then what had started as a Balkan conflict had escalated into a NATO crisis.⁵

Four years later the conflict in Kosovo would further illustrate just how ineffective the European countries are when dealing militarily in the region. Their forces could not match American capabilities in surveillance, all-weather precision munitions, and stealth technology. Additionally, lacking strategic lift and a mature logistic infrastructure, they moved into the region slowly and with great difficulty.⁶ They could scarcely muster 40,000 from a military of some 2 million, about 2% of their total military strength, for operations in Kosovo.⁷

THE SHADOW OF KOSOVO

The Kosovo experience highlighted NATO's internal capabilities gap. The air war demonstrated that despite years of talk and paperwork, Europeans still could not back up their economic and diplomatic prowess with military means and were still heavily reliant on the United States to resolve European crises. The dominant American capabilities served to mask undesirable European deficiencies.⁸ Likewise, because of the gap, the United States has continued to shoulder a greater share of the conflict resolution burden. Herein lays an important issue facing the European Union. Not only do the European allies spend 40% less than the United States on defense, the capabilities that investment buys falls much shorter than that.⁹ In 1999, the U.S. spent 3.2% of its GDP on defense while Germany, Britain, and France spent 1.5%, 2.6% and 2.8% respectively. NATO Secretary General Lord Robertson observed, "You cannot buy security on the cheap."¹⁰ In March 1999, Prime Minister Blair noted that "[w]e
Europeans should not expect the United States to have to play a part in every disorder in our own back yard. The European Union should be able to take on some security tasks on our own, and we will do better through a common European effort than we can by individual countries acting on their own.”

Kosovo stands as a reminder of how dependent Europe is on American military capabilities and how the United States remains crucial for the maintenance of the peace and security of the continent as long as Europe lacks the willingness to assume more responsibility for its own defense. This “lesson of Kosovo” stimulated a rethinking of European defense cooperation, not in order to undermine NATO, but to provide the European Union with the military means to support its available diplomatic means.

A PERSPECTIVE FROM NATO

ESDP

The realization of a credible ESDP with the military force to back it up gained significant momentum in late 1998 and into 1999. Britain had characterized Europe’s defense cooperation with respect to Bosnia and Kosovo as “unacceptable” and marked by “weakness and confusion.” Then at the 1998 St. Malo Anglo-French summit Britain ended its longstanding opposition to the European Union developing its own military security identity. With the combined political and military weight of France and Britain, it was possible to envision a credible European security policy. NATO’s Washington summit on April 24, 1999, supported the trend toward a more pronounced and forceful European defense capability. The summit communiqué acknowledged “the resolve of the European Union to have the capacity for autonomous action so that it can take decisions and approve military action where the Alliance as a whole is not engaged.” It was stated that NATO was prepared to make “the necessary arrangements” to give the European Union access to the collective assets and capabilities of the Alliance, as well as to ensure the European Union access to NATO’s planning capabilities. It is important to point out here that while talk of an autonomous European military capability has the support of NATO and the United States, the capacity to evolve such a military force without heavy reliance on the United States and other NATO assets is still quite a ways off. An effective European Security and Defense Policy is required that could respond to European requirements and at the same time contribute to Alliance security.
Over the years the United States has regularly complained that the European allies do not shoulder their fair share of the transatlantic military burden. The issue was exacerbated just before and then following the dissolution of the Soviet Union. The expression "burden shedding" was used to characterize the unilateral cuts by European allies' military resources in the year following Mikhail Gorbachev's address to the United Nations in December 1988 in which he pledged to unilaterally withdraw substantial numbers of Soviet forces from Eastern Europe. The decade that followed found even deeper cuts in military expenditures by European allies. By 1994 the average European NATO defense spending had dropped from 3.6% (1980-84 average) to 2.5 percent of GNP. Germany's contribution was 1.8% GNP. The United States also reduced military expenditures throughout the 1990s: a 27% reduction in military spending between 1990 and 1997 compared to 15% for NATO Europe over the same period. Still the US defense spending remained above 3.6% GDP.

While debate of burden sharing is as varied as the metrics used to calculate a nation's fair share, US military capabilities continued to outdistance its European allies with an ever-widening capabilities gap. The air war over Kosovo is testimony to this indisputable fact. The U.S. Air Force flew 80% of the allied missions and expended 70% of the precision munitions. Chris Patten, the European Commission External Relations Directorate-General, estimates that Europe has just 10-15% of America's practical military capabilities.

This was the fiscal backdrop on the eve of the Franco-British summit at St. Malo in December, 1998. A decade of shrinking military budgets has left the Europeans less and less relevant with respect to capabilities. In response to early efforts to stand up a European military structure, former NATO Secretary General Willy Claus said in 1994, "It is obvious that the sharp decline in most European defense budgets make it inconceivable that Europe could create its own integrated military organization alongside the one in NATO – and it would be a useless waste of money anyway."

CURRENT MOMENTUM BEHIND A EUROPEAN RAPID REACTION FORCE

ADDING POLITICAL AND MILITARY STRUCTURE

At the April 1999 NATO summit in Washington, allied leaders expressed their readiness to allow European Union access to NATO assets and capabilities for crisis management operations where the Alliance as a whole is not engaged militarily. Subsequent European Union summits in Cologne in June 1999 and Helsinki in December 1999 led to important
decisions on strengthening ESDP and the development of an EU rapid reaction capability by 2003. Interim political and military bodies were established on 1 March 2000:

- A standing Political and Security Committee (PSC), to deal with all aspects of the CFSP, including the ESDP. During a military crisis, this PSC will exercise political and strategic direction of the operation—under the authority of the Council;
- A Military Committee (MC), composed of EU Member States' Chiefs of Defense, or their military representatives. The MC will give military advice and make recommendations to the PSC; and
- A Military Staff (MS) to provide the Council with military expertise and support to the CESDP. The MS will perform early warning, situation assessment, and strategic planning for the EU’s conflict prevention and crisis management (“Petersberg”) tasks.

The first meetings of NATO's North Atlantic Council (NAC) and the EU's Political and Security Committee (PSC) were held in Brussels in September and November 2000. During this time, NATO provided military technical advice to the European Union's Headline Goal Task Force, which drew up a catalog of the forces - land, air and maritime - that would be needed for the rapid reaction force. This prepared the way for the first EU capabilities commitment conference, called the Force Generation Conference, held in Brussels on 20 November 2000.

THE EUROPEAN UNION'S FORCE CATALOGUE

At the Force Generation Conference, each member state earmarked the resources it would contribute to the EU's Rapid Reaction Force. Many of these forces were also earmarked for NATO. The Rapid Reaction Force will be able to draw on a pool of over 100,000 troops, some 400 aircraft, and 100 warships. Four major European countries have made the largest pledges to this pool; Germany, France, United Kingdom and Italy. Complementary forces were also volunteered by 15 non-EU European countries, many which hope to join the European Union in the future.

Germany declared up to 18,000 troops, up to 14,000 of which would be ground troops and the remainder air force and navy contingents. The Luftwaffe has committed six squadrons of combat aircraft, 35 transport aircraft, and ground-based air defenses; the naval forces will include 15 warships and a squadron of Tornado naval aircraft.

The United Kingdom could contribute up to 12,500 personnel. Land forces would be either an armored or mechanized brigade sustained up to one year, or an air assault brigade for six months, plus artillery, short-range air defense, attack helicopter, and logistics support.
Maritime forces could include up to 18 naval vessels, including an aircraft carrier, a helicopter landing platform, two nuclear attack submarines, four destroyers or frigates and support ships, plus the 3rd Royal Marine Commando Brigade. Air assets would include 72 combat aircraft, including Royal Navy Sea Harrier attack planes, plus support and transport aircraft.

Italy plans to contribute four army brigades totaling 19,000 troops, of which 12,000 could be in theater at any one time. Maritime forces would comprise 19 warships, including the Italian Navy’s flagship the MM Garibaldi and 22 fixed- and rotary-wing aircraft; a battalion of naval infantry and navy special forces. Air assets include 47 air force aircraft.

France would contribute up to 12,000 troops, about 75 combat aircraft, and 12 warships, including its nuclear-powered aircraft carrier, the Charles de Gaulle. In the area of C3I, France will make available its strategic, operational, and tactical headquarters, deployable (including satellite) communications assets, the satellite imaging capabilities of its Helios satellite, Mirage IVP reconnaissance aircraft, and Horizon heliborne battlefield surveillance system. For strategic transport, it is participating with 29 long- and medium-range transport aircraft and two large amphibious ships.

The European Union also intends to increase its efforts to encourage the restructuring of the European defense industry to make sure that ESDP will have a solid basis for autonomous action and not be dependent upon external - mostly US - military infrastructures and equipment. This force catalog represents EU countries’ commitment of forces in support of missions under NATO or European Union command, the so-called Headline Goal Forces. The forces represented are in the current force structure and use existing capabilities within these nations’ military forces.

Unfortunately, two years after the Brussels Force Generation Conference, the reality is that rhetoric has far outpaced action when it comes to enhancing capabilities. Foreign and Defense Ministers met once again at the November 2001 Capabilities Conference in Brussels. Participants concluded that the Rapid Reaction Force (the Headline Goal Force) would not be operational until 2006-2012. Many capabilities shortfalls cannot realistically be filled before 2008 due to the lead times required in procuring military equipment. Also debated is just how long the European Union can sustain a “high end” operation and whether more than one operation can be undertaken at any time.

NATO’S PARALLEL DEFENSE CAPABILITIES INITIATIVE

In the United States there is an old joke: The three most important things in buying real estate are: location, location, location. NATO's Secretary General,
Lord Robertson, regularly says that he has three priorities for European security: "capabilities, capabilities, capabilities."

—US NATO Ambassador Alexander Vershbow

The European members of NATO launched their Defense Capabilities Initiative in April 1999 to resolve the capabilities shortfalls between the European NATO allies and the United States. A leading factor for the United States pressing for improved capabilities was that in a post-Soviet Union environment, should the alliance be called into military action, it would be outside the traditional sphere of action - central Europe. We have already seen the performance of the alliance when called into action during the Persian Gulf War, into Bosnia-Herzegovina, Kosovo and the air war over Serbia, and now Afghanistan.

Another more important factor is the differential pace of military modernization within the alliance that is rendering some allies less capable of conducting operations alongside each other. General Klaus Naumann, former Chairman of the NATO Military Committee and former Chief of Staff of the German Federal Armed Forces has this perspective of capabilities gap: "European NATO nations have been spending only 60 percent of what the United States spends for defense, grant themselves the luxury of having about 50 percent more personnel in their armed forces, spend only one third of what the United States invests in a well coordinated R&D program without making any attempt to coordinate their national R&D programs, and are surprised to produce not more than 10 to 15 percent of the U.S. power projection capability."\(^{31}\) It is not too hard to envisage that if the capabilities gap is not checked, at some point in the future some allies' military capabilities could become irrelevant or a tiered system of crisis management could evolve where the United States is the country of choice for direct military action while European NATO becomes the peacekeeping/humanitarian assistance force.

The Defense Capabilities Initiative (DCI) targets five capabilities: effective engagement; deployability and mobility; survivability of forces and infrastructure; sustainability and logistics; and communications/information systems. The DCI's success depends upon whether Europeans are willing to spend more, and more wisely, in narrowing the gap between their military technology and warfighting capability, and that of the United States. Today NATO's report card would reflect a failing grade for DCI efforts. Not only have fewer than 50% of the initiatives been achieved. The outlook does not look good for completing DCI, much less resourcing the rapid reaction force.\(^{32}\)

It was noted at the Capabilities Conference in Brussels in 2001, that NATO's DCI is about 70% relevant to the European Union's Headline Goals capabilities requirements. As of September 2001, the DCI's five categories incorporated 59 detailed decision areas. Progress in
each issue has been rated through a traffic light system to indicate if it is on course, having problems or at an impasse. Of the 59 decisions, 29 are listed as green, 22 amber and 11 red, with one black where failure has been acknowledged. Some participants remained skeptical about the EU’s chances of securing agreements which could not be attained within the NATO context.

A 2001 Rand study, *European Military Prospects, Economic Constraints, and the Rapid Reaction Force*, examined the defense economics of ESDP and the Rapid Reaction Force and to a lesser extent the DCI. ESDP (the EU initiative) and DCI (the NATO initiative) both seek to achieve enhanced military capabilities within the RRF. The study looked at defense spending trends of Germany, France, United Kingdom, and Italy.

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*Military Investments = new procurement and RDT&E

**TABLE 1. EUROPEAN DEFENSE SPENDING 1900-1999**

The estimated capital investment (the upfront cost to man, structure and equip) for the RRF (60,000 person force) is between $24 billion and $56 billion (in U.S. 2000 dollars). This number may be conservative since it does not consider the total force required (150,000 – 180,000) nor does it include the operation and maintenance costs (estimated an additional 50%) for equipping the enhanced force. The Rand study concludes that meeting the capital costs of the RRF by 2003 is unlikely and that without substantial reallocations from existing military spending and military investments, the requisite capital costs for the enhanced force cannot be met until the end of the 2001-2010 decade.

**POLITICS**

**GERMAN POLITICS**

Is there an inability or unwillingness for Germany to devote more resources to common security needs that serve both NATO and the European Union? The German geopolitical-
domestic environment continues to influence the future of the European Rapid Reaction Force. Politically and economically, Germany is a key national actor in Europe. If Europe is to succeed in developing a stronger and potentially autonomous security posture, both regionally and globally, it will need Germany to make significant symbolic, political and material contributions. Meanwhile, Germany struggles with the acute resource constraints of the defense sector. Two factors have placed a particularly heavy burden on Germany’s public budgets:

- The post-unification task of rebuilding the infrastructure in the new Länder (states of former East Germany), which has required an annual transfer to the new states of $70 billion or more; and,
- The cost dynamics of Germany's comprehensive welfare system, which together with a marked increase in unemployment has placed a substantial demand on the nation's fiscal resources.\(^3\)

With this as part of the political and economic backdrop, Germany also finds itself in the midst of an ambitious plan to transform the Bundeswehr from a force designed for the defense of German territory into one capable of contributing to NATO and EU-led military operations. Much debate continues on how to fund a large military, how to pay to restructure it, and how to modernize the forces. Complicate these internal dilemmas with new external obligations - supporting NATO operations in Kosovo and now Operation Enduring Freedom in Afghanistan, commitments to DCI, and the EU Rapid Reaction Force – and it is easy to understand why the German public questions an expanded German military role following the end the Cold War. The Kohl government struggled to overcome domestic opposition to deploying German troops abroad while the Schröder government wrestles with the issue of conscription.\(^3\)

CURRENT EFFORTS AT MILITARY REFORM

When the new Social Democratic-Green coalition took power in late 1998, the new Defense Minister, Rudolf Scharping, pledged a reform of the Bundeswehr – the German military forces. A blue ribbon commission outlining a new defense policy and force structure recommended that the Bundeswehr should be reduced to 240,000 soldiers of which only 30,000 were conscripts.\(^3\) The General Inspector of the Armed Forces (the military chief of all German forces) presented a different paper, arguing for a larger force of 290,000 soldiers with 80,000 conscripts.\(^3\) And Defense Minister Scharping came out with another paper that, while accepting most of the proposals made by the Weizsäcker Commission, called for a total of 280,000 soldiers with 77,000 conscripted.\(^3\) The Cabinet approved Scharping's reform concept.
The Schröder government has endorsed a policy of *Bundeswehr* reform that has the following major elements:\(^{41}\)

- Reduce the *Bundeswehr* to a level of 280,000 soldiers;
- Support obligations to the European Headline Goals;
- Consolidate readiness forces, maintain conscription;
- Modernize equipment with top priority given to strategic mobility and deployability and secondary priority given to command, control and communications.

Most experts agree that funding levels are inadequate for the intended reform he has launched.\(^{42}\) Whichever restructure initiative is pursued, the politics of conscription will certainly shape the force.

**THE POLITICS OF CONSCRIPTION**

Currently, 10 months of military service is a national obligation for all German men. Those who refuse to enlist for reasons of conscientious objection perform 13 months of community service instead. As forces are reduced, so are a proportion number of conscripts.\(^{43}\) But as forces are reduced and resources are devoted to creating a leaner and more efficient professional military, how much of the remaining force can be served by conscripts? At what point does the burden of conscription begin to weigh on the professional military’s back? How do you make selection into the conscripted military a fair process when the conscripted force is so small? These are issues that are facing Germany today.

Abolishment of conscription would be necessary if the *Bundeswehr* makes significant force reductions, freeing defense spending for modernization efforts. But conscription serves several purposes. It is viewed as a cost-efficient alternative to a professional Army. Defense Minister Scharping finds conscripts “vital” to the protection of military installations as the professional Army finds itself “strained by reform and foreign operations.”\(^{44}\) German Chancellor Gerhard Schröder views conscription as a national obligation and as a means to tie the military establish to a democratic society\(^{45}\) – a reference to the former militarism that plagued Germany in the past. The chief of Germany’s armed forces, Harald Kujat, argues that the draft enables the military to assess “intelligent soldiers” who might not otherwise join the military.\(^{46}\) Only 51% of Germans support military service while 45% are against it.\(^{47}\) Conscription is also advantageous to recruiting efforts: 50% of the professional military are former conscripts who decided to stay on as officer and soldiers.\(^{48}\) Some parties would like to abolish conscription. With the upcoming elections, politicians are taking a position on conscription. Gerhard Schöder of the Social Democratic Party (SPD) is now considering phasing out the conscription.
Likewise, the Greens, the Free Democratic Party (FDP) and Party of Democratic Socialism (PDS) also support abolishing the draft.49

DEFENSE BUDGETS

DEFENSE SPENDING AND THE GERMAN ECONOMY

An analysis of Germany’s defense budget environment will serve to illuminate the European Union’s fiscal challenges to stand up a rapid reaction force. The burden of unification, immigration, and a major restructure of its military forces are some the resource requirements in direct competition with NATO’s DCI and the European Union’s ESDP efforts. Germany spends less on its defense as a percent of GDP compared to most European countries in spite of having one of the strongest economies in Europe.50 During the past decade, German defense spending fell from 3.8% of the GDP in 1989 to 1.5% in 2000. More cuts are planned for the coming years. Defense Minister Rudolf Scharping stated that this process would continue with plans to reduce the Bundeswehr budget a further 2.5% by 2003.51

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TABLE 2. COMPARISON OF EUROPEAN DEFENSE BUDGETS

The question remains whether Germany can meet its obligations to both the European Union and NATO in addition to its planned modernization efforts while the defense budget is projected to fall over the next three to five years.54 Germany experienced a GDP growth of 1.5% in 1999 then 3.0% in 2000 (still among the slowest in Europe), however there was no growth in 2001.55 In fact, Germany’s economy was 0.1% smaller in December 2001 than it was a year earlier.56 On the optimistic side, a Rand study predicts an annual GDP growth of 2.4%
but still only 1.8% of the GDP on military spending.\textsuperscript{57} This study does not capture the further cuts proposed by Defense Minister Scharping mentioned previously. There are some fundamental problems facing Germany working within such a small budget.

It is generally agreed that 30% of the defense budget is the minimum required to achieve long-term force modernization (investments).\textsuperscript{58} Originally, the investment portion of Germany's FY1999 defense budget was 25.8% with planned growth to 28.8% by 2002. In reality, the investment portion of the budget claimed 25% in 1999,\textsuperscript{59} 25.4% in FY2000, and only 23.9% in FY2001,\textsuperscript{60} well off the 30% goal. If the \textit{Bundeswehr} leadership still sticks to a relatively high personnel ceiling despite the fact that the defense budget is shrinking, there will be an increasing share of the budget used to cover personnel costs. Expenditures for operations and maintenance could also rise due to the expanded international commitments of the \textit{Bundeswehr}. Sustaining crisis reaction and peacekeeping forces in Bosnia-Herzegovina and in Kosovo could well cost DM 2 billion per year.\textsuperscript{61}

Several bills competing for the same shrinking military budget have been identified: cost associated with the capital investments for a rapid reaction force; the cost of restructuring the Germany military; the additional personnel cost as the military transitions to a more volunteer force; the cost associated with adopting a higher-tech equipment mix; and the cost to develop power projection capabilities. The same defense budget that resulted in a large capabilities gap, a result of inadequate federal spending levels, cannot be expected to correct those same deficiencies and fund the all new initiatives.

**BUDGETS AND THE CAPABILITIES GAP**

Stepping back for a moment from Germany and considering the broader scale, Europe itself spends far less than the U.S. on defense. Moreover, the difference in defense budget priorities (operating costs versus capital investment[R&D]) emphasizes a primary cause of a widening capabilities gap. By 1999 the U.S. was spending four times as much on R&D, illustrating Europe's lack of capacity to design future weapons systems and helps explain why it can only produce 10% of the capabilities of the U.S.\textsuperscript{62}
<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>Europe (17 NATO countries)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Defense</td>
<td>(1) R&amp;D Budget</td>
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<td></td>
<td>Budget</td>
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<tr>
<td>1995</td>
<td>274.6</td>
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</tr>
<tr>
<td>1998</td>
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<tr>
<td>1999</td>
<td>252.3</td>
<td>35.3</td>
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</table>


**TABLE 3. R&D EXPENDITURES**

Reductions in defense spending at a time when NATO members are committed to the Defense Capabilities Initiative and ESDP will require Germany to reexamine major investments and/or force structure. There is not much fat in the budget to convert to muscle. Already some French defense analysts have been complaining that German budget cutbacks are endangering the 2003 timetable for establishing the European Union's rapid reaction force.63

**EUROPEAN DEFENSE INDUSTRY**

**REDUCED DEFENSE SPENDING AND INDUSTRY**

One only has to look at the European defense industry to understand why the European allies are only able to produce 10-15% of the warfighting capabilities of the United States. The European industrial base, like most of the military forces and equipment, is still somewhat a Cold War relic. Forces were structured and equipped to defend central Europe. Units knew where they would fight from and who was to their right, left, front and rear. Strategic lift was not required for these forces. Logistics infrastructure and the sustainment base reflected the intense, yet short duration battle. The European allies' non-standard equipment serviced by short supply lines was only a marginal problem in a war that might only last days.

The end of the Cold War saw a redirection of national resources from defense. Investment in new equipment was particularly drastic in Germany where only 18% of the defense budget went to new equipment and R&D compared to from approximately 30% for France and the United Kingdom.64 RDT&E was mortgaged to resource growing operation and maintenance costs of maintaining older equipment. The lack of synergy caused by Europe's multiple defense programs, R&D programs, and requirements generation processes has created an environment of inefficiencies in Europe's defense industries at a time when reduced military spending warrants just the opposite.

A European Rapid Reaction Force that may be called upon to operate in protracted missions over long distances with a mix of European allies can no longer accept the Cold War
low levels of harmonization and standardization. Europe must improve its collective ability to develop and produce state-of-the-art weapons if it wants to close the capabilities gap. More efficiency must be squeezed out of the European defense budget and the European procurement process. But getting European armed forces to agree on what kind of weapons they want, establishing the requirements and specifications, and implementing a succession of defense programs that guide European defense production and eventually a more integrated European defense market is not a simple task.

HARMONIZING NATIONAL MILITARY REQUIREMENTS

Development of a national military requirement for a particular weapon system is affected by factors such as: foreign policy goals, budgetary plans and fiscal constraints, doctrine, equipment design preferences, and industrial considerations, to name a few. Harmonizing these factors, organizations, and interests at the national level is not easy; getting two or more national systems to mutually support a requirement is much harder. Factor in all 17 European NATO countries, some not members of the EU, and the challenge of harmonization grows exponentially. The requirements of foreign partners (to achieve economy of scale) will also affect the final specification of the requirement. National views of weapons' characteristics vary considerably between nations. Geographic position is one such factor. For example, different degrees of proximity to the old Central Front led the United Kingdom and Germany to seek different performance characteristics for fighter aircraft.

Harmonizing in-service dates between several states is also a problem. Some states can wait for a particular system while others need to replace aging or obsolete equipment in the near term. British and Italian air forces could no longer wait for the A400M heavy transport aircraft and took on a number of C-130J's and leased C-17's. Economic conditions change requiring military requirements to be postponed or cancelled. The tendency of states to act unilaterally in this respect can play havoc with procurement programs. The A400M Airbus illustrates the challenges of a European collaboration on a major weapon system.

A400M AIRBUS – A RALLY POINT

The A400M may be a litmus test for how serious the European Union is behind its Rapid Reaction Force. The 4 engine turbo prop aircraft will be needed to provide the power projection and required strategic lift for Europe's crisis action forces. It will also fill a NATO DCI deficiency. Eight allies - Belgium, France, Germany, Italy, Portugal, Spain, Turkey and the United Kingdom - initially agreed to acquire this much needed airlift capability. The Italians dropped out in June of 2001 citing a ballooning budget deficit. As of April 2002, German parliament
has only provided funding for 40 of the 73 Germany pledged to purchase.\textsuperscript{68} One has to wonder if such a high priority program has proven so difficult to underwrite, how less visible efforts will fare.

**THE BUNDESWEHR**

**THE BUNDESWEHR STUDY**

The geopolitical circumstances continue to improve for Germany. For the first time in recent history, Germany is surrounded on all sides by allies and integrated partners; it faces no threat to its territory from its neighbors. Proceeding from this, the federal government commissioned an independent study to examine the armed forces and to draw up proposals for new military structure. The commission examined types of military service, personnel, command and control, organization, equipment, training and finance. The commission was called upon to judge the military capabilities Germany should preserve, enhance or acquire for its foreign and security policy. It was charged to identify medium and long-term solutions to creating "a (1) functional Bundeswehr fit for employment in an alliance role on the basis of a (2) socially acceptable form of military service and to provide it (3) technologically up-to-date equipment within (4) appropriate budgetary bounds. The objective of all the endeavors must be to acquire an operational, modern and affordable Bundeswehr."\textsuperscript{69}

In May 2000, the commission concluded that the Bundeswehr was "...off-balance...too big, ill-composed and increasingly out of step with the times. The Bundeswehr has no future in its current structure."\textsuperscript{70} It cites a surplus of manpower yet a shortage of operational forces. The forces were inadequate to provide the contributions to the international agreements made by Germany's policy makers. The commission called for a complete reform of traditional structures and to make military service "more attractive and competitive in society."\textsuperscript{71} The recommendations that followed were to bring the size, structure, and equipment of the Bundeswehr in line with national and alliance defense crisis prevention and crisis management requirements.

**FORCE STRUCTURE**

The commission came to the conclusion that a restructured Bundeswehr should be able to participate in up to two crisis response operations "simultaneously and indefinitely."\textsuperscript{72} The recommended operational forces are:

- The Army: Two brigade-size operational contingents with the requisite support and command elements (a total of up to 16,000 troops).
- The Air Force: Two operational contingents with a total of 90 to 100 combat aircraft, 10 ground-based air defense squadrons, as well as aerial refueling and airlift components.
- The Navy: Two operational contingents composed of ships, submarines and aircraft and capable of conducting combined naval warfare operations.
- The Medical Service: Two operational contingents with mobile hospital and medical evacuation capacities.

These operational forces would be reinforced with a total operational force of 140,000. The addition of 100,000 support personnel would bring the total active force up to 240,000 personnel. 30,000 of these would be conscripts serving a 10 month obligation. This reduces the number of conscripts from 130,000 (40% of the active force) to create a more professional force. This reform will not be possible without an increase in defense spending. Force structure reductions alone will not cover the costs of relevant Bundeswehr for the future. It will demand an additional $2-3 billion DM increase in defense spending.

CHALLENGES TO FORCE STRUCTURE REFORM

Implementation of Bundeswehr reform is proving difficult. The reform plan adopted by the German Parliament calls for 50,000 more conscripts than the commission report recommended. The army is reducing the number of armored units and increasing the number of light forces. Civilian employment is being reduced by 25% to 80-90,000 which will incur compensation obligations. There is public opposition to the planned layoffs and the proposed closure of 59 unnecessary bases. Germany is finding it increasingly difficult to fulfill its international commitments, such as the A400M transport, Eurofighter, and Meteor missile programs. In the meantime the military is forced to operate its aging equipment even longer, and O&M costs continue to eke out an inefficient portion of the defense budget. In spite of this, a German parliamentary state secretary for defense told the audience at NATO’s Defense and Security Sub-Committee on Future Security and Defense Capabilities at a June 2001 conference that while “...the defense budget was tight, it was adequate to carry out the reform plan.

CONCLUSION

Meeting many of the requirements to make the European Union Rapid Reaction Force fully operational could take years, but its success in creating a credible, capable Headline Goal Force will be a success for Europe and NATO as well. It will improve NATO’s collective
capacity and increase the range of options available to the transatlantic community for solving European security problems. Success of the Rapid Reaction Forces is affected by intra- and international politics and economies. The politics of NATO and the European Union are evidenced with the Greece-Turkey impasse.

If ever there could be a "fly in the ointment" in the attempts to build consensus on deployment of the Rapid Reaction Force, a better example than the Greece-Turkey issues probably cannot be found. Turkey, a member of NATO but not the European Union, wants to be included in the planning of EU-led military operations. Turkey had previously threatened to veto the use of critical NATO assets for EU-led operations. An agreement was drawn up between the European Union and Turkey for consultation in areas of national interest for Turkey, but the so-called Ankara text was rejected by Greece.  

The European Union is planning its first military mission when it takes over the Task Force Fox peacekeeping operation in Macedonia from NATO in September, 2002, but will abandon this operation if the NATO assets issue cannot be resolved.

Without a strategic roadmap, Europe's geopolitical-domestic environment will continue to shape the outcome of the Rapid Reaction Force. Germany's Bundeswehr Reform faces critical review in light of the upcoming September 2002 elections. The Reform faces revision as several implementing concepts have been criticized since it was first published. Analysts predict that without Bundeswehr reform many other programs that Germany has committed to will encounter drastic cuts or delays. Elsewhere in Europe, it remains to be seen the effect the April 2002 elections in France will have on Rapid Reaction Force and defense industry initiatives. Going out with the old government will be Defense Minister Alain Richard, the champion of a European defense industry and pan-European programs such as the A400M military transport, the Tiger helicopter and the NH-90 transport helicopter.

German defense spending, as well as that of other major European countries, is projected to remain relatively flat in the near future. Without capital investment in the Rapid Reaction Force to give it the required capabilities to fulfill all the missions embraced by the Petersberg Tasks, EU-led operations can anticipate the same limitations it encountered in Kosovo. Germany's defense spending in particular will not be able to cover the costs of military restructure, equipment modernization, and at the same time fund key DCI and Rapid Reaction Force initiatives.

Germany is clearly at a crossroads with regards to its defense programs. The success or failure of the European Rapid Reaction Force finds itself squarely on the shoulders of Germany.
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