INSTABILITY AROUND EUROPE

CONFRONTATION WITH A NEW REALITY

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Foreword

The international arena in which Dutch foreign and security policy takes shape is changing both rapidly and radically. Moreover, the significance of international developments is having a substantial domestic impact. Russia's intervention in Ukraine, the rise of Islamic State in Iraq and Syria (ISIS) and the disintegration of Libya have created an 'arc of instability' on Europe's borders that poses a direct threat to its security. The year 2014 is sometimes referred to as a turning point or watershed. Regarding Russia specifically, there is talk of a return of the Cold War or Cold War 2.0.¹ Traditional features of international relations such as geopolitics, power politics and spheres of influence are emphatically back on the scene. Europe's security once again occupies a prominent place in political debate.

These developments have ongoing consequences for the functioning of the North Atlantic Treaty Organization (NATO) and the European Union (EU), the two organisations that have long formed the main frameworks within which the Netherlands sets and implements its foreign and security policy. The crisis in Ukraine seems to have been a wake-up call for NATO. Once again, the importance of peace and security, the significance of transatlantic cooperation and the value of collective defence as NATO's core task are the focus of attention.

The EU was confronted with the conflict in Ukraine at a time when it had barely recovered from the euro crisis. The EU showed a great degree of unity in announcing a substantial package of sanctions against Russia, but it is proving difficult to keep all the member states in line. The conflicts in Syria, Iraq and Libya also pose a major challenge to the EU. The massive flows of refugees heading for southern Europe and the potential danger of terrorist attacks by returning jihadist fighters call for measures at EU level. The instability on both its eastern and southern flanks is forcing Europe to assume greater responsibility for its own security. The strategic rebalancing of the United States (US) towards South-East Asia also means that the EU can no longer avoid this responsibility.²

What does this mean for the international position of the Netherlands? The Netherlands still presents itself as a medium-sized EU member state.³ However, over recent decades its power and influence have waned, and it is doubtful whether it can still claim such status. The various enlargements of the EU and NATO, the changes in the balance of power in Europe, the relative decline of 'the West', the weakening of multilateralism, the reduction in funds for foreign, security and defence policy

- 1 It is striking that six years before Russia annexed Crimea, the British Russia expert Edward Lucas referred to a new Cold War resulting from President Putin's policies. See: Edward Lucas, *The New Cold War: Putin's Russia and the Threat to the West*, London, 2008.
- 2 See AIV advisory report no. 86, 'Asia on the Rise: Strategic Significance and Implications', The Hague, December 2013.
- 3 Letter of 23 February 2015 from the Minister of Foreign Affairs to the President of the House of Representatives: 'State of the European Union 2015', The Hague, Parliamentary Paper 34 166, no. 1, p. 10.

and a diminishing domestic support base are all factors that have helped to reduce the Netherlands' influence.⁴

Although the crises on Europe's eastern and southern flanks display some similarities (such as the presence of weak states), they are different in nature. The fact that these crises are occurring at the same time justifies using the phrase 'arc of instability'. This instability on Europe's borders affects Dutch interests in various fields: national security, economic prosperity and energy security.

The following questions are central to this advisory report:

- 1. How should these developments on Europe's borders be assessed? Is there truly an 'arc of instability' and will it affect Europe for a considerable length of time?
- 2. How should the EU and NATO respond to the challenges on Europe's borders? What options are available and what is the impact of the American shift towards South-East Asia?
- 3. What Dutch interests are at stake and to what extent do the developments on Europe's eastern and southern flanks pose a threat to Dutch security? What is the best way to promote and/or protect these interests? What are the implications for the foreign and security policy and defence efforts of the Netherlands?

This advisory report does not cover Dutch foreign policy in its entirety, but focuses on the implications of developments on the eastern and southern borders of Europe and on Dutch security and defence policy. The Netherlands' role and position in the United Nations (UN) are thus outside the remit of the present advisory report.

Chapter I outlines an analysis of current security developments on Europe's eastern and southern flanks. Chapter II examines the policy options available to the EU and NATO. Chapter III discusses the priorities of Dutch security policy, the way the Netherlands positions itself in the EU and NATO and Dutch defence efforts. Chapter IV sets out conclusions and recommendations.

This advisory report, which is issued by the AIV on its own initiative, was drafted by a joint committee comprising Professor A. van Staden (AIV/European Integration Committee, chair), Lieutenant General (ret.) M.L.M. Urlings (AIV/Peace and Security Committee, vice chair), Professor M.G.W. den Boer (European Integration Committee), T.P. Hofstee (Human Rights Committee), Dr A.R. Korteweg (Peace and Security Committee), Professor K. van Paridon (European Integration Committee), J. Ramaker (Peace and Security Committee) and Professor A.W.M. Gerrits (external expert, Leiden University). The executive secretary was Ms M.E. Kwast-van Duursen, assisted by trainees R.R. Harding and Ms J. Schonewille. Ms C.H.J. Veerman and T.C.A. El-Dardiry acted as civil service liaison officers for the Ministry of Foreign Affairs and Dr H.W. van Santen acted in the same capacity for the Ministry of Defence.

The AIV adopted this advisory report on 24 April 2015.

4 See for example Jan Rood, 'Nederland: zoekend naar houvast in een onzekere wereld' [The Netherlands: Seeking Certainty in an Uncertain World] in Duco Hellema, Mathieu Segers en Jan Rood (eds.), Bezinning op het buitenland: het Nederlands buitenlands beleid in een onzekere wereld [Reflections on the World Abroad: Dutch Foreign Policy in an Uncertain World], Utrecht-The Hague, 2011, pp. 217-224.

Arc of instability on Europe's borders

The security risks on Europe's eastern flank are different from those on its southern flank. To the east, Europe is faced by a region that is scarcely integrated at all in terms of security policy, with several weak states afflicted by internal instability, and above all with an assertive, indeed aggressive Russia that is pursuing a policy of expansion. Russia seeks to expand its sphere of influence in what is known as its 'near abroad', largely corresponding to the former Soviet Union. To the south, European countries are confronted by a wide range of security risks (terrorism, people smuggling, the arms trade, returning jihadist fighters) deriving from weak or even failed states such as Iraq, Syria and Libya, large parts of which are at present under ISIS control. These conflicts and security risks have considerable potential for spilling over into Europe. How should we assess these risks?

I.1 Russia and Ukraine

The Netherlands and the EU can expect little from possible political changes in Russia for the foreseeable future. Over the last decade Russia has benefited from shifts in global power relations, as a more restrained US, an inward-looking Europe and a regionally assertive China offered opportunities for Russia to strengthen its own international position. In doing so Russia has endeavoured to break free from the US-dominated world order. In today's multipolar system, in which the great powers both compete and cooperate on the basis of the greatest possible degree of autonomy, Russia wishes to be treated as an equal partner.

Domestic politics

Russia has a closed political oligarchy dominating an authoritarian regime. Controlling the media, the courts and politics allows Russia's rulers to act intransigently or flexibly, to manipulate public opinion, to take repressive action and to marginalise the opposition. Most Russians expect that change, if it comes at all, will have to emerge from the regime itself. Few Russians are attracted to the Western concept of democracy, with its strong emphasis on individual fundamental rights and political freedoms. The people of Russia may be frustrated by their lack of rights and the bureaucratic arbitrariness to which they are subjected, but they do not translate this feeling into efforts to achieve democracy. There is therefore little likelihood of a 'colour revolution'. It seems that Russia's leaders distrust the people more than the people distrust their leaders. The Kremlin's fear of a Russian Maidan movement is probably much stronger than the actual prospect of such a movement developing.

Russia's political order looks stable. For the time being, the elite has no interest in radical political change and the majority of the population sees no possibility of such change and at present little reason for it. President Putin's conservative about-turn and current nationalist course may be interpreted as a – late – attempt to create a post-Soviet political identity in support of the existing authoritarian order. Nationalism is supposed to create unity and the obedience that the authoritarian leadership believes is necessary to maintain its position in a rapidly changing international environment. President Putin's conservatism and nationalism (or, in his own words, 'the power of our moral superiority') are closely in line with the convictions of a substantial proportion of the Russian people.

President Putin owes his power not primarily to public support (although that is certainly significant), but to the attitude of the ruling elite. He will not find himself in difficulties until a preponderant part of the elite begins to wonder – possibly following large-scale popular protests – if another leader would be better at defending their interests. The AIV does not think it very probable that such a situation will arise in the near future, even though the Russian economy is suffering badly from sanctions and low oil prices. Even if President Putin's position were threatened, the continuity of the present political order would seem to be stronger than any individual leader. In other words, Russia's authoritarian political system will probably outlive President Putin.

Foreign policy

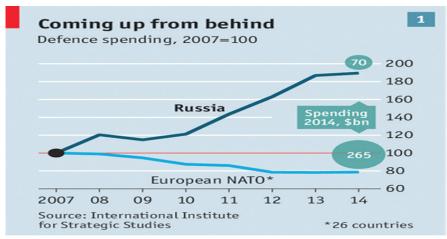
President Putin views the domestic political order, foreign policy and Russia's international position as an inseparable trinity. A strong state is essential for an assertive, self-confident foreign policy, which in turn is essential for an independent, sovereign role on the world stage. Sovereignty is key. It ensures a position of power that permits no outside interference and poses no threat to the domestic political order or the privileges of today's elite. It also ensures maximum international room to manoeuvre, especially in Russia's own geopolitical environment. President Putin believes that NATO's eastward expansion has humiliated Russia and that Russia has been treated as a vanquished opponent. His aim is therefore to ensure that Russia will never again be so weak as to become the plaything of other powers.⁵

President Putin seems to have drawn two conclusions from the war in Georgia in 2008. First, it proved possible to settle a conflict with a neighbouring country by force of arms without seriously damaging Russia's relations with the West. Second, the war revealed the need to modernise the armed forces; expenditure on the military was therefore considerably increased. In 2015 one third of Russia's federal budget will be spent on defence and security. A significant proportion of this is earmarked for the modernisation of Russia's nuclear weapons, which play an important role in Russian military doctrine. Simulations involving small-scale deployment of nuclear weapons have formed part of almost all major military exercises in recent years. Russia also has at its disposal a wide range of methods of waging hybrid warfare. Hybrid warfare is nothing new, but what is new is the way Russia uses it, for example by means of cyber and information operations and by involving energy policy. The priorities of the investment programme are strategic nuclear weapons, fighter aircraft, ships and submarines, air defence, communications and intelligence. 6 The current investment programme runs until 2019. The new one has been postponed for three years because of Russia's financial and economic problems.⁷ The new military doctrine was published on 26 December 2014,

- 'Above all, we should acknowledge that the collapse of the Soviet Union was a major geopolitical disaster of the century. As for the Russian nation, it became a genuine drama. Tens of millions of our co-citizens and compatriots found themselves outside Russian territory. Moreover, the epidemic of disintegration infected Russia itself.' Annual Address of President Putin to the Federal Assembly of the Russian Federation, 25 April 2005. See: http://archive.kremlin.ru/eng/speeches/2005/04/25/2031_type70029type82912_87086.shtml. Retrieved 5 March 2015.
- 6 See: http://www.cfr.org/russian-federation/russian-military/p33758>. Retrieved 3 March 2015.
- 7 Trude Pettersen, 'Economic Crisis Hits Russia's Armament Program', 19 February 2015, see: http://barentsobserver.com/en/security/2015/02/economic-crisis-hits-russias-armament-program-19-02. Retrieved 3 March 2015.

and in many respects resembles the previous one from 2010. However, one significant difference is that the new doctrine assesses the international threat as much more serious, specifically with reference to the perceived strengthening of NATO's offensive capabilities directly on Russia's borders. The doctrine identifies a series of new dangers for Russia: the information war, political destabilisation and possible regime change. In the light of its own actions in southeastern Ukraine, it is remarkable that Russia fears methods of warfare such as the deployment of special forces, the use of non-military assets and the abuse of political protest – in other words, hybrid warfare. Russian bombers (generally with their transponders switched off) and Russian ships are appearing more and more frequently in the skies above and the waters around Europe, and Russia plans to expand these activities. Russian defence spending has increased substantially since 2007. It is true that this expenditure is still much lower than the total amount spent by European NATO member states, but it should be remembered that the latter have much higher personnel costs and that money is wasted because each country maintains a separate defence organisation.

Figure 1 Defence budgets of European NATO member states and Russia from 2007 to 2014^{11}



- Economist.com
- 8 Olga Oliker, 'Russia's New Military Doctrine: Same as the Old Doctrine, Mostly', 15 January 2015. See: http://www.rand.org/blog/2015/01/russias-new-military-doctrine-same-as-the-old-doctrine.html. Retrieved 3 March 2015.
- 9 A transponder a portmanteau word combining transmitter and responder sends signals to air traffic control radar.
- 10 Damien Sharkov, 'Russia to Expand International Patrol Flights', 3 March 2015. See: http://www.newsweek.com/russia-expand-patrol-flights-norway-and-finland-311065>. Retrieved 4 March 2015. For Russia's increased military presence in the Arctic and the region's strategic importance, see AIV advisory report no. 90, 'The Future of the Arctic Region: Cooperation or Confrontation?', The Hague, September 2014.
- 11 The Economist, 'What Russia Wants: From Cold War to Hot War', 14 February 2015. See: http://www.economist.com/news/briefing/21643220-russias-aggression-ukraine-part-broader-and-more-dangerous-confrontation. Retrieved 3 March 2015.

The number of large-scale Russian exercises has also increased. ¹² The Baltic states, in particular, are concerned about Russian military activities and troop concentrations. In November 2014, for example, Russia held an unexpected exercise in Kaliningrad involving 55 ships, 9,000 military personnel, 250 tanks, 100 pieces of artillery, air force units and Iskander (SS-26) tactical ballistic missiles. The Baltic states are particularly afraid that Russia may think itself justified in intervening in their internal affairs at any time on the pretext of protecting Russian minorities. They fear that hybrid warfare techniques will be used, as in Crimea. ¹³

The Lithuanian Minister of Foreign Affairs, Linas Linkevičius, has expressed concern about the Russian military build-up on the border, propaganda aimed at the Russian minority, cyber attacks on websites and companies, and the concentration of armaments in nearby Kaliningrad. President Toomas Ilves of Estonia expressed his concerns about Russia to the *Daily Telegraph*: 'We get exercises [by Russia] that take place behind our borders that have 40,000 to 80,000 soldiers. Yet we are accused of escalating the situation ... and Russia says that it will have to take counter-measures.' He therefore believes that NATO units should be permanently stationed in his country. Britain's Defence Secretary, Michael Fallon, expressed fears that Russia might use the same tactics in the Baltic states as it had in Ukraine. He described the situation facing these countries as a 'real and present danger' and said he was worried 'about his [Putin's] pressure on the Baltics, the way he is testing NATO'. 16

In Russia itself, President Putin's international policy is viewed as a response to what is seen as the West's arrogance and interference. Putin is regarded as a strong leader who is not afraid of a confrontation with the West. From a Russian point of view, 2014 was by no means a bad year in every respect. Relations with China were not visibly affected by the conflict in Ukraine and the annexation of Crimea. The gas deal concluded last year between Russia and China could not have come at a better time politically, despite the relatively low price that China managed to secure. In addition, Russia consolidated its position in the Middle East.

- 12 Thomas Grove, 'Russia Starts Nationwide Show of Force', 16 March 2015. See: http://www.reuters.com/article/2015/03/16/us-russia-military-exercises-idUSKBNOMC0J020150316. Retrieved 29 March 2015.
- 13 Estonia and Latvia have large ethnic Russian minorities (24% and 27% of their respective populations); 6% of the population of Lithuania is ethnic Russian. The proportion of Russian-speaking inhabitants, who largely rely on Russian media, is 30%, 34% and 15% respectively. Agnia Grigas, 'Russia-Baltic Relations after Crimea's Annexation: Reasons for Concern?' Paris, 2014.
- 14 Umberto Bacchi, 'Vladimir Putin['s] Hybrid War in Baltics: Lithuania Calls for EU Unity amid Russian Cyberattacks', 2 April 2015. See: http://www.ibtimes.co.uk/vladimir-putin-hybrid-war-baltics-lithuania-calls-eu-unity-amid-russian-cyberattacks-1494820. Retrieved 14 April 2015.
- 15 'Estonia President Toomas Ilves seeks Permanent Nato Force', 12 April 2015. See: http://www.bbc.com/news/world-europe-32274170. Retrieved 14 April 2015.
- 16 'Russia a Threat to Baltic States after Ukraine Conflict, Warns Michael Fallon', 19 February 2015. See: http://www.theguardian.com/politics/2015/feb/19/russia-a-threat-to-baltic-states-after-ukraine-conflict-warns-michael-fallon#img-1. Retrieved 14 April 2015.

Priority in Russia's foreign policy is accorded to relations with surrounding countries (the former Soviet republics), with a particular focus on Russian minorities. In the short term, the annexation of Crimea appears to have been advantageous to President Putin mainly in domestic politics. Russian influence in Ukraine is assured and developments unfavourable to Russia have at least been slowed. The 'return' of Crimea, or its 'reunion' with Russia – the terms used in Russia to describe the annexation of the peninsula – was received with great enthusiasm in Russia. Apart from the sanctions imposed by the EU and the US, many countries seem to have resigned themselves to the annexation. Russia's direct military intervention has secured lasting influence in Ukraine and ongoing destabilisation. ¹⁷

However, in the long term the advantages seem less obvious. Ukraine's rulers and the majority of its people are now primarily inclined to look to the West, in terms of ideology, economics and security policy. The Russian economy has been seriously weakened. Low oil prices and the imposing of sanctions have caused the value of the rouble to fall. Russian counter-sanctions have led to higher food prices, and the economy is shrinking. This makes it more difficult – but not impossible – to sustain the confrontation with the West for long. The annexation of Crimea may also affect Russia's principal initiative in the region, the Eurasian Economic Union (EEU). Belarus and Kazakhstan, co-founders with Russia of the EEU, now seem considerably less enthusiastic about it than they were. Russia's actions in Ukraine, defended on the basis of its – self-imposed – obligation to stand up for 'Russians' outside Russia, are being keenly watched by countries that have sizeable Russian minorities within their own borders. In addition, Russia's economic problems, especially the rouble crisis, are making close economic cooperation with their larger neighbour increasingly unattractive.

Conclusion

In the AIV's opinion, there is little reason to suppose that radical changes will take place in Russia's domestic or foreign policy in the foreseeable future. The societal impact of the financial and economic crisis may be great, but due partly to the government's large-scale, consistent propaganda operation, for the time being this will not provoke a mass public call for political change or a degree of division within the elite that would pose an immediate danger to the present regime or the current political order. While the conflict with Ukraine is having substantial adverse consequences for Russia, in both economic and diplomatic terms, Russia's national and international position and President Putin's stature in his own country have been strengthened to such an extent in recent years that the Kremlin has insufficient reason to depart from its chosen international policy. Lastly, if the economic downturn continues, partly because of low oil and gas prices, the possibility cannot be ruled out that the Russian president will feel compelled to beat the nationalist drum even more loudly than at present.

The AIV concludes that for a long time to come account will have to be taken of instability on Europe's eastern flank as a result of Russian intimidation. The shadow of Russian military might stretches over Europe's eastern borders. To speak of a new Cold War would, however, be to go too far, since there is no direct threat to the territorial

17 US Army Europe commander Ben Hodges states that there are 12,000 Russian military personnel in eastern Ukraine, 29,000 in Crimea and 50,000 stationed on the border with Ukraine. Sabiene Siebold et al., 'Some 12,000 Russian Soldiers in Ukraine Supporting Rebels', 3 March 2015. See: http://www.reuters.com/article/2015/03/03/us-ukraine-russia-soldiers-idUSKBN0LZ2FV20150303. Retrieved 4 March 2015.

integrity of Europe as a whole; nor is there any sign of a Finlandisation scenario, in the sense of political subordination in the face of superior military power. However, the AIV believes that there is a serious possibility of Russian destabilisation of the Baltic states.

I.2 Middle East and North Africa

For a long time the situation on Europe's southern borders, in the Middle East and North Africa (sometimes referred to as the MENA region), appeared to pose no great security risks to Europe. 18 Now, however, the continuing instability in the region – in particular the civil war in Syria, the rise of ISIS, the violence in Iraq, the anarchy in Libya and the coup in Yemen – is proving to have a direct impact on Europe's security. The Arab Spring did not produce the hoped-for democratic reforms. In Egypt the army deposed a democratically elected president, Mohammed Morsi, his movement (the Muslim Brotherhood) was banned and an authoritarian secular regime was established. The civil wars in Syria and Iraq, the rise of jihadist violence and the escalating conflict between Sunni and Shia communities have created a climate that favours movements like ISIS. The rise of extremist Islamist movements poses a serious threat to the entire region. Organisations linked to al Qa'ida had already existed for a considerable time in Somalia, Yemen, North and West Africa, Syria and Iraq. Extremist Islamist movements have now established themselves in Mali, Tunisia, Libya and Egypt (especially Sinai). Their attraction can be felt as far away as Nigeria, as is clear from Boko Haram's pledge of allegiance to ISIS. The conflicts in Syria and Iraq are influenced, both directly and indirectly, by Iran, Saudi Arabia and Qatar. The first two, as regional great powers, are ultimately concerned with controlling the balance of power in the region. Israel's poor relations with the Palestinians should also be mentioned here. The Palestinian Territories could burst into flames once again. A reprise of the conflict with Hamas in Gaza can by no means be ruled out. In Lebanon Hezbollah is heavily armed, and there too a spark could ignite an explosion. 19

Irag and Syria

In Iraq, the American occupation, the overthrow of President Saddam Hussein, the dismantling of the Ba'ath regime, including the armed forces, and the political marginalisation of the Sunni population created a power vacuum and at the same time provided a breeding ground for rapid gains by ISIS. In Syria the West kept its distance for a long time, and did not impose no-fly zones or humanitarian corridors even after President Assad had crossed President Obama's red line by deploying chemical weapons. Similarly, the opposition was long deprived of support because of its internal divisions and the danger of weapons supplied to it falling into the hands of Islamist extremists.

The threat posed by ISIS became clear after its proclamation of a 'caliphate' in Syria and Iraq in June 2014, its swift capture of territory and the rapid growth in the number of jihadist fighters. The attacks on the Jewish Museum in Brussels in May 2014, on the offices of *Charlie Hebdo* and a Jewish supermarket in Paris in January 2015 and in Copenhagen in February 2015 show that returning jihadists and radicalised young people can pose a direct threat to security in Europe.

- 18 This part of the advisory report is largely based on a previous AIV advisory report: no. 91, 'The Netherlands and the Arab Region: a Principled and Pragmatic Approach', The Hague, November 2014.
- 19 See AIV advisory report no. 83, 'Between Words and Deeds: Prospects for a Sustainable Peace in the Middle East', The Hague, March 2013.

Libya

The situation in Libya constitutes a more serious and direct security risk to the EU than that in Syria and Iraq. The power vacuum left after the NATO intervention and the fall of Gaddafi in 2011 led to complete lawlessness and turned Libya into a failed state. Two governments are fighting for power: the internationally recognised government of General Khalifa Haftar in Tobruk and the Islamist-backed government of self-proclaimed prime minister Omar al-Hassi in Tripoli. Like Syria and Iraq, Libya seems to be the scene of a proxy war, in this case between Egypt and the United Arab Emirates (UAE), allies of General Haftar, and Turkey and Qatar, supporters of Omar al-Hassi. In addition, jihadist movements are active in Libya, such as ISIS, the Salafist Ansar al-Sharia, and al Qa'ida in the Islamic Maghreb (AQIM). The main aim of both AQIM and ISIS is the foundation of an Islamic state in Libya.

The conflicts in Syria, Iraq and Libya are connected to a certain extent through the affiliation of their extremist groups to ISIS. The impact of the anarchy in Libya is being felt far and wide. Libya forms the centre of an international criminal network trading in arms, drugs and people. Ungoverned spaces, terrorism and organised crime are becoming increasingly interlinked. The massive flow of arms from Libya to other African countries, primarily Nigeria and Mali, is alarming. It is said that no fewer than 10 to 15 million small arms are circulating in Libya, which has a population of around six million. The fall of the Gaddafi regime also created scope for large-scale people smuggling and human trafficking in and from Libya, which has thus developed into a nexus of criminal activity. ²⁰

Limited scope for exerting influence

The options available to the EU and the US to help increase stability in Iraq, Syria and Libya are limited. At most, the airstrikes carried out in Syria and Iraq as part of Operation Inherent Resolve have been able to slow ISIS territorial expansion. Accordingly, the only way to land a decisive blow on ISIS is by deploying large numbers of ground troops. President Assad of Syria portrays himself as a partner of the coalition opposed to ISIS and other extremist Islamist groups. So far, Western governments have avoided cooperating with Assad in view of his ruthless treatment of his own people. In practice, however, Western support for the fight against ISIS means support for Assad. There is still no effective strategy for halting the advance of ISIS and promoting stability in Syria and Iraq.²¹ Until recently there was little enthusiasm in EU circles for involvement in the conflict in Libya. This attitude now seems to have turned around with the initiative of Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy (HR), to develop a series of options for military and other action as soon as the different parties reach a political solution.²² The AIV welcomes this higher EU profile

- 20 See: https://frontex.europe.eu/trends-and-routes/central-mediterranean-route/>.
 Retrieved 25 March 2015.
- 21 The EU has developed a regional strategy for Syria and Iraq on the basis of a Joint Communication of the Commission and the High Representative (HR), and has made EUR 1 billion available from the EU budget. See: http://europe.eu/rapid/press-release_IP-15-4222_en.htm. Retrieved 18 February 2015.
- 22 On 16 March 2015 the Foreign Affairs Council invited the HR to present proposals on how the EU could support the peace process. Letter of 25 March 2015 from the Minister of Foreign Affairs to the President of the House of Representatives, The Hague, Parliamentary Paper 21 501-02, no. 1470. Retrieved 30 March 2015.

and would emphasise the importance of solidarity within the EU. All this means that if a stabilisation operation is mounted under EU leadership, the northern member states will also have to make a significant contribution.

The most that can be achieved in the MENA region for the time being is to keep the security risks manageable or to bring about a stable deadlock between the warring parties. From the point of view of European security, the main aim is to rein in political radicalism and terrorism, the proliferation of conflicts, and large-scale migration flows. As in advisory report no. 91, 'The Netherlands and the Arab Region: a Principled and Pragmatic Approach', here too the AIV advocates a realistic approach. Dutch policy on the Arab region should primarily take shape within the EU, no matter how limited the EU's options are. There is a certain asymmetry in interest between the EU and the Arab countries. First, interest on the EU's part and its willingness to help find solutions to the region's problems is greater than the Arab countries' expectations of the EU. Second, Arab countries in need of aid, such as Yemen, have good reason to turn first to wealthy Arab countries like Saudi Arabia, the UAE and Qatar, which in recent years have made far more funding available than the EU. Egypt, for example, has received over USD 20 billion from the Arab Gulf States since the revolution in the summer of 2013.²³ Third, sharp ethnic and religious divisions trouble the Arab countries and political loyalties are determined by deep-rooted tribal and patriarchal structures. Secular elites and the traditionally-minded population are separated by a wide gulf, especially in Egypt, while the growing role of Islam in public life is a complicating factor.

As regards democratisation in the Arab region, as in many other countries where democracy has never existed as a form of government, the concept of democracy should not automatically be interpreted in the sense attributed to it in the West. It implies opposition to regimes that have oppressed and exploited large parts of the population for years far more than establishing a democratic state governed by the rule of law. The idea that a democracy stands or falls by its safeguards for the rights of those who are not in power and its recognition that opposition is legitimate has found very little acceptance, especially where Islam has explicitly been accorded a political role.

Conclusion

None of these obstacles constitutes a reason for political passivity by European countries. Stability on Europe's southern flank is too important for that. However, there is good reason to draw a sharp distinction between short- and long-term objectives. Restoring order and stability has priority in the short term. Once a degree of order and stability exists, it is time to work on the basic conditions for the rule of law (an independent judiciary, due process, a ban on corporal punishment, etc.). Simply developing the institutions required for the rule of law fosters stability. The AIV is of the opinion that these reforms will require time and that instability will persist for a considerable time to come. Ownership of this transition lies with the states in question and the West will be able to play at most a facilitating and supporting role.

Realism is likewise called for with regard to the fight against forms of violent, radical Islamism. The deployment of military assets was (and is) unavoidable if the territorial

23 *The Economist*, 21 February 2015. See also Nigel Wilson, 'Saudi Arabia and UAE Ready Massive \$20bn Aid Package to Boost Egypt's Shattered Economy,' 2 June 2014. See: http://www.ibtimes.co.uk/saudi-arabia-uae-ready-massive-20bn-aid-package-boost-egypts-shattered-economy-1450818>. Retrieved 23 March 2015.

ambitions of ISIS are to be curbed. At the same time the AIV supports the view that the fight for the political future of the Arab region should be waged primarily by the Arab countries themselves and not by Western countries. Since the outcome of this fight is of great importance to Western countries, it is justifiable to offer military support, both personnel and materiel, to groups that are not hostile to the US and Europe. However, as soon as this creates the image that Arab leaders are little more than agents of Western interests, radical movements will have an excellent opportunity to misuse anti-Western sentiments for their own political ends. At present, most Western governments, including that of the Netherlands, appear to be aware of the need to ensure that the Arab countries themselves should be the face of the campaign against Muslim extremism wherever possible. In any event, it is uncertain if the Iraqi army will be able to recapture the territory occupied by ISIS, despite extensive support in the form of air operations and training programmes. The same is true, *mutatis mutandis*, for the various opposition groups fighting ISIS in Syria. This will all take time.²⁴

It is also important to answer the question of how to make ISIS less attractive to radical Muslims and other young people, especially in the West. The motives of young people for joining violent extremist groups cannot be lumped together under a single heading. Some are motivated by a feeling of exclusion, marginalisation and the lack of prospects in society. Others have mainly religious motives. It is difficult to see how Muslims who view their lives from an apocalyptic perspective and believe in the 'end of days' can be diverted from their embrace of terrorism and other forms of extreme violence by material incentives such as the offer of a job.²⁵ Responsibility here lies with the young people's parents and with Muslim communities themselves. The governments of EU member states also have an important task: to take measures to prevent the radicalisation of young people. The Dutch Action Programme for an Integrated Approach to Jihadism²⁶ is a good example.

 $^{24\ \} Robert\ Grenier,\ 'Against\ ISIS,\ Try\ Patience',\ \textit{The New York Times},\ 2\ March\ 2015.$

²⁵ David Brooks, 'The Nationalist Solution', *The New York Times*, 20 February 2015. See also Graeme Wood, 'What ISIS Really Wants', *The Atlantic*, March 2015.

²⁶ Action Programme for an Integrated Approach to Jihadism – Overview of Measures and Activities (in Dutch). See: http://www.rijksoverheid.nl/documenten-en-publicaties/rapporten/2014/08/30/actieprogramma-integrale-aanpak-jihadisme.html. Retrieved 13 April 2015.

II Implications for the EU and NATO

II.1 EU policy options

EU foreign policy

The EU's Common Foreign and Security Policy (CFSP) combines a number of elements: the HR, the European External Action Service (EEAS), in some cases the European Commission, and the national policies of the member states. The new European Commission and the intended publication of a new European security strategy in 2016 offer an opportunity to review EU policy on Eastern Europe and Russia on the one hand and the MENA region on the other.²⁷

The EU is faced with a decline in public support for European integration, which has also affected the member states' commitment to a common foreign policy. Although foreign policy has always been a matter for the member states, the agreements on the CFSP and the Treaty of Lisbon represented steps towards a more integrated European policy. However, recent developments show that the European Council, rather than the HR or the European Commission, is now the main European forum. This has a number of consequences.

Individual member states are calling the tune and largely pursue national interests. In addition, a new division of roles is emerging. France is having to give way to Germany as Europe's leader, while Italy is mainly preoccupied with the effects of immigration from North Africa and the Middle East. Britain's traditional role in the forefront of European security issues has weakened because London is now keeping a greater distance from the EU. The country's internal political debate on the possibility of Brexit makes it difficult for Britain to fulfil a leadership role with authority and credibility. At the same time, despite planned cuts in defence spending, the UK is still one of the principal military powers in Europe. Its diminishing clout in the EU, at a time of greater uncertainty about the European security environment, is therefore a cause for concern.

German economic dominance has been giving the country more of a leading role in the EU political arena. Consequently, EU member states increasingly look to Berlin for direction in their foreign policy. Since the crisis in Ukraine, Chancellor Merkel has effectively been setting the EU's course with regard to Russia. The question is whether Germany also wants to play a leading role on more strictly security-related issues. Until recently, this question would definitely have been answered in the negative. Given the burden of its wartime past, Germany has been very reluctant to deploy military force. Pacifism is still deeply embedded in German political thinking. Nevertheless, the mood in Germany seems to be swinging. More and more German politicians are embracing the view that Germany can no longer avoid its responsibility in matters of security policy and

27 The extent to which the 2003 EU security strategy originated in a different era is clear from the opening sentences of the document: 'Europe has never been so prosperous, so secure nor so free. The violence of the first half of the 20th Century has given way to a period of peace and stability unprecedented in European history'. See: https://www.consilium.europe.eu/uedocs/cmsupload/78367.pdf, p. 2. Retrieved 19 March 2015.

28 Brexit = British exit from the European Union.

should be in the forefront of implementing a European policy. At the most recent Munich Security Conference, German Minister of Defence Ursula von der Leyen talked about her country 'leading from the centre' (Führung aus der Mitte).²⁹

The varying focus of the different EU member states and the division of labour that has grown up between such countries as Germany, France, Italy and the UK may turn out well, given good coordination. Different European security matters are being delegated, as it were, to different member states. At the same time, this situation could also cause mutual estrangement, undermine European solidarity and obstruct the development of a common vision on the problems facing the continent. For example, the difference in focus between the southern and eastern member states - on the one hand threats from Russia and on the other concerns about instability in North Africa - could produce a division within the EU. This would make it difficult to set priorities, especially when there is a prospect of military intervention. Tensions within the EU could thus increase. In addition, some countries might feel excluded if greater emphasis were placed on the role of individual member states in foreign policy. Poland, for example, is concerned that Germany does not always sufficiently champion Polish interests in its talks with Moscow. Moreover, the member states are not all equally vulnerable to the economic consequences of the EU's problems. Although countries like Germany and the UK favour tougher sanctions against Russia, member states that are heavily dependent on Russia economically (such as Hungary, Slovakia, Finland and Italy) are less willing to ramp up economic pressure on Russia and are inclined to moderate the sanctions regime.

The same is true of Greece, which is looking into ways of stepping up cooperation with Russia. A far-reaching partnership between the two countries could have a major impact on the unity and effectiveness of the EU. In the AIV's opinion, the EU should take this geopolitical dimension into account when assessing Greece's debt situation. Another difference concerns the impact of the large-scale migration and refugee flows from North Africa, which is felt mainly in southern Europe and far less in the north. A third problem is lurking in the background: the divisions stemming from the smouldering euro crisis – which has placed debtor and creditor nations on opposite sides – have done nothing to strengthen mutual trust within the EU.

The return of the initiative in EU foreign policy to the member states is a problem and may weaken the EU. The HR's role as coordinator of foreign policy and the EEAS should be decisive. It is her role to defuse conflicts between member states and ensure that the varying national agendas do not pull the EU in opposite directions. A new security strategy affords an opportunity to set priorities, identify assets and clarify the potential division of labour among countries, but of course it does not offer a guarantee of tighter coordination or greater unity. In addition to the security strategy, the EU's neighbourhood policy is also currently under review. The AIV believes that neighbourhood policy should be placed more emphatically in the framework of security policy, and that more consideration should be given to the differences in the development and circumstances of the neighbouring countries in question. The government's assessment of European

²⁹ Speech by the German Minister of Defence on the occasion of the 51st Munich Security Conference, 'Leading from the Centre', 6 February 2015. See: (in German) . Retrieved 14 April 2015.

neighbourhood policy, advocating a more focused, more integrated and more equal policy, is in keeping with this view.³⁰

European defence cooperation

The crisis in relations with Russia, in particular, has given a new boost to the ongoing debate about European defence cooperation. The call by European Commission President Jean-Claude Juncker for the establishment of a European army has attracted attention. He argued that such an army would enable EU countries to mount a credible response to external threats. Germany's response to Mr Juncker's proposal was remarkably positive. Minister of Defence Von der Leyen stated at the 10th Brussels Forum: Ham therefore convinced that a common army can also be created; it is a long-term necessity and a logical consequence of European integration'. 32

The AIV shares the dissatisfaction felt by the supporters of European defence integration about the EU's meagre defence output. The fact that defence is organised at a national level causes needless duplication of efforts and wasted expenditure. Accordingly, defence is the area where there are most manifestly economies of scale to be gained from more cooperation among the member states. At the same time the AIV is still of the opinion that a European army can only be built on the basis of a political union (supranational authority) and an EU foreign policy that is jointly implemented as well as formulated. For the time being, national parliaments are not be prepared to hand over control of the deployment of military personnel to the European Parliament, if indeed they will ever be willing to do so. The recent history of European monetary union shows what risks can ensue if a vital policy area is turned over to the EU without provision being made for the central political control that is required. It seems highly improbable that the establishment of a European army will muster the political forces necessary to force through political union in the foreseeable future.

The AIV remains in favour of a pragmatic approach. Efforts at closer military cooperation should continue to focus on member states with similar political and strategic cultures.

- 30 Letter of 17 April 2015 to the President of the House of Representatives 'Towards a new European Neighbourhood Policy: Equal, Focused and Integrated'. See: (in Dutch) http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2015/04/17/kabinetsappreciatie-europees-nabuurschapsbeleid.html.
- 31 In an interview with the German newspaper *Die Welt*, on 8 March 2015, under the headline: 'Kommissionschef Juncker fordert eine EU-Armee' (Commission Head Juncker Calls for an EU Army). A committee headed by Javier Solana recently advocated the establishment of a European Defence Union. See: 'More Union in European Defence', CEPS, 26 February 2015.
- 32 Von der Leyen at the 10th Brussels Forum, Brussel, 20.03.2015. See: . Retrieved 14 April 2015.
- 33 In 'The Cost of Non-Europe in Common Security and Defence Policy', Brussels 2013, the European Parliamentary Research Service calculated that the annual extra cost of the lack of integration of the member states' military structures and the lack of a truly integrated defence market amounts to between EUR 26 and 130 billion. See: ET%282013%29494466_EN.pdf, p. 8. Retrieved 19 March 2015.

Pooling and sharing in the fields of transport, logistics, combat support and training could achieve greater efficiency and effectiveness. For specific proposals, the AIV would refer to its earlier advisory report on European defence cooperation.³⁴

The EU as a sphere of influence

Despite its inherent aversion to power politics, the EU has a geopolitical sphere of influence. It is a model of order: other countries want to join it and forge relations with it, and they have expectations of it. The EU's main attraction is the power of its single market and European values such as support for human rights and a democratic legal order. In 2002 then- European Commission President Romano Prodi said he wanted to see a 'ring of friends' surrounding the Union. Over ten years later, however, this has turned into an 'arc of instability'. On its eastern flank, Europe is confronted by an assertive, mineral-rich and considerably stronger state that is trying to retain or even extend its sphere of influence by means of ruthless power politics. Over the last decade Russia has turned away from Europe, politically, ideologically and, to a lesser extent, economically. The President of the European Council, Donald Tusk, was right to say that Russia is not the EU's strategic partner, but its strategic problem.³⁵

As observed earlier, President Putin wants to see Russia develop into a great power within a multipolar international system. With the creation of the EEU, he is at once copying and reacting against the EU. However, the EEU is still in its infancy. For that reason alone, it cannot yet be seen as an equal pendant to the EU. For the time being, therefore, there can be no question of far-reaching or institutionalised cooperation between the EU and the EEU. Besides, any such cooperation would complicate the EU's bilateral relations with Belarus, Kazakhstan and Armenia.

The Ukraine crisis makes it clear that Russia is prepared to undermine European security and extend its own sphere of influence by means of ruthless power politics and the – covert – deployment of military force. This has several consequences for the EU. In recent years, the goal of a free trade zone stretching from Lisbon to Vladivostok was high on the EU-Russia agenda. Russia's actions in the last year show that this is no longer a realistic prospect. Since the fall of the Soviet Union, the EU has been able to exercise little actual influence over political developments in Russia. It has taken too little account of the deeply-rooted political outlooks and ambitions of Russia's leaders.

A future EU strategy on Russia will have to take account of a relationship that will remain complex and difficult for many years. It will be uphill work, if not an impossible task, to conduct a productive human rights dialogue. Russia has been experiencing a sharp rise in national self-confidence and a revival of conservative and religious values. The Russian leadership is therefore less receptive to calls to adopt the EU's standards and values. However, this is no reason to refrain from calling the leadership to account on its human rights obligations, if only to ensure that the democratic opposition is not left out in the cold. European governments must therefore continue to avail themselves of

- 34 AIV advisory report no. 78, 'European Defence Cooperation: Sovereignty and the Capacity to Act', The Hague, January 2012.
- 35 Henry Foy, 'Lunch with the FT: Donald Tusk': 'For Putin, and Russia today, the EU is a problem. And we have to understand, and I think we are close to this moment, that Russia is not our strategic partner. Russia is our strategic problem.' *Financial Times*, 28 November 2014. See: http://www.ft.com/intl/cms/s/0/72d9b928-7558-11e4-b1bf00144feabdc0.html?siteedition=uk#axzz3XC6draGV.

the entire array of human rights institutions, especially the Council of Europe's European Convention on Human Rights and European Court of Human Rights. The same applies to the Organization for Security and Co-operation in Europe (OSCE), which can in any event play a relatively modest but still valuable role in finding a lasting solution to the conflict in eastern Ukraine.

On its southern flank, the EU is faced with greater instability in other mineral-rich countries, which poses a risk to Europe's energy security and the national security of its member states. With regard to Eastern Europe and North Africa, the EU must remember that it is not the only partner with which countries can seek cooperation. The pull of Russia, using economic, political and other levers, can be felt in Eastern Europe. In North Africa, the political and economic role of countries like Saudi Arabia, Qatar and the UAE – which do not necessarily uphold the same standards and values as the EU – is increasingly decisive. In short, if the EU wishes to protect its own interests it will have to take account of greater geopolitical competition.

Conclusion

The EU would be well advised to give more emphasis to security policy considerations in its relations with Russia. This would do more justice to the nature of those relations (competition, spheres of influence) and the political realities in the neighbouring region. The idea that Russia would radically alter its policy on its neighbours for the sake of restoring formal dialogue with the EU is an illusion. Although economic interdependence can contribute to international political stability, the specific imbalance of the mutual dependence between the EU (or its member states) and Russia tends rather to have a destabilising effect. The EU must further reduce its energy dependence on Russia, as stated in the plans recently presented for an Energy Union.³⁶ In short, the EU's political and economic relations with Russia must be completely remodelled. The EU should say farewell to the current pattern of partnership and cooperation agreements. Although advantage should always be taken of opportunities for consultation and dialogue, constructive cooperation will very probably be ruled out for a considerable time to come. The EU member states must ensure that Russia cannot play them off against one another, for example on the issue of energy policy or the extension of EU sanctions. The AIV also questions whether the EU should continue to adhere to the idea of a common strategy for the countries between the EU and Russia. Experience with the Eastern Partnership has so far not been an unmixed success.

EU policy on North Africa should likewise be reshaped. The EU should also be prepared to intervene if necessary in countries where vital European interests are at stake or where there is a humanitarian emergency. The question arises of whether the current deployment of crisis management instruments in North Africa – the EU is involved in six civil-military missions in areas such as the Central African Republic, Mali and Libya – is adequate. The EU should examine the possibility of expanding these missions if necessary. European countries should also be aware that the West cannot solve the problems in the Arab world single-handed. For just this reason, in these turbulent times in the Arab world the EU should pay special heed to its own security interests and energy supply security.

36 European Commission, 'Energy Union'. See: http://ec.Europe.eu/priorities/energy-union/docs/ energyunion_en.pdf>, 25 February 2015. Retrieved 3 March 2015. See also AIV advisory letter no. 26, 'The EU's Dependence on Russian Gas: How an Integrated EU Policy can Reduce it', The Hague, June 2014.

II.2 NATO policy options

The political and military threat currently posed by Russia affects its neighbours first and foremost, especially the former Soviet republics. The AIV sees no direct military danger to the rest of Europe. The policy options being developed by the EU and particularly by NATO should however take account of the following: first, Russia's neighbours are to a significant extent also the neighbours of the EU and NATO; second, the potential threat emanating from Russia is not, in the first instance, of a traditional military nature; third, political analysts generally focus on the most likely scenario, while military analyses should also consider worst-case scenarios.

VJTF and NRF

The measures taken at the NATO summit in Wales (September 2014) constitute an initial response to the new security threats.³⁷ The Readiness Action Plan (RAP) and the formation of a Very High Readiness Joint Task Force (VJTF) are aimed at both reassurance for the allies and deterrence of potential opponents. The goal is to reduce NATO's response time, because it has become clear during the crisis in Ukraine that Russia is capable of mounting relatively large-scale military activities (snap exercises) without any appreciable warning.³⁸ The planned response time of 48 hours would seem to address this. The significance of the VJTF is mainly symbolic. With the new formation the alliance is attempting to emphasise the credibility of collective defence by making NATO units visible once more in Russia's neighbouring countries. Another related measure is stepping up air policing over the Baltic states.³⁹

Germany, the Netherlands and Norway are the first countries to supply units for the (interim) VJTF; 2015 is to be used to acquire experience. The idea is for different countries to assume the role of lead nation in turn and for units to rotate, each going through the phases of work-up, participation and stand-down in turn. The VJTF, initially comprising a battalion this year and in future a brigade, is part of the NATO Response Force (NRF), which consists of some 13,000 personnel.⁴⁰ The UK, Poland and Italy have also expressed their willingness to take part (on a rotational basis) in the VJTF. Many aspects of the VJTF still have to be worked out, such as its funding, the command and control structure, the political decision-making structure and the participation of other NATO member states in order to guarantee its sustainability. One question that arises

- 37 Wales Summit Declaration. See: http://www.nato.int/cps/en/natohq/official_texts_112964.htm. Retrieved 3 March 2015.
- 38 Letter of 29 August 2014 from the Ministers of Foreign Affairs and Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 28 676, no. 213. According to the Defence Committee of the UK House of Commons, Russia is able to deploy 150,000 troops at 72 hours' notice while it would take NATO six months to do the same. See: https://www.parliament.uk/business/committees-a-z/commons-select/defence-committee/news/re-thinking-defence-to-meet-new-threats-report-published/>. Retrieved 25 March 2015.
- 39 For the last ten years aircraft from NATO member states have been policing the airspace of the Baltic states, which have no fighter jets of their own. See: http://www.nato.int/cps/en/natohq/news_109354. httm?selectedLocale=en>. Retrieved 31 March 2015.
- 40 NATO's information site refers to 30,000 personnel. However, this figure includes all the troops earmarked for the NRF, which are being activated in turn in accordance with an agreed rotation arrangement.

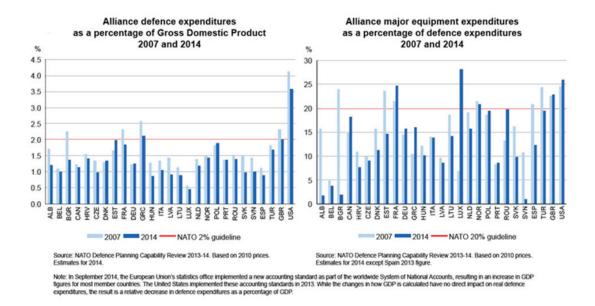
concerns the significance of the word 'very' for decision-making on VJTF deployment. Will decision-making be reserved to the North Atlantic Council? Or is it hoped that it will be delegated to the Supreme Allied Commander Europe (SACEUR)? The latter would seem extremely unlikely. All NATO will also have to formulate a response to hybrid warfare as practised by Russia. For this it will need a broad range of instruments, including civil instruments, which as a matter of fact are often managed by the EU. In addition, NATO will have to find an answer to Russia's ability to field a sizeable conventional force at speed, something that NATO is no longer able to do. Russia has some 50,000 troops stationed near Ukraine. It would therefore seem sensible to double the strength of the NRF.

The 2% benchmark

The decisions to have defence expenditure move towards 2% of Gross Domestic Product (GDP) over the next ten years and spend 20% of the total defence budget on investment are effectively a reconfirmation of previously agreed NATO guidelines. Despite the agreements reached in Wales, the crisis in Ukraine does not yet appear to have led to substantial changes in the defence budgets of the European NATO member states. Apart from the US, at present only the UK, Greece and Estonia meet the NATO guideline; Poland will do so from 2016. The UK, Canada, Italy, Hungary, Bulgaria and the Netherlands are among the countries cutting defence expenditure. Hu K's defence budget is to fall from 2.07% to 1.88% of GDP. France too no longer meets the 2% norm. The German defence budget has gone down to 1.3% of GDP. However, German Minister of Finance Wolfgang Schäuble has announced a rise in military expenditure: over the next four years, the German defence budget will be increased by a total of EUR 8 billion. It is not clear how, in the next 10 years, NATO member states will work towards the 2% benchmark or the defence investment pledge of 20%.

- 41 Luis Simon, 'Assessing NATO's Eastern European Flank' and John R. Deni, 'NATO's New Trajectories after the Wales Summit', in *Parameters*, October 2014. The government included a request for advice on decision-making on the deployment of (very) rapid response military capabilities in the AIV's work programme for 2015. See: http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2015/03/13/kamerbrief-met-werkprogramma-aiv-2015.html.
- 42 See: 'UK Defence Spending Concerns US Army Chief Raymond Odierno', http://www.bbc.com/news/uk-31688929. Retrieved 2 March 2015. According to the report by the European Leadership Network, 'The Wales Pledge Revisited', this is the lowest level in 25 years. See: http://www.europeanleadershipnetwork.org/medialibrary/2015/02/20/04389e1d/ELN%20NATO%20Budgets%20Brief.pdf. Retrieved 2 March 2015.
- 43 See: http://www.nato.int/cps/en/natohq/opinions_116854.htm. Retrieved 2 March 2015.

Figure 2 Trends in total military expenditure and investment spending for NATO countries from 2007 to 2014.⁴⁴



So it is still the case that the US accounts for the lion's share of defence spending within NATO, i.e. 75% of the total, and that no progress is being made on burden sharing. ⁴⁵ Clearly, Europe cannot continue to take this matter lightly and must contribute a greater share of the whole. In the past, NATO's clout was largely based on the willingness of the US government to commit itself fully to the European member states as a guarantee of European security. The exercise of American leadership is now more restrained. A more energetic US stance in the conflict in Ukraine might have had a decisive influence on the course of events there. ⁴⁶ At present the US is making its commitment felt by training the Ukrainian national guard, taking part in exercises along with Estonia, Latvia, Lithuania, Poland and Romania, and leaving defence materiel in various countries. This is important, but it does not relieve the European NATO countries of the obligation to do more about their own defence. All these countries endorse the importance of the transatlantic alliance and the need for Europe to take more responsibility for its own security. But so far they have not put their money where their mouth is. ⁴⁷

Collective defence

The credibility of article 5 of the North Atlantic Treaty is of vital importance for the future of the NATO alliance. Further development of the RAP, bolstering military capabilities to enable NATO to face up to Russia (including in the field of hybrid warfare) and genuine burden sharing within NATO are all essential in this regard. NATO should be prepared

- 44 Ibid.
- 45 'The Wales Pledge Revisited', p. 9. Retrieved 2 March 2015.
- 46 Jan Techau: 'Why Ukraine Was No Game Changer-So Far', posted Tuesday 24 February 2015. See: http://carnegieeurope.eu/strategiceurope/?fa=59163>. Retrieved 2 March 2015.
- 47 Ivo Daalder, 'Europe Lacks Commitment to Spend on Defence', Financial Times, 11 March 2015.

for a scenario in which Russia tries to destabilise the Baltic states in much the same way as Ukraine. There has been a marked increase in the number of Russian bombers flying near NATO airspace and the number of Russian ships close to NATO territory: this appears to be intended as provocation. Despite the poor relations that existed during the Cold War, security issues were the subject of business-like talks that resulted in major arms control agreements. At present there is little or no communication between the two sides on security matters.

The current security situation has led to a re-evaluation of NATO's collective defence task. However, this does not diminish NATO's role in conducting military operations on Europe's southern flank, for example in Libya or elsewhere in the MENA region. In the past NATO's involvement in the MENA region was limited: its Mediterranean Dialogue (MD), mainly concerned with consultation, did not start until 1994. NATO's first training mission took place in Iraq. Cooperation gradually deepened and a number of countries involved in the Dialogue took part in NATO operations. In 2004 the Istanbul Cooperation Initiative (ICI) was set up, partly in response to the attacks of 11 September 2001. The ICI focuses on promoting regional stability and security. In 2006, the Training and Cooperation Initiative was launched. Although these initiatives have scarcely been further developed, four ICI states took part in NATO operations in Libya and Afghanistan. The alliance's image, its limited involvement in the region and the divergent security interests of its members work to NATO's disadvantage. But, as happened with Unified Protector in Libya in 2011, it is by no means inconceivable that an operation mounted by a coalition of the willing would be supported by the NATO planning and command structure. Support might include security sector reform, training courses or crisis management.

Conclusion

In the light of the Russian threat, NATO is facing the task of again working towards an effective deterrent as a way of giving credibility to article 5 of the North Atlantic Treaty. The first requirement to this end is sufficient military capability that can be deployed rapidly in crisis areas. The alliance's contingency planning will have to be adapted to new circumstances. NATO will also have to invest heavily again in building the capacity to operate at division and corps level to ensure that a dangerous gap does not open up between the VJTF (and the NRF), as the tripwire, and the nuclear arsenal. For after years of focusing on crisis management operations, mainly in Afghanistan, NATO is a 'ship far out of balance'.⁴⁸

NATO's partnership policy is also in need of review. The NATO summit in Wales was right to decide to enter into a Distinctive Partnership with Ukraine, to provide extra support for defence reform and increase interoperability between Ukrainian and NATO forces. Both American and British units will provide training for the Ukrainian armed forces in spring 2015. The ambitions of Bosnia and Herzegovina, Georgia and Montenegro will not as yet lead to NATO membership, since they do not fulfil all the conditions for accession. It is however important to pursue the existing partnerships with these countries. The accession of Macedonia is still blocked. Russia's overtures to Serbia, in particular, may indicate an attempt to increase Russian influence in the Balkans.⁴⁹

- 48 Luis Simon, 'Assessing NATO's Eastern European Flank', and John R. Deni, 'NATO's New Trajectories after the Wales Summit', in *Parameters*, October 2014.
- 49 Ian Traynor and Shaun Walker, 'Russian Resurgence: How the Kremlin is Making its Presence Felt across Europe'. See: http://www.theguardian.com/world/2015/feb/16/russian-resurgence-how-the-kremlin-is-making-its-presence-felt-across-europe. Retrieved 13 April 2015.

The EU and NATO play complementary roles in dealing with the security risks on Europe's flanks. Each possesses a specific set of instruments which can be deployed in different ways. While NATO, as a military organisation, can perform mainly military tasks, the EU's strength lies in the wide spectrum of resources at its disposal. As regards the stabilisation of the MENA region, the EU can avail itself of trade policy and development instruments as well as gendarmerie-style units and the intelligence shared by member states. NATO and the EU can act together in reconstructing the security architecture in Libya. The EU may be better able than NATO to respond to disinformation campaigns. In addition, the Netherlands has made EUR 510,000 available to the European Endowment for Democracy, which has been commissioned by the European Commission to study the feasibility of an independent Russian-language media platform.

The transatlantic relationship remains as important as ever at this juncture. Direct US involvement in Europe's security is essential. Europe is still important to the US but it has dropped down the list of priorities of American security policy. After all, China poses a bigger threat than Russia to the US's position as the world's premier power. This is clear, for example, from the fact that 60% of US military capabilities are earmarked for possible action in Asia. Shortly before his first visit to Asia, US Secretary of Defence Ash Carter referred to the Asia-Pacific as 'the defining region for our nation's future', and said: 'The regional status quo will change. So to secure our enduring interests, and our future that is so closely aligned with the region, we're changing, too, with our so-called rebalance to the Asia-Pacific'. ⁵² The European NATO member states are thus less able than before to draw on the ability and the willingness of the US to come to Europe's aid. ⁵³ Accordingly, the negotiations with the US on the Transatlantic Trade and Investment Partnership (TTIP) should be viewed partly from the perspective of Europe's strategic self-interest. ⁵⁴

- 50 On 19 March 2015, the European Council instructed the HR to draw up a plan on strategic communication:
 'The European Council stressed the need to challenge Russia's ongoing disinformation campaigns and invited the High Representative, in cooperation with Member States and EU institutions, to prepare by June an action plan on strategic communication. The establishment of a communication team is a first step in this regard.' European Council Conclusions on External Relations, 19 March 2015. See:
 http://www.consilium.Europe.eu/en/press/press-releases/2015/03/conclusions-russia-ukraine-european-council-march-2015/>. Retrieved 13 April 2015.
- 51 Tijn Sadée 'Antipropaganda tegen Kremlin-tv en Facebook-jihad' (Counter-propaganda against Kremlin TV and Facebook Jihad), NRC, 25 February 2015.
- 52 'Remarks on the Next Phase of the U.S. Rebalance to the Asia-Pacific' (McCain Institute, Arizona State University), delivered by Secretary of Defence Ash Carter, Tempe, Arizona, 6 April 2015. See: http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1929>. Retrieved 13 April 2015.
- 53 To discuss the transatlantic relationship at length would go beyond the scope of this advisory report. However, this would be a suitable subject for a separate AIV report.
- 54 The EU's energy supply security could be significantly enhanced if the US and the EU reached agreement on a clause in TTIP that will make possible the supply of American crude oil and liquid gas. See also Rem Korteweg, 'It's the Geopolitics, Stupid: Why TTIP Matters', 2 April 2015, http://www.cer.org.uk/insights/it%E2%80%99s-geopolitics-stupid-why-ttip-matters. Retrieved 7 April 2015.

III Implications for Dutch foreign and security policy

III.1 The 'arc of instability' and the Netherlands

In the AIV's opinion, the dramatic developments near Europe's borders are good reason to subject Dutch foreign and security policy to a reality check. It must be acknowledged that the end of the Cold War and the ongoing globalisation of the economy have not led to a Copernican revolution in international relations. The struggle for territorial control has not given way to purely economic competition. Power politics has not become subject to international law and democracy has not continued to advance. The state is still emphatically a central protagonist on the world stage, although the importance of non-state actors and networks involving private parties has increased. The Netherlands is faced with the limits of a foreign policy inspired by values. The relative weakening of Western countries' position in the global arena, on the one hand, and the increased self-confidence of political leaders in the newly emerging nations, on the other, have also affected the Netherlands' potential influence. The scope for exerting that influence has diminished.

The AIV agrees with successive Dutch governments that a stronger international legal order is in the Netherlands' interests. But every legal order needs a power base if it is to be maintained. The use of power has therefore to be kept in reserve. The crisis in Ukraine shows that a European security order that is based solely on countries' promises not to attack one another and to respect existing borders does not afford enough safeguards. This should have consequences for the Netherlands' ability to defend itself, needless to say in close cooperation with its allies. As regards Russia, there are compelling arguments for the Netherlands, like other countries, to conduct a thorough review of the image of the 'new' Russia that prevailed until recently. Unlike in the 1990s, Russia no longer sees itself, politically speaking, as a European country highly motivated to take part in far-reaching forms of European cooperation.

As regards the countries in the Arab world that are afflicted by violence, here too corrections should be made to current expectations and policy priorities, including those of the Netherlands. Given the region's religious and sectarian divisions and the absence of overarching national identities, there is every reason to assume that large parts of the region will continue to be unstable for a long time to come. In many countries steeped in conflict, the ability to transform towards good governance that serves the interests and the welfare of the population as a whole and not those of particular groups is less than was long believed or at any rate hoped.

In the Netherlands, as elsewhere, this should lead to a lower, more realistic level of ambition. Dutch policy should be based on the idea that a measure of order and stability (and a minimum of decent governance) is the most that can be achieved in the short term in Arab countries plagued by protracted civil strife. This need not rule out striving for democratisation as a longer-term prospect, provided it is remembered that the Western model of democracy is far from universally applicable.

III.2 Priorities

The AIV is pleased to note that the present Dutch government has genuinely started to take account of these new developments when determining its positions. The government is right to assume, for example, that Europe's immediate vicinity to the east

and south will remain unstable for a considerable time: the 'arc of instability'. For the Netherlands as for the other EU member states, security – and security policy – will be the principal international issue. 55 This is changing the perspective of Dutch foreign and security policy. The focus used to be on such matters as Dutch economic interests and economic diplomacy. However, since the annexation of Crimea, Russian intervention in eastern Ukraine and the advance of ISIS in Syria, Iraq and Libya, the top priority is security, in the sense of protecting the Netherlands' inhabitants against internal and external dangers. The current security situation cannot be compared to the Cold War; the differences are too great. At that time the East-West divide had a global dimension and the fear of nuclear war was widespread. Nevertheless, there are some similarities with that era. On Europe's eastern flank Russia presents an uncertain but possibly real threat to its neighbours and hence also to NATO territory. The unstable situation in Syria, Iraq and Libya and the advance of ISIS affect the security and stability of Europe, for example through returning jihadists. Instability in the Arab world as a whole could lead to drastic power shifts in the region and thus in time threaten the EU's energy supply security.

Both Minister of Foreign Affairs Bert Koenders and his predecessor have stated several times that it is important to pursue a 'realistic' foreign policy, without however indicating in more detail what changes in Dutch foreign and security policy this would entail. As regards policy on Russia, the government seems not to have given up hope that constructive cooperation can be restored within the foreseeable future. ⁵⁶ In the budget debate, the present minister expressed his preference for a policy combining 'a clenched fist with an outstretched hand', which amounts to simultaneously building a credible deterrent and showing a willingness to seek political solutions. The fact that flight MH17 was probably brought down by a Russian BUK missile complicates Dutch-Russian relations and has led the government to adopt a reserved attitude.

Apart from this, Mr Koenders has stressed the need for 'a credible interpretation of article 5' and 'a political solution and a new balance in our relations with Russia'. ⁵⁷ In principle, the AIV believes this to be a good point of departure, but would highlight the problem of striking the right balance between demonstrating strength (including military strength) and taking the diplomatic route. If the desired effect is to be achieved, the two instruments should be used in tandem. Generally speaking, EU countries do not excel in the practice of coercive diplomacy, where military force serves diplomacy and vice versa. The AIV agrees to a large extent with the minister's view that given Russia's essential role in a number of global issues (non-proliferation, counterterrorism, etc.), 'compartmentalisation and differentiation' of the relationship with Russia is advisable. ⁵⁸

- 55 National budget 2015, Adoption of the budget statements for the Ministry of Foreign Affairs for 2015, Parliamentary Paper 34 000 V, pp. 9-10.
- 56 Tony van der Togt, 'How Should Europe Respond to Russia? The Dutch View', 25 February 2015. See: http://www.clingendael.nl/publication/how-should-europe-respond-russia-dutch-view?lang=nl.
- 57 See (in Dutch): http://www.hpdetijd.nl/nieuws/koenders-relatie-met-rusland-heroverwegen/>. Retrieved 30 March 2015.
- 58 The terms used recall the debate in the 1970s about the merits of linkage and delinkage in the West's approach to the Soviet Union. Was the effort to achieve détente in Europe seen as so important that the Soviet leadership was given a free hand to extend Soviet influence outside Europe? Or did a strong link need to be forged between the Soviet Union's actions in different political arenas?

But this too demands a great deal of the Netherlands' capacity to combine firmness with diplomatic flexibility. As its price for cooperation, for example in curbing Iran's nuclear programme or achieving a peace deal in Syria, Russia cannot be allowed to exact acquiescence in the expansion of Russia's sphere of influence in Eastern Europe, where this is not already the case.

The Dutch government is also in favour of making the EU less vulnerable in terms of energy, particularly by strengthening its energy policy, but believes 'that at the same time Russia should not be completely excluded as an energy supplier'. ⁵⁹ This indicates a degree of ambivalence in the government's attitude to Russia; Dutch economic self-interest also comes into play here. The government is also advocating a study of possible cooperation between the EU and the EEU. The AIV believes that such a study should only be considered once the political grounds for economic sanctions against Russia no longer exist. For the record, President Putin has so far shown no interest whatever in cooperation with the EU.

When it comes to Ukraine, the Netherlands is following several tracks: the political track via the EU and the OSCE, sanctions via the EU and the security track via NATO. In addition, the government deems it necessary to exert strong pressure on the Ukrainian government to carry out much-needed economic reforms. The Netherlands is against supplying arms to Ukraine, because this would increase the risk of a proxy war and the danger of escalation. The government is therefore concentrating on the political track but without making it clear why this will succeed or how to call a halt to further escalation of the violence in Ukraine.

Dutch policy on Syria and Iraq is likewise aimed at de-escalation. Its focus is the continuation of the components of the Matra South Programme concerned with promoting the rule of law, public finance management, water management and innovative support for the reception of refugees. In the AIV's view, such programmes have little or no impact on the current state of affairs. ⁶⁰ The Netherlands works on the basis of the 'do no harm' principle and regards a political solution as the only option. It is pursuing four tracks: 1) support for an inclusive government in Iraq; 2) support for a political solution in Syria; 3) investment in a constructive role for key players in the region; 4) a tough approach to ISIS via counterterrorism and a military contribution to the coalition. The Dutch contribution to the air campaign and the training mission has been justified as follows: 'Despite the risks and uncertainties, the government has decided to take part in the campaign against ISIS and in efforts to enhance stability in the region, because of our responsibility to the people there and in the interests of our own security'. ⁶¹ The government regards it as 'important that the international community should have a common vision on a medium- and long-term commitment to Syria and Iraq'. It notes that

- 59 National budget 2015, Ministry of Foreign Affairs, p. 15.
- 60 The Policy and Operations Evaluation Department (IOB) is currently evaluating the Matra programme, which is due to run until the end of 2015. See: http://www.iob.evaluatie.nl/sites/files/Terms%20 of%20 Reference%20Evaluation%20Matra%20Programme20in%20the%20countries%20of%20the%20 Eastern%20Partnership%202008-2014.pdf>.
- 61 Letter of 15 December 2014 from the Ministers of Foreign Affairs, Defence and Foreign Trade & Development Cooperation to the President of the House of Representatives, The Hague, Parliamentary Paper 27 925, no. 526, pp. 16-17.

there are different opinions within the international community on 'the role of Assad, the role of Iran and the role of the Kurds'.⁶² The AIV takes the view that it may ultimately be necessary to hold talks with representatives of the Assad regime.⁶³

As regards Libya, Mr Koenders believes that at the time of the intervention too little thought was given to what would happen afterwards, because 'a military instrument should always be linked to a political strategy and a strategy for development and peace talks'.⁶⁴ He regards the situation in Libya as 'the biggest risk', adding that there is a danger of a 'proxy war in Libya'.⁶⁵ The minister does not rule out sanctions, but also refers to the 'carrots' that the EU has made available, with Italy and Malta having a special role to play alongside the EU. The Netherlands is staking everything on a political solution and is prepared to make a contribution to the transition in Libya.⁶⁶ In the AIV's opinion, the Netherlands should also contribute to possible support by the EU, for example in the form of trainers and advisors, in the interests of achieving a degree of stability in Libya.⁶⁷

The policy letter 'Turbulent Times in Unstable Surroundings' identified three Dutch strategic interests: defence of our own and our allies' territory, an effective international legal order and economic security. Although the government noted that it was necessary to set priorities and focus attention primarily on the 'arc of instability' around Europe, the policy letter discusses many other subjects and countries that are highly significant for the Netherlands: prevention, disarmament and arms control, an integrated approach and partnerships with the private sector. Also discussed were the Middle East peace process, Mali, migration, West Africa (Ebola), Afghanistan, Central America and the Caribbean, investing in the quality of UN peace missions and operations, protecting civilians and human security, and looking beyond today's crises (this covers cyber security, new weapons systems, foreign terrorist fighters and global issues). ⁶⁸

In the AIV's opinion, Dutch foreign and security policy is in need of further prioritisation. Clearer choices should be made, on both regions and themes. The Netherlands is currently participating in over 20 highly diverse missions, large and small, in a large

- 62 Ibid., p. 4.
- 63 AIV advisory report no. 91, 'The Netherlands and the Arab Region: a Principled and Pragmatic Approach', The Hague, November 2014, p. 33.
- 64 Interview with the Netherlands Broadcasting Foundation (NOS), 10 December 2014. See: http://nos.nl/artikel/2008203-koenders-waarschuwt-voor-gevaar-libie.html.
- 65 Report of a meeting between the Minister of Foreign Affairs and the Permanent Committees on Foreign Affairs and European Affairs on 5 February 2015, Parliamentary Paper 21 501-02, no. 1467, p. 16.
- 66 Letter of 27 February 2015 from the Minister of Foreign Affairs to the President of the House of Representatives, Parliamentary Paper 32 623, no. 145, p. 6.
- 67 See also: Dick Zandee, 'Ingrijpen in Libië is urgent nodig' [Intervention in Libya is Urgently Required], 24 February 2015, (in Dutch) http://www.clingendael.nl/node/6703>. Retrieved 17 March 2015.
- 68 Letter of 14 November 2014 from the Minister of Foreign Affairs to the President of the House of Representatives, Parliamentary Paper 33 694, no. 6.

number of countries.⁶⁹ The result is fragmentation of capabilities and assets. The AIV believes it would be wiser to focus the missions mainly on problem areas on Europe's flanks, particularly because security problems on the eastern flank, with greater emphasis on collective defence, will place a considerable burden on the Dutch armed forces.

Effective policy is impossible without sufficient public support. After a long period of declining public support for Dutch foreign and security policy, the tide appears to have turned recently under the influence of international developments. A poll commissioned from the market research bureau TNS NIPO by the Netherlands Atlantic Association found that in August 2014 three quarters of the Dutch population (76%) believed that Dutch membership of NATO is of fairly to very great importance to the security of the Netherlands, up from 56% in December 2013.70 The swing is also visible in an ongoing quarterly study conducted by the Netherlands Institute for Social Research, the Citizens' Outlook Barometer. The poll for the last quarter of 2014 showed that the proportion of respondents who believed that less money should be spent on military missions had fallen from 56% to 34%. Moreover, 48% of respondents held that the Netherlands should take part in military missions if asked to do so by the international community. In 2012 this figure was 30%.⁷¹ The report for the first quarter of 2015 observed that 'concerns about IS/Syria, Russia and a terrorist attack were greater in October 2014 than in June of the same year or in 2013': 44% of respondents were 'somewhat concerned', 30% 'fairly concerned' and 10% very concerned. 72 The respondents regarded the world order as unstable. The AIV believes it is essential for the Dutch government to continue to build domestic public support for Dutch security and defence policy by ensuring that public information focuses on the connection between the safety of Dutch society as a whole and the dangers that threaten from beyond the EU's borders.

A stronger emphasis on security policy indisputably affects Dutch human rights policy. During the debate on the budget, Mr Koenders stated: 'So we shall continue to champion the promotion of democracy, the rule of law and human rights, without any tolerance or understanding for dictatorship, arbitrariness or lawlessness'; values will be 'more important than ever'. ⁷³ He pointed out that the change in the security situation had limited the scope for influencing respect for human rights. On Saudi Arabia's human rights policy and the fight against ISIS, the minister declared: 'We are now in a much more complex situation, where we must endeavour, with like-minded allies, to support these countries' people, but in the interests of stability tomorrow rather than

- 69 See: http://www.defensie.nl/onderwerpen/missies>. Retrieved 15 April 2015.
- 70 TNS-NIPO opinion poll on Defence and Foreign Affairs, August 2014. See: http://www.atlcom.nl/atlantische-commissie/laatste-nieuws/12550/> (in Dutch). Retrieved 31 March 2015.
- 71 Citizens' Outlook Barometer (COB), Netherlands Institute for Social Research; SCP), fourth quarter 2014, p. 35. See: http://www.scp.nl/Publicaties/Alle_publicaties/Publicaties_2014/Burgerperspectieven_2014_4 (in Dutch). Retrieved 31 March 2015.
- 72 COB first quarter 2015, p. 19. See: http://www.scp.nl/Publicaties/Alle_publicaties/Publicaties_2015/Burgerperspectieven_2015_1 (in Dutch). Retrieved 31 March 2015.
- 73 Proceedings of the House of Representatives, 2014-2015, 19 November 2014, p. 3.

today'. ⁷⁴ In the AIV's opinion this is a sensible policy line to take. The creation of a safe, stable situation is essential for the construction of a sound administration and judicial apparatus, which form the basis for protecting human rights and promoting humane values. Besides, despite the fact that the principle of the universality of human rights is endorsed by virtually all governments, classical human rights, in particular, encounter strong resistance in some cultures that are steeped in radical interpretations of Islam. To think that such resistance will disappear in the near future is an illusion.

III.3 The Netherlands and the EU

The Netherlands occupies a different position in the EU in 2015 than it did 20 or 30 years ago. The various enlargements have reduced the country's relative influence. Nevertheless, the government's 'State of the European Union 2015' still refers to the Netherlands without further explanation as a 'medium-sized member state' which 'has a special role in the EU as a bridge builder'. To In the debate on the 2015 budget foreign minister Bert Koenders called the Netherlands 'relatively small'. The AIV believes that adjectives like 'small' and 'medium-sized' have little significance in practice. Every country finds that punching above its weight only leads to disappointment. The main concern in the EU is to be regarded by the larger member states as a constructive partner that can contribute to common efforts or strengthen the positions of larger countries in relation to one another. Although it is still in the Netherlands' interests for progress to be made towards a common EU foreign policy, the fact that the larger member states still wish to take the main foreign policy decisions for themselves cannot be overlooked.

If the Netherlands wishes to continue playing a significant role, it must seek to align itself or enter into a form of coalition with one or more large member states. In view of the leading role played by Germany in EU diplomatic activity vis-à-vis Russia, the obvious move as far as Ukraine is concerned would be for The Hague to line up closely with Berlin. Traditionally, however, France and the UK have played a far bigger role than Germany in the EU's efforts to stabilise the Arab region. In the run-up to EU decision-making, therefore, the Netherlands should also turn to these EU partners to be able to assist in resolving the problems in the Arab region.

The government's 'State of the European Union' rightly notes that developments on Europe's eastern and southern flanks call for a dynamic and effective external policy for the EU. This would serve a Dutch interest. The AIV agrees with the government that 'Europe has to rely on itself more than before when it comes to promoting and maintaining security and stability in its own region and on its borders'.⁷⁷ For some considerable time, the Netherlands has taken European defence cooperation very

- 74 Report of a meeting between the Minister of Foreign Affairs and the Permanent Committee of the House of Representatives on Foreign Affairs on 5 February 2015, Session 2014-2015, Parliamentary Paper 21501-02, no. 1467, p. 13.
- 75 Letter of 23 February 2015 from the Minister of Foreign Affairs to the President of the House of Representatives, 'State of the European Union 2015', The Hague, Parliamentary Paper 34 166, no. 1, p. 10.
- 76 Proceedings of the House of Representatives 2014-2015, 19 November 2014, p. 3.
- 77 Letter of 7 November 2014 from the Minister of Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 33 763, no. 59. pp. 1-2.

seriously, by entering into bilateral agreements with a number of larger and smaller partners: Belgium, Germany, Luxembourg, France, Norway and the UK.⁷⁸ The Netherlands has good reason to believe that it is playing a pioneering role in this regard; it seeks further deepening of international defence cooperation.

The AIV would strongly urge the government to continue along this path. The Netherlands' capacity to act can be increased only by sharing national military capabilities wherever possible with suitable European partners, since on its own the Netherlands can achieve little or nothing in military terms beyond its own borders. Accordingly, the AIV would ask the government to consider using the EU Presidency in 2016 to put forward proposals for common defence investment at EU level, for example in aircraft that can refuel fighters in the air, the formation of a European pool of transport helicopters similar to the European Air Transport Command, and consortia along the lines of the Strategic Airlift Capability (SAC) C-17. The Presidency will also offer an opportunity to ensure much-needed changes are made to the 2003 European Security Strategy, which is dated in many ways. The Netherlands could also propose that a European semester be introduced in the field of defence. In that event the HR would draw up an annual detailed analysis of the development of national defence efforts and make recommendations for the next 12-18 months, just as the European Commission does now with respect to national budgetary policies and economic policy coordination.

As regards the EU's common foreign policy, Mr Koenders likes to compare it to an orchestra – the HR being the conductor – with a number of countries that can undertake certain activities and a possible 'flexible division of labour'. At the same time the minister has expressed concerns about the maintenance of unity and cohesion within the EU. The AIV understands the minister's concerns, but also believes that the member states' different national agendas are a fact (geography is destiny) and that diversity among the member states can also serve as a strong basis for a range of diplomatic activities vis-à-vis neighbouring countries. Division of labour among the member states, rather than institutional solutions, could be a sensible way of dealing with the problem of the diversity in the EU, provided the member states keep one another informed and the HR continues to play a coordinating role.

III.4 The Netherlands and NATO

Over the years the Netherlands has played an active part in NATO military operations. This has earned the Netherlands appropriate recognition from its allies and thus political capital in the form of influence and prestige. In 2015 the Netherlands, Germany and Norway will form the battalion serving as the interim VJTF. The Netherlands is also supplying tanker capability for air-to-air refuelling of AWACS aircraft and is taking part in the Baltic Air Policing mission and various exercises in the Baltic region.

All these contributions are in accordance with the government's view that the importance of collective defence has increased. However, these contributions are relatively small

- 78 Letter of 7 November 2014 from the Minister of Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 33 279, no. 12. See also: AlV advisory report no. 78, 'European Defence Cooperation: Sovereignty and the Capacity to Act', The Hague, January 2012.
- 79 Letter of 7 November 2014 from the Minister of Foreign Affairs to the President of the House of Representatives, The Hague, Parliamentary Paper 33 694, no. 6.

and cannot disguise the fact that for a considerable time the Dutch armed forces have not met the requirement of full spectrum deployability, while sizeable units are barely capable of sustained operations. These shortfalls are a serious problem because account must be taken of the possibility that, in response to the military challenge posed by Russia, NATO will ask more from the Dutch armed forces than in the past and current military missions in Iraq and Afghanistan. Future deployment in the MENA region cannot be ruled out either.

The AIV is of the opinion that the current state of the Dutch armed forces is below the required standard. This justifies a detailed discussion of Dutch defence efforts in this advisory report, partly with a view to the response the government is due to give to the motion introduced by MP Kees van der Staaij, calling for a new definition of the Netherlands' military level of ambition. The AIV wishes to avoid giving the impression that improving the quality of Dutch defence (and that of its European allies) is the only or even the main way of meeting the crises facing Europe on its borders. In the AIV's view, this requires a wide-ranging approach, with a coherent combination of diplomatic, economic and military instruments, each of which should have its own place. From this and other points of view, the AIV deplores the drastic reduction in Dutch diplomatic missions abroad.

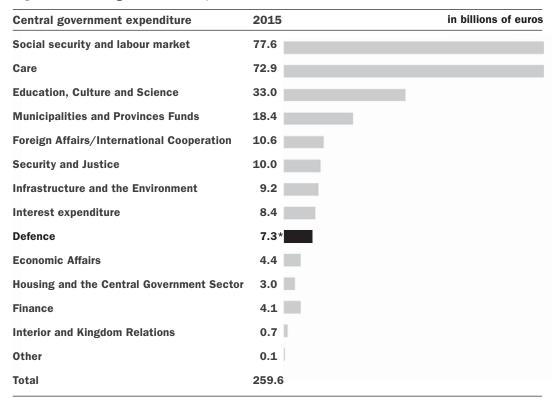
III.5 The Netherlands' defence efforts

The main cause of the sharp decrease in the combat strength of the Dutch armed forces lies – hardly surprisingly – in the repeated cuts that have been made in the defence budget. Accordingly, the proportion of GDP spent by the Netherlands on defence since 1990 shows a steady decline. While the figure in 1990 was still 2.4% of GDP, by 2015 it had fallen to 1.16%: in other words, the percentage had more than halved. The Netherlands remains far below the average of 1.6% of GDP that the European NATO member states currently spend on defence and a fortiori below the NATO 2% benchmark to which the NATO member states recommitted themselves at the summit in Wales, as described in the previous chapter. Since 1990, the percentage of GDP spent on defence has fallen from 2.4% to 1.2%.

Partly as a result of the budget cuts, the investment ratio has fallen sharply. In 2006 as much as 21% of the defence budget went on investment; by 2013 this figure had dropped to 14%. The AIV advocates reversing this trend, in view of concerns about NATO's and thus the Netherlands' security situation. It is important to remember in this connection that defence accounts for only a modest share of total central government expenditure (see figure 3).

- 80 In assessing the allocation of the Dutch defence budget, it must be remembered that a substantial part of the budget is spent on pensions, redundancy pay and benefits. In 2015 this amounted to EUR 1,459.67 million: Answers to written questions on the 2015 budget, question 137. The Netherlands is not unique in this regard. The defence budgets of other NATO countries are also burdened with expenditure on pensions and other items that are not directly related to their defence efforts.
- 81 Parliamentary Paper 34 000 X, Adoption of the budget statements of the Ministry of Defence (X) for 2015, no. 12, report containing a list of questions and answers. Adopted 24 October 2014, p. 3.

Figure 3 Central government expenditure⁸²



Continuing cuts in the defence budget have sharply reduced the Dutch armed forces' deployability, sustainability and escalation dominance. Consequently, the Netherlands' level of ambition⁸³ has been systematically lowered.⁸⁴ It is particularly distressing that throughout the armed forces certain support and basic combat capabilities have not only been reduced but have even been completely eliminated, simply to cut expenditure. In contrast to niche capabilities, no armed force can function properly without basic combat capabilities, which are also vital to maintaining escalation dominance. At present, the armed forces are facing serious shortages of personnel, spare parts and munitions. The investment budget is so low that it is eroding both maintenance and innovation in the armed forces. This means that replacement investment is postponed, materiel becomes obsolete, maintenance deteriorates and materiel operating costs go up. In short, a downward spiral has set in.⁸⁵

- 82 'Defence core data', November 2014.
- 83 The level of ambition reflects what the armed forces should be able to do in the light of the Constitution and the three core tasks of the defence organisation, for example the number of operations that can be carried out at one time and the scope and duration of the Dutch contribution to them. The level of ambition is specified in terms of deployability targets.
- 84 Policy document 'In the Interest of the Netherlands', 17 September 2013. See: http://www.defensie.nl/documenten/beleidsnotas/2013/10/11/in-the-interest-of-the-Netherlands, p. 15.
- 85 See also Lo Casteleijn 'De trends van twintig jaar Defensie. De motie-Van der Staaij in historisch perspectief' [Twenty Years of Trends in Defence: the Van der Staaij Motion in Historical Perspective], Atlantisch Perspectief 2014, no. 8, pp. 9-12. See: http://www.clingendael.nl/sites/default/files/De-trends-van-twintig-jaar-defensie.pdf>. Retrieved 5 March 2015.

A parliamentary majority currently appears to be convinced of the need to make additional funds available for defence. Mr Van der Staaij's motion asked the government 'to indicate what the required level of ambition is for our armed forces over the coming years, what international security strategy corresponds to it, how the effectiveness of the defence organisation should be increased and how this relates to the national deployment of our armed forces' and 'to specify in more detail how the defence budget will be modified over the next few years, providing explicit guarantees that the level of defence spending will keep pace with the required level of ambition for our armed forces'.⁸⁶

Core tasks of the armed forces

The first of the armed forces' core tasks (protecting Dutch and allied territory, including the Caribbean parts of the Kingdom) has clearly become more important because of Russia's destabilising activities in Ukraine. The AIV believes that the Dutch armed forces should make a proportionate contribution to international deterrence, including a contribution to a rapid response force such as the VJTF. The new security situation makes this more urgent than it was until recently and sets high standards for the availability, mobility and more rapid deployability of the units pledged. In addition, developments in the Middle East and North Africa suggest that the second core task (peace missions) has also become more important. In the AIV's opinion, experience of military interventions leads to the conclusion that deployment should generally be for the long term, to allow successes to take root. The focus should be not on the end date, but on the end state. This of course requires sufficient sustainability.

The third core task – national security – has also gained in importance, particularly because of the increasing mesh between internal and external security. This has two causes: a substantial terrorist threat caused partly by returning jihadists and the growing threat of cyber espionage and digital sabotage. The AIV is pleased to note the measures recently taken by the government to strengthen the national public safety and security system. 88

The financial framework

In the AIV's opinion, the security situation, both national and international, outlined above and the current financial position of the armed forces call for what might be referred to as a 'Delta Plan for the armed forces'. This should create a multi-year financial framework for the stable development of the armed forces, extending further than the term of office of the present government. An example would be the situation in Denmark and Sweden, where the government and opposition parties in Parliament reach a detailed agreement for five years on the level of the defence budget and how it should be spent. ⁸⁹ The AIV believes it would be advisable for the government to conclude a similar agreement with the Dutch Parliament to provide the armed forces with greater financial stability. The Multi-Year Plan for Infrastructure, Spatial Planning and Transport, which Parliament discusses twice a year in progress talks with the Minister of

- $86 \ \ See: (in \ Dutch) < http://www.rijksbegroting.nl/2015/kamerstukken 2014/9/22/kst 199893.html>.$
- 87 AIV/CAVV advisory report no. 77, 'Cyber Warfare', The Hague, December 2011.
- 88 Letter of 27 February 2015 from the Ministers of General Affairs and of Social Affairs & Employment to the President of the House of Representatives, The Hague, Parliamentary Paper 29 754, no. 302.
- 89 Danish Defence Agreement 2013-2017, Copenhagen, 30 November 2012. See: http://www.fmn.dk/eng/allabout/Documents/TheDanishDefenceAgreement2013-2017english-version.pdf>. Retrieved 5 March 2015.

Infrastructure and the Environment, could serve as a model here.

Over the last few decades, partly because of the various changes of government, the armed forces have too often been a low budget priority. The speed with which the defence budget can increase will be determined among other things by the organisation's capacity to absorb both personnel and funding. The fact is that setting up or re-establishing units and training officers and NCOs takes time. Given the gap between the present level of defence spending and the 2% NATO benchmark, a gradual increase in the Dutch defence budget over the next 10 years to the current average for the European NATO countries, i.e. approximately 1.6%, is both realistic and necessary. This would ultimately raise the defence budget by EUR 3.65 billion on an annual basis, without however giving up on the 2% NATO benchmark as confirmed in Wales. ⁹⁰ The AIV holds that the position taken by the government to date, namely that extra money will go to defence 'where possible and necessary', does not seem to acknowledge the seriousness and urgency of the present situation. ⁹¹

The International Security Budget (BIV), which provides funding for the second core task among other things, is likewise inadequate. For example, the Dutch contribution to the fight against ISIS is being funded by advances from the budgets for 2017, 2018 and 2019. Spending on the first core task (for example the Baltic Air Policing mission and the Airborne Warning and Control System) is currently covered from the maintenance budget, as is Dutch participation in the VJTF. If the budget is too limited, the armed forces will be corroded by multiple deployments. A review of the funding of military deployments is required, particularly in the light of the growing importance of the first and second core tasks. The motion in the House of Representatives asking the government to 'outline alternative, more flexible budgeting methods for more future-proof funding of missions' is relevant here. ⁹² This matter too could form part of a multi-year agreement between government and Parliament.

Another important factor for the stable development of the armed forces is the annual indexation of salaries and prices. If this does not keep pace with the rising costs of defence materiel, in particular, the difference has to be paid from the maintenance budget. This is a heavy burden, because the costs of spending on military materiel have grown by an estimated 2 to 7% per annum above the level of inflation. He Ministry of Defence can keep materiel procurement costs under control by purchasing standard materiel off the shelf, by closely monitoring life cycle costs, by practising standardisation and a modular approach and by applying multifunctionality. He

- 90 If European NATO countries increase or reduce their defence budgets over the next few years, this percentage may also change.
- 91 See for example Letter of 7 November 2014 from the Minister of Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 33 763, no. 59, p. 2.
- 92 Motion introduced by MPs Han ten Broeke and Michiel Servaes, Parliamentary Paper 34000 V, no. 21.
- 93 Future Policy Survey: a new foundation for the Netherlands Armed Forces, p. 297.
- 94 See also Letter of 8 April 2011 from the Minister of Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 32 733, no. 1, pp. 6-7.

Improvements

Except for deployments on Dutch soil, in future the armed forces will always be deployed in an international framework, taking account of many different threats and forms of hybrid warfare. The probability of the armed forces being deployed for all three core tasks at the same time has increased. The importance of operational intelligence and cyber capabilities is increasing. It remains essential to strike a good balance between the defence organisation's 'teeth' and its support capabilities. To stay relevant in today's world, the armed forces must press on with operational reform and innovation. Restoration and reform should be the guiding principles of Dutch defence policy in the years to come.

Apart from the Royal Military and Border Police, the striking power of all the services has decreased over the last few years and their sustainability has been drastically reduced. For example, part of the navy's mine countermeasures capability has vanished from the arsenal and the air force has seen the number of F-16 fighter aircraft at its disposal sharply decrease. In the case of the army, some basic combat capabilities have been halved in number (anti-tank weapons systems and infantry combat vehicles) and one has been scrapped completely (main battle tanks). If the defence budget were increased substantially, as the AIV advocates, the armed forces' level of ambition – and hence their sustainability – could be raised to a desirable level, creating scope for replacement investment and new investment. Replacement investment could be used, for example, to purchase submarines, frigates and extra F-35 aircraft. The emphasis in new investment should be placed firmly on intelligence and cyber capabilities, and on special forces because of the increased threat from hybrid warfare. The helicopter capability also urgently needs expanding in the interests of implementing the second core task.

With a gradual increase in the defence budget over the next few years, the first essential step would be to eliminate existing shortfalls. This means not only replenishing the store of spare parts and munitions now in short supply and restoring the balance between combat and support capabilities, but also reintroducing basic combat capabilities which have been scrapped over the last three years because of cuts. The AIV has on several occasions drawn attention to these shortfalls in the armed forces. The growing importance of all three core tasks, especially the first, makes it vital to remedy these deficiencies. In recent years the priority has been support and transport capabilities, at the expense of heavy weapons. The most radical decision in this regard was the elimination of the main battle tank units by the first Rutte government. The government acknowledged at the time that this represented a serious loss of striking power for the armed forces and that complementary systems like the Apache helicopter and the CV-90 infantry combat vehicle could only partially compensate for this loss. Accordingly, this decision placed the Netherlands in an exceptional position among the allies. The second Rutte government even took this focus on mobility further by equipping just one

⁹⁵ AlV advisory report no. 78, 'European Defence Cooperation: Sovereignty and the Capacity to Act',
The Hague, January 2012, and AlV advisory letter no. 22, 'Open Letter to a New Dutch Government:
The Armed Forces at Risk', September 2012. Round table meeting of the House of Representatives
Permanent Committee on Defence on the Dutch armed forces, 5 November 2012. Round table meeting
on the policy document on the future of the armed forces 'In the Interest of the Netherlands', The Hague,
2 October 2013.

⁹⁶ See also Lo Casteleijn, 'De trends', op. cit., p. 10.

⁹⁷ Letter of 8 April 2011 from the Minister of Defence to the President of the House of Representatives, The Hague, Parliamentary Paper 32 733, no. 1, p. 14.

brigade with the CV-90, while motorising the other mechanised infantry brigade, which relies principally on new lightly armed Boxer and Fennek wheeled armoured vehicles and additional Bushmaster vehicles. The firepower of the army has been further reduced by halving the number of CV-90s. The limited ground-based manoeuvre capability of the armed forces – army and marines – has thus turned them into a 'light army' with insufficient escalation dominance.

The AIV would express its concern at these developments and repeat its previous recommendation⁹⁸ that the Netherlands should – for the time being – lease tanks from Germany to remedy at least one operational shortfall in the Dutch armed forces. This has been rendered all the more urgent by recent developments in the security situation, in particular the possibility of an offensive deployment of Russian heavy armoured units on the borders of NATO territory. A lease arrangement of this kind could be a first step towards restoring an adequate tank capability. With a view to the second core task – participation in peace operations – there should be no debate about the necessity of Netherlands' autonomous control over such a capability. The Netherlands must retain the freedom to take part in peace operations with all the assets required, even if Germany, for example, remains uninvolved. In the case of the first core task, defence of the NATO treaty area, this problem will not arise because of the strong bonds of solidarity among the allies.

Conclusion

In addition to increasing the defence budget, international cooperation is one of the measures needed to eliminate the armed forces' shortfalls and increase their capacity to act. The AIV made this argument forcefully in its advisory report on European defence cooperation. Given the serious fragmentation of European defence efforts, the sharp rise in costs, and the fall – at least for the time being – in defence budgets in Europe, combined with the current security situation, it is now particularly important to set to work on EU defence cooperation. The AIV believes that during its EU Presidency in 2016 the Netherlands could take the initiative to ensure significant steps forward. Many European NATO member states are discussing the need to step up defence efforts. As soon as political decisions have been taken on this, a window of opportunity will open up for greater cooperation among EU countries: a window that should be utilised in view of the international security situation.

The AIV believes that the analysis in the 2010 Future Policy Survey still applies: fundamental uncertainty is more of a factor than it has been for a long time. It is therefore necessary to increase the Netherlands' ability to anticipate and prevent conflicts. There is a close connection between internal and external security, and it is becoming increasingly important to invest in European defence cooperation while retaining a measure of autonomy in respect of the strength and organisation of the Dutch armed forces. ⁹⁹ In the AIV's opinion, the decision in favour of an 'agile force' is still valid, but that decision entails financial consequences and the need for clear prioritisation.

98 AIV advisory report no. 78, 'European Defence Cooperation: Sovereignty and the Capacity to Act', The Hague, January 2012, p. 52.

99 Future Policy Survey: a New Foundation for the Netherlands Armed Forces.

IV Conclusions and recommendations

IV.1 Conclusions

The international security situation around Europe has changed drastically over the last few years. Russia's intervention in Ukraine, the rise of ISIS in Syria and Iraq and the disintegration of Libya have created a 'arc of instability' on Europe's borders that poses a direct threat to its security and thus to the security of the Netherlands.

The following questions are central to this advisory report:

- 1. How should these developments on Europe's borders be assessed? Is there truly an 'arc of instability' and will it affect Europe for a considerable length of time?
- 2. How should the EU and NATO respond to the challenges on Europe's borders? What options are available and what is the impact of the American shift towards South-East Asia?
- 3. What Dutch interests are at stake and to what extent do the developments on Europe's eastern and southern flanks pose a threat to Dutch security? What is the best way to promote and/or protect these interests? What are the implications for the foreign and security policy and defence efforts of the Netherlands?

Threats to European security

The conflicts on Europe's eastern and southern flanks are largely different in nature and present different security risks. To the east, Europe is faced by a region that is scarcely integrated at all in terms of security policy, with several weak states afflicted by internal instability, and above all with an assertive, indeed aggressive Russia. The AIV does not think it very probable that President Putin's power will be undermined in the near future. The EU would be well advised to give more emphasis to security policy considerations in its relations with Russia. This would better acknowledge the nature of those relations (competition, spheres of influence) and the political realities in the neighbouring region. The AIV concludes that for a long time to come account will have to be taken of instability on Europe's eastern border as a result of Russian intimidation. There is also a serious possibility of Russian destabilisation of the Baltic states.

To the south Europe is confronted by a wide range of security risks, such as the arms trade and returning jihadists, deriving from weak or even failed states such as Iraq, Syria and Libya, large parts of which are at present under ISIS control. The situation in Libya poses the greatest and most direct security risk to the EU. The options available to the EU and the US to help increase stability in Iraq, Syria and Libya are limited. At most, the airstrikes carried out in Syria and Iraq as part of Operation Inherent Resolve have been able to slow ISIS territorial expansion for the time being. The AIV expects that it will be at least a generation before the region witnesses legitimate democratic governance or substantial economic progress.¹⁰⁰

100 For the AIV's recommendations on democratisation, employment, diplomacy and the prevention and/or combating of violence, see AIV advisory report: no. 91, 'The Netherlands and the Arab Region: a Principled and Pragmatic Approach', The Hague, November 2014, pp. 32-34.

Policy options for NATO and the EU

Over the last few years the international importance of the EU has declined, partly as a result of the euro crisis. The EU's Common Foreign and Security Policy is not yet sufficiently developed and the role played by the EU on the international stage is not commensurate with its economic power. Individual member states' strong drive towards self-assertion still stands in the way of united action by the EU. Germany has taken the lead within the EU in the conflict with Russia and seems prepared to gradually take on a prominent position in the security field as well.

The AIV believes the time is not yet ripe for the establishment of a European defence force. First, more progress will have to be made with European defence policy and the EU will have to develop further towards a political union. The AIV sees more potential in pragmatic cooperation in the form of pooling and sharing by like-minded EU member states; this will produce more tangible results.

The scope for the EU to influence developments in the Middle East and North Africa (the MENA region) is relatively limited. The fight for the political future of the Arab region is one which should be fought primarily by the Arab countries themselves. The EU should focus on taking advantage of opportunities and managing threats to Europe's security and energy supply. A solution must be found, in the West as elsewhere, to the attraction exercised by ISIS for young Muslims and other young people. The recruitment of ISIS adherents in Europe for the armed struggle must be obstructed, by means of preventive intervention and anti-radicalisation programmes. Joint efforts by the intelligence services, educational institutions and civil society organisations are crucial in this connection.

There is a resurgence of interest in the importance of peace and security, the significance of transatlantic cooperation and the value of collective defence as NATO's core task. The drafting of the Readiness Action Plan and the establishment of the Very High Readiness Joint Task Force (VJTF) represent the first steps taken in response to the new security risks stemming from Russian activity on NATO's eastern borders. New contingency planning is called for, especially in the field of hybrid warfare. NATO member states will have to invest heavily in building capacity at division and corps level to prevent a dangerous gap opening up between the VJTF (and the NATO Response Force), as the tripwire, and the nuclear arsenal, which would undermine the credibility of article 5 of the North Atlantic Treaty.

Most NATO member states have not yet acted on the decision taken at the NATO summit in Wales to increase defence spending towards the 2% NATO benchmark. There are several honourable exceptions: a number of East European countries and Germany, which will be adding a total of EUR 8 billion to its defence budget over the next four years. The US still accounts for the lion's share of the alliance's defence spending. This lack of burden-sharing is unsustainable, especially because South-East Asia, rather than Europe, has become the most important region for the US. In the AIV's view, the European NATO member states can no longer avoid assuming more responsibility for European security.

The international position of the Netherlands

The Netherlands still defines itself as a medium-sized EU member state, but its influence has diminished over recent decades. Like the other EU member states, it will have to give priority to security and security policy in the years ahead. This will indisputably affect other areas of Dutch foreign and security policy, such as human rights policy. The

decline in the West's power and the harsher cast of international relations mean that securing compliance with human rights agreements requires even greater efforts than in the past. The Netherlands will have to work more closely with like-minded countries if it is to achieve results. Championing human rights should not be separated from a country's security conditions. The creation of a safe, stable situation is essential for the construction of a sound administration and judicial apparatus, which form the basis for protecting human rights and promoting humane values in general. Conversely, if human rights are more firmly rooted in a country, this contributes to greater security and stability in the longer term.

Instability on the EU's borders is forcing the Netherlands to reposition itself in Europe. In this connection, the AIV believes that the Netherlands should aim for some form of special partnership with one or more large member states. In view of the leading role played by Germany in the EU with regard to Ukraine, the obvious move would be for The Hague to line up closely with Berlin. While Dutch security policy used to look to the UK and the US, the changes in the security situation in mainland Europe and the UK's limited involvement are now forcing the Netherlands to orientate itself more towards continental Europe. When it comes to NATO, the Netherlands should speak even more loudly than before on behalf of the countries that are pressing for Europe to take a bigger share of the allies' efforts. Paradoxically, this would be the best way to ensure an abiding US sense of commitment to Europe.

The Netherlands' defence efforts

The AIV notes that, at 1.16% of GDP, the Dutch defence budget is well under the current average for European NATO member states of 1.6% of GDP. The AIV also notes that repeated cuts in the Dutch defence budget have been made at the expense of the full spectrum deployability, sustainability and escalation dominance of the Dutch armed forces. The limited ground-based manoeuvre capability of the armed forces – army and marines – has as a consequence turned them into a light army with insufficient escalation dominance. This is alarming and must be urgently remedied, particularly in the light of current tensions with Russia. The government must be prepared for NATO to call on the Netherlands, as on other countries, to make a sizeable military unit available to deter potential offensive operations by Russia on the borders of the NATO treaty area.

The AIV advocates a gradual increase in the Dutch defence budget within the next ten years to approximately 1.6% of GDP, while being mindful of the NATO 2% benchmark. The AIV considers it advisable to draw up a 'Delta Plan for the armed forces', providing for a multi-year financial framework for the stable development of the armed forces. In the first instance this would involve replenishing the store of spare parts and munitions and restoring basic combat capabilities that have been scrapped over the last few years. Restoring the balance between combat and support capabilities is a prime requirement.

Should a considerable increase in the defence budget prove politically feasible, the armed forces' level of ambition – and thus their sustainability – could be stepped up again. That would create scope for replacement investment (including submarines, frigates and additional fighter aircraft) and new investment. The emphasis in new investment should be placed firmly on intelligence and cyber capabilities and on special forces because of the increased threat from hybrid warfare. The helicopter capability also urgently needs expanding in the interests of implementing the second core task. An investment ratio of at least 20% of the total defence budget is essential. To implement a specific plan to expand defence capability, the House of Representatives could adopt the Danish system of multiyear budget agreements to provide the defence organisation with financial stability in the

longer term. A separate adequate financial arrangement should also be made to fund deployment of the armed forces in a range of operations.

IV.2 Recommendations

- 1. In the light of the mounting crises on Europe's eastern and southern flanks, the AIV believes it necessary to review Dutch defence policy, focusing on three priorities: a higher valuation of collective defence, European security and defence cooperation, and a substantial increase in the Dutch defence budget.
- 2. The AIV would advise the government to remodel its relations with Russia along more realistic lines. Constructive cooperation on European security matters would appear to be impossible for a considerable time to come. Russia is no longer a partner but an opponent in many respects. The EU member states must not let Russia play them off against one another.
- 3. The AIV calls on the government to use its influence to ensure that the Deep and Comprehensive Free Trade Agreement is implemented as soon as possible by the EU and the International Monetary Fund, in order to bolster Ukraine's weak economy. Priority should be given to much-needed improvements in public administration, strengthening the rule of law and fighting corruption. For the time being EU membership is not on the horizon for Ukraine, nor is it desirable in the present circumstances. This applies even more strongly to membership of NATO.
- 4. The AIV takes the view that resolving conflicts in the MENA region is primarily the responsibility of the countries themselves. Western governments should remain in the background wherever possible and confine their efforts to aiding and supporting moderate Arab governments and groups. The AIV advises the government to counter the fragmentation of Dutch aid programmes and to channel Dutch contributions to Iraq and Syria mainly to security sector reform and humanitarian assistance. In the AIV's opinion, the Netherlands should also contribute to possible EU support, for example in the form of trainers and advisors, in the interests of achieving a measure of stability in Libya.
- 5. In the preliminary stages of EU decision-making, the AIV advises the government to seek to align itself, on a case-by-case basis, with one or more large member states with a view to exercising timely influence. The obvious course would be for the Netherlands to orient itself politically towards Germany. The Netherlands should encourage Germany to take a more clearly defined position in security matters as in other fields.
- 6. In the AIV's opinion, the EU should formulate a new security strategy as soon as possible, as a means of giving a new boost to EU defence cooperation. European countries can no longer afford to be thought of as free riders. The new security strategy should incorporate realistic targets for the required European defence capabilities. The introduction of a European semester, enabling defence ministers to allow one another access to their respective draft defence budgets and investment plans and hold one another to account for them, will make a key contribution to closer defence cooperation.
- 7. The AIV recommends that during the Dutch EU Presidency in 2016, the government propose that the EU reach specific agreements on new joint defence investments,

- for example the formation of a European pool of transport helicopters. Further integration of support units (such as air transport) and closer operational cooperation between combat units are also possible and desirable.
- 8. NATO should work more on its contingency planning, in particular with regard to hybrid warfare, so as to be prepared for any eventuality on the borders of the treaty area. The AIV advises the government to urge NATO to develop the Readiness Action Plan further so as to increase the credibility of the deployment of the Very High Readiness Joint Task Force and, if necessary, the NATO Response Force as a whole. NATO's deterrent capability should be strengthened primarily by increasing the alliance's response capability and sustainability. NATO should also give much higher priority to threats from cyber attacks and cyber warfare and develop the resources required for this purpose within the alliance.
- 9. The AIV believes it necessary to adhere to the level of ambition of an 'agile force' and to bring the Dutch defence budget up to approximately 1.6% of GDP within the next ten years, while being mindful of the NATO 2% benchmark. Additional funds should be used to remedy acute deficiencies in the armed forces and to invest in combat capability (such as tanks). If the government decides on a substantial increase in the defence budget, this will create financial scope for replacement investment (including submarines, frigates and additional fighter aircraft) and new investment in transport helicopters and intelligence and cyber capabilities.
- 10. The AIV advises the government to deploy the Dutch armed forces more selectively and to prioritise military operations or peace missions that address direct threats to Europe's security and stability.

List of abbreviations

AIV Advisory Council on International Affairs

AWACS Airborne Warning and Control System

CAVV Advisory Committee on Issues of Public International Law

CFSP Common Foreign and Security Policy

EEAS European External Action Service

EEU Eurasian Economic Union

ESDP European Security and Defence Policy

EU European Union

GDP Gross Domestic Product

HR High Representative of the Union for Foreign Affairs and Security Policy

ICI Istanbul Cooperation Initiative

ISIS Islamic State in Iraq and Syria

MENA Middle East and North Africa

NATO North Atlantic Treaty Organization

NRF NATO Response Force

OSCE Organization for Security and Co-operation in Europe

RAP Readiness Action Plan

TTIP Transatlantic Trade and Investment Partnership

UAE United Arab Emirates

UK United Kingdom

UN United Nations

US United States

VJTF Very High Readiness Joint Task Force

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^{**} Joint report by the Advisory Council on International Affairs (AIV) and the General Energy Council.

^{***} Joint report by the Advisory Council on International Affairs (AIV) and the Advisory Committee on Aliens Affairs (ACVZ).