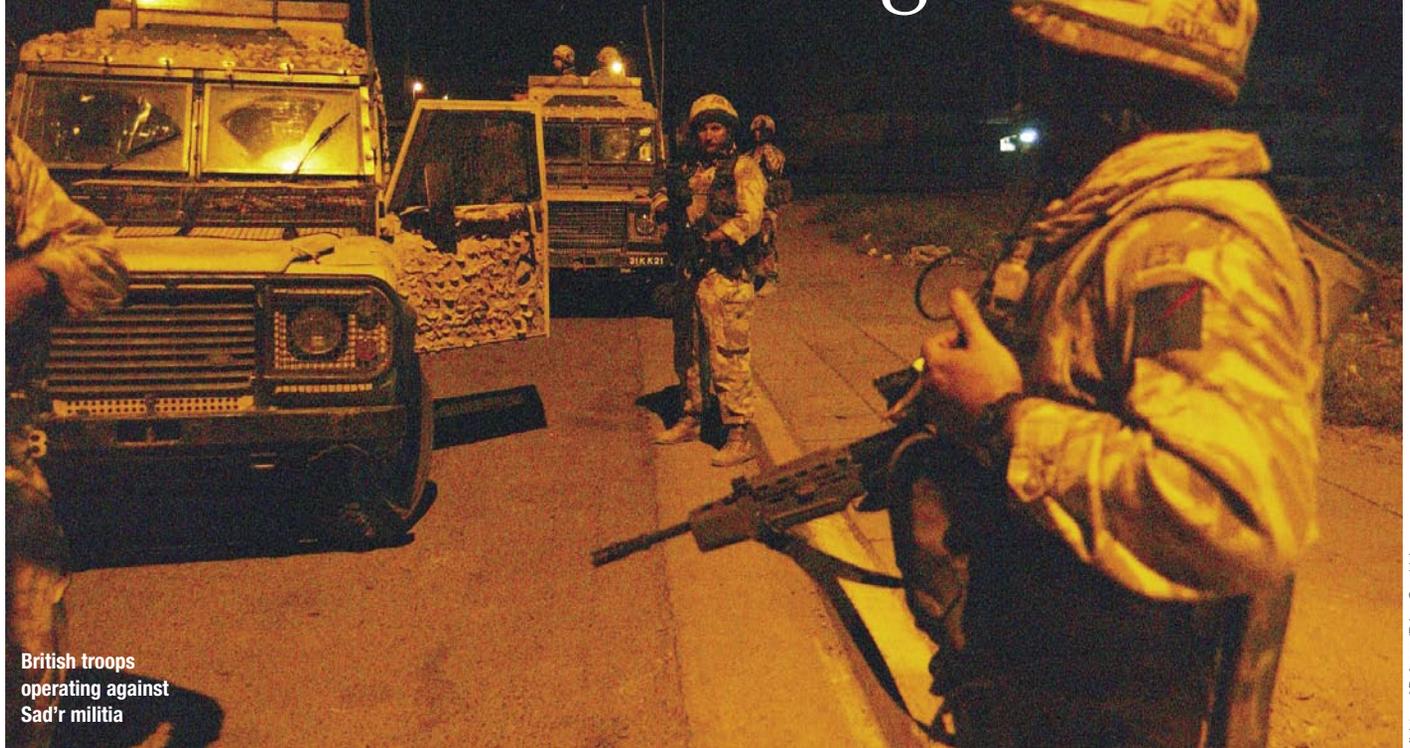


Transformation and the United Kingdom



British troops
operating against
Sad'r militia

Ministry of Defence (Brian Gamble)

By ANDREW DORMAN

The last decade has witnessed an academic and professional debate about the revolution in military affairs with a corresponding burst of doctrinal activity. A central theme is how an organization like the armed forces should undertake and manage change.

Prior to World War II, Heinz Guderian wrote of the problems of promoting change even as vested interests within the German army sought to maintain the status quo: "It is a love of comfort, not to say sluggishness, that characterizes those who protest

against revolutionary innovations that happen to demand fresh efforts in the way of intellect, physical striving, and revolution."¹ In contrast, Douglas Bader was highly critical of the various "fighter attacks" developed by the British Fighter Command between the world wars because they ignored many lessons of World War I.² Both examples highlight the problems of applying new technology. More recently, Tony Mason warned against the military's tendency to favor all things technological: "Concentration on high technology should not lead to the disparagement of the simpler or even obsolescent weapons. The ultimate measure of a weapon's effectiveness is its value as a political instrument,

Andrew Dorman is a lecturer in defense studies, Joint Services Command and Staff College, United Kingdom.

which may not equate to its operational impact.”³ These observations highlight some of the dilemmas surrounding defense transformation and recognize that managing transformation is challenging and risky.

This article examines how London is approaching transformation. The United Kingdom probably ranks second to the United States in projecting military power. As a result, it has retained a broad range of capabilities. Secondly, like the Pentagon, Whitehall has retained a technological focus within its armed forces. Thirdly, its defense budget has been in steady decline since the Cold War, an ongoing financial pressure confronting the majority of forces in the process of transition. Moreover, the United Kingdom leads the way in innovative acquisition. Fourthly, it is ahead of other countries transforming their armed forces, with the exception of the United States. Additionally, it has had ongoing experience with terrorism because of the paramilitary groups operating in Northern Ireland. Finally,

Whitehall has retained a technological focus within its armed forces

as the recent war with Iraq has shown, London remains one of Washington’s closest allies.

This article is divided into four parts. The first considers how the defense context has changed for the U.K.—in essence why there is a requirement for change and what the government is trying to achieve. The second examines how the Ministry of Defence (MOD) and the armed forces have changed their approach to the new requirements and technologies. The third examines changes to the acquisition process, such as the extent to which new and existing capabilities are changing. Finally, there are conclusions about the nature of change.

Defense Context

During the latter Cold War, defense policy centered on the perceived Soviet threat and domestic terrorism. That led successive governments to focus on four elements: membership in



Royal Marines demonstrating maritime interdiction aboard HMS Somerset in the Arabian Gulf

Fleet Combat Camera, Atlantic (Michael Sandberg)

the North Atlantic Treaty Organization (NATO), close relations with the United States, an independent nuclear deterrent, and supporting civil authority in Northern Ireland. The end of the Cold

War, the collapse of the Soviet Union, and a diminishing military commitment to Ulster as a result of the Good Friday Accord

have allowed the policy to be redefined, culminating in the 1998 *Strategic Defence Review* (SDR), which was officially based on the requirement:

... to move from stability based on fear to stability based on the active management of these risks, seeking to prevent conflicts rather than suppress them. This requires an integrated external policy through which we can pursue our interests using all the instruments at our disposal, including diplomatic, developmental, and military. We must make sure that the Armed Forces can play as full and effective a part in dealing with these new risks as the old.

The key aspect of this review was the government aim to “maintain and reinforce the present favourable external security situation.” This reflected a much broader vision of security- and defense-related issues within MOD

than previously and reflected a victory for the Foreign and Commonwealth Office (FCO) view. It also highlighted a fundamental shift from a threat-based to a capabilities-based defense policy.

What is this broader agenda? At the first Labour Party conference after the 1997 general election, George Robertson, the new Secretary of State for Defence, declared that “what distinguishes us from the Tories is that we believe that Britain can, and should, be a force for good in the world. We are not isolationists. We are internationalists and proud of it.”

This idealism embraced defense as just one means of dealing with the world’s problems, and the notion of “forces for good” emerged. This change in policy was reinforced by the removal of the Overseas Development Administration from FCO and the creation of the Department for International Development in its place as a separate department of state. This bureaucratic change has led to a rivalry between FCO and the new department, with both having particular views on the role of the armed forces. The idealistic streak was subsequently reinforced in Tony Blair’s Chicago speech, made with the Kosovo War in the background, in which the Prime Minister emphasized that Britain’s interests were best served by a stable and peaceful world.

This defense policy not only continued to support NATO but also emphasized a European capability. The British and French agreed in December 1998 that the European Union (EU) “must have the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises.”

However, the process seemed set for slow progress until the Kosovo experience provided the government with further grounds for a renewed impetus, culminating with the Union’s

Britain would act as a supportive military partner in any U.S.-led operation and as a leading EU partner in other operations

Helsinki Summit in December 1999, which set out concrete force goals. The emphasis on developing an EU capability while preserving a NATO capability is indicative of a commitment to multinational solutions. The government also began suggesting a division of labor between the two organizations reflecting their respective capabilities. For the British government, NATO remained the institution responsible for the major warfighting tasks because of its American membership. EU, in contrast, was viewed as having a lesser military capability but a wider capacity for missions such as nationbuilding. That division of labor would clearly suit America. Britain would act as a supportive military partner in any U.S.-led operation and as a leading EU partner in other operations. British policymakers began to talk of operations transferring from NATO to EU as peace was restored and attention was focused on the Balkans.

Afghanistan proved to be the first test of this idea. Britain was at the forefront of the Pentagon-led response to the 9/11 attacks and the only other power to deploy forces on the first day of strikes. It subsequently became the lead power in the International Security Assistance Force (ISAF), deployed around Kabul in January 2002. The creation of ISAF was very much a British initiative, with this division of

labor appearing between the United States and United Kingdom, ISAF being in effect an EU force. America led the warfighting effort in Afghanistan with Britain in support while the British looked to lead the nationbuilding dimension with the explicit aim of using ISAF as a supporting mechanism for their mission. However, the ISAF remit was somewhat curtailed and the anticipated handover of its responsibility after the first 6 months was delayed until Turkey finally agreed to take responsibility for the operation.

This experience marked a turning point in British thinking as the government and MOD returned to a greater emphasis on warfighting tasks. Moreover, the rhetoric of both the Prime Minister and Secretary of State for Defence became more hawkish, with less differentiation from the American view. Emphasis on nationbuilding diminished, Royal Marine commandos were deployed soon after Operation *Anaconda*, and defense relations with the United States and Australia were emphasized. The latter also marked a major turning point, as the government appears to have become more resigned to coalitions of the willing based around traditional Com-

monwealth ties and linkages with Washington than on formal alliances. Australia and, to a lesser degree, Canada and New Zealand have joined the United States as principal allies, with France and Germany moving down the batting order.

This trend received additional impetus with the subsequent war with Iraq in which the United States, United Kingdom, and Australia proved to be the major allies, with France and Germany among the most vocal opponents. As a result, the Blair government’s attitude toward a Common European Security and Defence Policy (CESDP) has changed. Frustration with the commitment of the rest of EU to the force goals set out at Helsinki and the slow European adaptation to the post-9/11 world has led to a partial British withdrawal, with London retaining the rhetoric of CESDP but leaving it to the rest of the Union to push forward on the substantive issues. As a result CESDP is, in reality, failing to meet its operational goals, and its leading military power is partially disengaged.

Changes to Thinking and Organization

The armed forces had no prescriptive doctrine for much of the Cold War; its development in its present form can be largely attributed to Field

GR-4 Tornado landing at Eielson Air Force Base, Exercise Cope Thunder



1447th Communications Squadron (Chris Drudge)

Marshal Sir Nigel Bagnall. Until the beginning of the 1980s, the army had no formal doctrinal statements above the tactical level apart from those agreed within NATO. Since publication of *British Military Doctrine* in 1989, the armed forces, while acknowledging that future operations will likely be combined, have gone on to produce a library of joint doctrine designed for independent operations and to form the Joint Doctrine and Concepts Centre.

The Permanent Joint Headquarters was created to oversee operations with joint rapid reaction forces allocated to it and to be dual-hatted to NATO and EU. Joint staff training, helicopter provision, a joint logistic organization, and the joint force Harrier are examples of the new joint emphasis. However, implementing transformation has been a slower process. There have been three defense reviews since 1989:

- *Options for Change*, announced 1990
- *Frontline First: The Defence Costs Study*, published 1994
- *Strategic Defence Review*, published 1998.

SDR: The New Chapter was announced in 2002. It provided the final shift toward a capabilities-based approach to defense planning, but that was only achieved by assuming that British forces would go to the threat rather than the reverse. There were significant reductions to the home defense capability to help fund this shift, with the exception of that dealing with Northern Ireland. The 9/11 strikes have challenged this, and Defence Secretary Geoff Hoon has acknowledged the SDR assumption that there was no direct threat to the United Kingdom apart from domestic terrorism was wrong.

Following 9/11, Hoon announced that a review of Britain's defense posture and plans would be undertaken but that the basic tenets of the 1998 SDR remained valid. *The New Chapter* was published as a white paper in July 2002 along with a commitment to increase defense spending. While this represented the first significant rise in over a decade, it still compared poorly with other government departments. As a result, the measures included in the white paper were marginal. So where is it likely to lead?

Afghanistan, like Sierra Leone before it, has revealed the requirements for light infantry capable of rapid deployment. In both cases, this has fallen on the Royal Marines deployed offshore and a parachute battalion attached to 16 Air Assault Brigade. SDR resulted in the army increasing its armored forces at the expense of light forces, which demands review. It would seem logical to reorder the balance between heavy and light forces, but that would be deeply unpopular with more traditional army elements. This area, at least, was acknowledged in the white paper, and the army still has more horses than main battle tanks or attack helicopters. Nevertheless, it is following the U.S. lead toward a medium force.

More significantly, the new chapter gave greater emphasis to the ideas of the revolution in military affairs

there has been a move away from a capabilities-based approach to an effects-based approach

than did SDR. Both the new chapter and the various statements surrounding its publication focused on network-centric warfare and utilizing new technologies such as unmanned aerial vehicles to confront threats facing the United Kingdom. In other words, warfighting and counterterrorism have been emphasized over wider soft security issues such as nationbuilding. As part of this shift, there has been a move away from a capabilities-based approach to what has been termed an "effects-based" approach, although no threats have been identified or effect requirements stated.

From an operational point of view, the increasingly reticent attitude of the government to the deployment of the military outside the NATO region that marked the latter half of the Cold War has given way to commitment of significant forces in a variety of operations both within and without Europe, including the Persian Gulf War and subsequent operations to relieve the Kurds in northern Iraq, peace support operations in Cambodia, humanitarian operations in Mozambique, and efforts

throughout the Balkans, Sierra Leone, Afghanistan, and now Iraq. At the height of the Iraq War, 57 percent of the army was deployed on operations while for the last few years the average has rarely been below 20 percent. Faced with fewer, overstretched, and smaller forces, MOD remains reluctant to undertake further overseas commitments, and the outgoing chief of the defence staff and incoming chief of the general staff have stated that the army is incapable of mounting a further deployment for 18 months.

Equipment

It can be seen that defense policy over the last decade has begun a considerable transformation, with a shift toward expeditionary warfare and continued emphasis on the higher warfighting end of the conflict spectrum. There is still a desire to remain compatible with the armed forces of the United States and Western Europe. Such goals are not uncommon in Europe. The difference is that the United Kingdom has been one of the first countries to articulate them and has led the way in reforming defense policy.

However, such goals are not cost free, and successive governments have shown unwillingness to invest in additional defense. Again, this is not unlike the rest of Europe, and in terms of overall defense budget and as a percentage of gross domestic product the United Kingdom remains a leading investor. Added to this is the cost of transformation. NATO currently has three tiers of technological capability. The United States is technologically alone at the top and investing heavily while tier 2 includes the leading military states of Western Europe, Britain and France. Below this are the smaller Western European states and new NATO members. For tier 2 militaries, the cost of remaining interoperable with both the United States and tier 3 countries is becoming prohibitive.

The United Kingdom has led in finding ways to finance defense, and many in Europe see the initiatives as models for affordable capabilities.

HMS Invincible
entering Naval Station
Mayport



U.S. Navy (Charles E. Hill)

The transformation of acquisition is not new. The 1980s witnessed an ideological revolution in defense thinking. Under Margaret Thatcher, Britain embarked on wide-scale privatization of much of its defense industry, the adoption of competition for defense orders, and the beginning of contractual support services such as base catering. This continued with the John Major administration and the development of private finance initiatives (PFI), which have now been developed into the public-private partnership (PPP). The SDR process has been a continuation of the previous administration's support for contracting out elements of defense and the search for creative private sector solutions to the conundrum of matching resources to missions.

What we have also seen is a change in thinking about acquisition,

with a shift away from looking merely at kit to looking at capability—that is, including all the support costs over the life of the asset. So what solutions have been utilized with what success? The operational requirements element of the acquisition process has been divided into capabilities-based groups rather than along service lines. Apart from the traditional approach of in-house acquisition and ownership, there has been a rise in alternative solutions. PFI/PPP has had a number of advantages. It has allowed the government to undertake capital projects much earlier because the contractor provides the up-front capital for constructing and providing the services. Moreover, in theory, risk has been transferred to the contractor. These ideas have been adopted not just for rear bases and services but also for forward-deploy-

ing units. In the case of the MOD acquisition of roll-on/roll-off ships for the navy, the government envisaged that the contractor would build the ships and provide crews and have both available at agreed readiness levels for the life of the contract. This means that when these ships are not required by the Ministry of Defence, they are available for the contractor to earn income elsewhere. The advantage has been that the armed forces have not had to pay for extra/surge capacity for wartime in full and, at least in this example, have presumably managed to negotiate a lower price because the contractor can now raise income during slack periods. PPP/PFI bids allow costs to be estimated in advance and, if there are no changes, remain fixed

for the life of the contract. This is both an advantage and a disadvantage for the defense budget. The advantage is that the risk of cost escalation is passed to the contractor. The disadvantage is that such contracts are fixed parts of the budget and therefore leave planners with less spending flexibility if requirements change.

Moreover, in event of changes, most contractors have significant penalty clauses in their contracts. In fact, there is evidence that contractors sometimes offer profit-neutral contracts based on the assumption that there will be contract variation. Transferred risk is also a double-edged sword. If a contractor fails in the contract, as with a refit of Tornado F3 aircraft, the Ministry of Defence is left to pick up the pieces and may lack a critical capability at a decisive moment because of contract default.

Leasing assets is to a degree a lesser version of PFI, with the government remaining responsible for providing some of the service. Leasing assets is not a new policy; the government has used it particularly with naval support ships, the Royal Fleet Auxiliary (RFA), as a means of acquiring ships and paying for them over the life of the asset rather than up front. Experience with the RFA acquisition of auxiliary tankers has been successful. Five ships were acquired in the early 1980s to replace older ships earlier than the defense budget would have allowed by recourse to leasing.

More recently, MOD has leased four C-17s from Boeing for 7 years with the option of extending by 1 or 2 years. The key difference between the C-17 contract and that for the tankers lies in ownership. The Ministry of Defence owns the RFA tankers, so this leasing is in effect hire-purchase while the C-17s will return to Boeing at the end of the lease or be bought outright. MOD undertook this lease because SDR identified a shortfall in Royal Air Force heavy lift capacity. The previous Conservative government had already agreed to acquire the Airbus A400M as a replacement for part of the Hercules fleet and provide an outsized load capability. However, the A400M is not due into service until 2007, and the Labour government felt it could not

afford to wait. In other words, leasing can provide affordable short-term solutions to capability gaps, depends less on contractors compared to PFI/PPP, and is arguably safer.

The disadvantages of leasing lie in the terms. The C-17 lease includes a limit on the number of hours flown before extra charges are levied as well as limits on the types and size of cargo. Boeing wishes to have a saleable product at the end of the contract. Rising cost can undermine the original economic rationale. Nevertheless, the C-17 option has been so successful that all four aircraft may well be acquired

the Ministry of Defence may lack a critical capability at a decisive moment because of contract default

at the end of the lease, with additional aircraft acquired possibly through outright purchase. In this example, leasing acts as a trial mechanism, with the lessor managing the risk and having an incentive to make sure everything works.

The Nature of Change

There are a number of problems associated with managing transformation, but as the introduction highlighted these are not new. Firstly, from the British experience to date it is clear that the pace of transformation is not uniform. This can be attributed to a number of factors. For example, changes in defense policy on the strategic level, such as adapting to the effects of 9/11, take time to permeate the system no matter how quickly policymakers wish to change. A conceptually led transformation will result in a doctrinal and acquisition time lag; thus, there will always be legacy forces and systems. Moreover, in a period of constant change, human beings and their institutions will want to retain the familiar rather than seek the new.

Secondly, with finite resources, transformation will inevitably result in compromise. More significantly, transformation within a fixed budget requires transformation of policy,

training, and acquisition, and the danger lies in these not being coordinated. The risk here is that the elements of transformation become out of sync or focused on single effects. In the British case, a transformed military will be smaller and involve greater use of contractors and innovative acquisition strategies. Such forces may be less suitable to the nationbuilding operations that have also become a regular part of British engagement. Efforts in Iraq highlight the problems of too few or nonspecialized personnel. Moreover, the transformed military may place increased pressure on certain assets.

Requirements for forces composed for traditional warfighting are different from those required for nationbuilding or peacekeeping. As a result, key assets have been disproportionately utilized in operational deployments (signals, engineers, the airborne warning and control system, light infantry, and special forces). This was acknowledged in *Strategic Defence Review: The New Chapter* although no obvious solutions have been put forward. **JFQ**

NOTES

¹ Heinz Guderian, *Achtung-Panzer: The Development of Tank Warfare*, translated by Christopher Duffy (London: Cassell Military Paperbacks, 1992), 24.

² Michael G. Burns, *Bader: The Man and His Men* (London: Arms and Armour, 1990), 33–34, 44.

³ R.A. Mason, *Air Power: A Centennial Appraisal* (London: Brassey's, 1994), 160.