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RAPID REACTION CAPABILITY OF THE EUROPEAN UNION

Matthew McCray
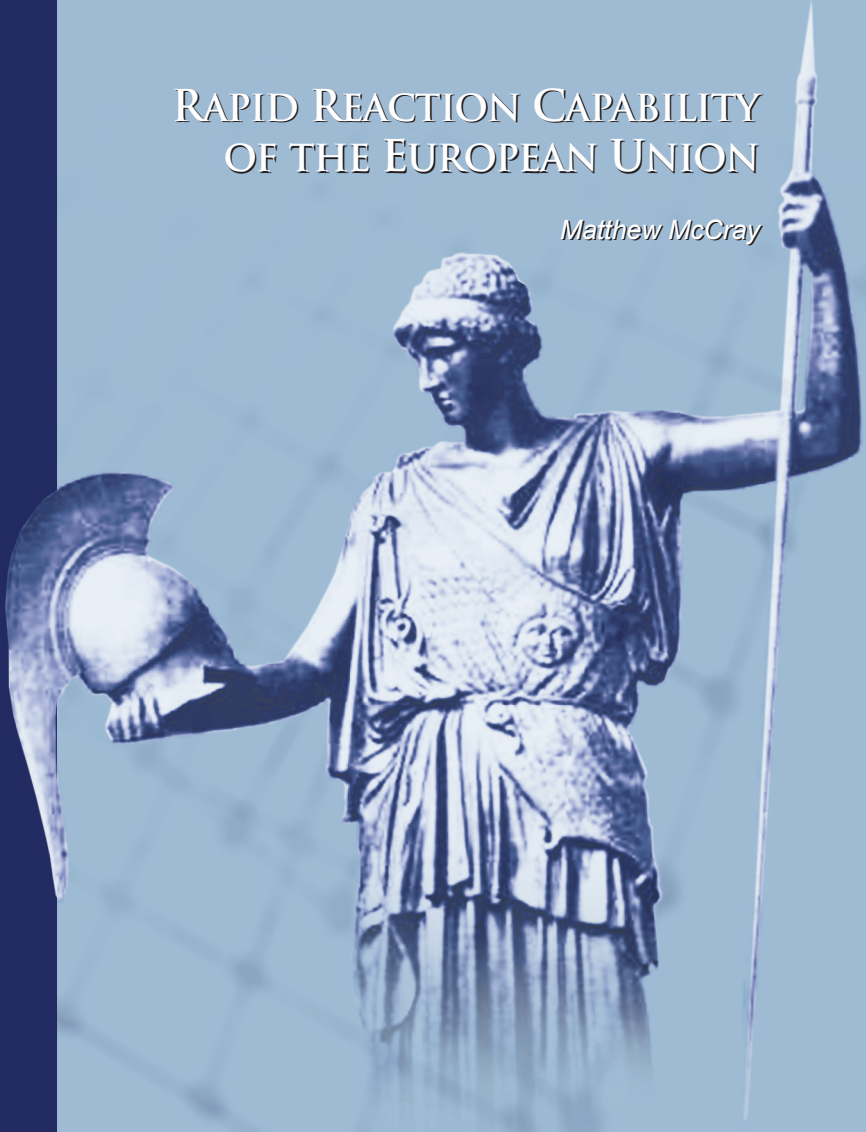
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CONNECTIONS

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Rapid Reaction Capability of the European Union: Taking that Last Big Step

Matthew McCray [*]

> *... the Union 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.*
> – The St. Malo Declaration, Bilateral statement of French President and the British Prime Minister, 1998

Introduction

The formation of an Army of Europe has been discussed almost since the end of World War II, but has yet to be realized. After reading through the numerous and varied proposals over the past sixty years, the observer invariably arrives at the conclusion that all concerned parties agree: the European Union (EU) should have its own military. The Union today, taken as a whole, is an economic and cultural superpower. Its leading nations seem to be willing to pursue the status of a humanitarian superpower and leader in conflict prevention, as well as to defend the Europe's perceived collective interests in the world.[1]

Instability is rampant around the fringes of the EU; and situations abound that could require a quick and decisive application of military force. The outcomes of the Arab

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[1] "Its broad range of instruments, financial largesse and image of a benevolent soft power allow the EU to lead prevention activities from sub-Saharan Africa to the Arctic Ocean and from Central Asia to Morocco. With a seven-year budget of \$ 2.59 billion for its Common Foreign and Security Policy (CFSP), an Instrument of Stability worth over \$ 3 billion for a seven year-period, and \$ 80 billion of development aid available within the EU and member states combined in 2010, the EU's financial capacity to prevent conflict is unrivaled." Jonas Claes, "EU Conflict Prevention Revisited," *Peacebrief* 93 (United States Institute for Peace, May 2011). See also Reinhardt Rummel, "The EU's Involvement in Conflict Prevention – Strategy and Practice," in *The European Union and Conflict Prevention: Policy and Legal Aspects*, ed. Vincent Kronenberger and Jan Wouters (The Hague: T.M.C. Asser Press, 2004).

Spring are not yet clear, but its effects will reverberate for years to come. Al-Qaida affiliates are growing in strength in Central Africa. Ethnic enclaves and unresolved territorial disputes still remain across Eastern Europe and Central Asia, while the effects of the Syrian civil war have already spread into neighboring countries. With the impending conclusion of the International Criminal Tribunals for the former Yugoslavia, Europe is determined to put the unpleasant specter of the Balkan wars firmly in the past. Most recently, Europe has been made keenly aware of the limits of soft power by Russia's seizure of Crimea and its continuing threat to eastern Ukraine.

The larger nations of the EU have shown that they are willing to lead military operations where they believe the Union's interests are threatened. Deployments to Libya and Mali are two recent examples, but these actions were ad hoc efforts. The forces were gathered over weeks, if not months, and required extensive American support to deploy.[2] Additionally, EU Member States are facing budget shortfalls and defense spending has become unpopular. For example, the Netherlands recently announced the complete elimination of its armored forces, without consulting either the EU or NATO.[3] In addition, while the sum of Europe's military forces is greater than the number of troops possessed by either Russia or the United States, most are non-deployable, equipment is obsolete or incompatible, and wasteful redundancy is rife.[4]

Nonetheless, within EU Member States, there are a multitude of varied, competent, and effective military units. Given time for proper planning and preparation (as was the case with protracted deployments such as Operation Enduring Freedom (OEF) in Afghanistan and the various EU-led missions in the former Yugoslavia), these units can cooperate with one another and deal with low-intensity conflict reasonably well. The EU has engineered a number of systems with which to generate combat power on short notice and has constructed a large military command and control (C2) apparatus.[5] However, these systems are based on ad hoc and temporary designs and have yet to be tested. As such, they carry a degree of risk to both the lives of service members and to the EU's image abroad. Although Europe has successfully conducted several military operations

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[2] Gabe Starosta, "The Role of the U.S. Air Force in the French Mission in Mali," *Air Force Magazine*, 4 November 2013, available at http://www.atlanticcouncil.org/blogs/natosource/the-role-of-the-us-air-force-in-the-french-mission-in-mali.

[3] Jeffery Stacey and Erik Brattberg, "The West's Coming Joint Security Trap: Don't Go Dutch," *E!Sharp* (January 2012), available at http://esharp.eu/big-debates/external-action/11-the-west-s-coming-joint-security-trap-don-t-go-dutch/ (accessed 17 December 2013).

[4] Within Europe, there exist simultaneously 27 military headquarters, 20 different military academies, and four types of fighter aircraft under development. Out of 1.6 million troops in the EU, only 106,000 could be deployed at all, and it is highly probable that only a minute fraction of these could be deployed on short notice. See also "European Defence Capabilities: lessons from the past, signposts for the future – European Union Committee," available at www.publications.parliament.uk/pa/ld201012/ldselect/ldeucom/292/29206.htm#n111 (accessed 7 June 2014), 37-38.

[5] For an elaborate chart detailing the Union's Military Staff (EUMS), see www.eeas.europa.eu/csdp/structures-instruments-agencies/eu-military-staff/images/eums_organigramme_october2014.jpg (accessed 16 December 2014).

in the past decade, success was never directly attributable to EU leadership and the Union's own limited military capabilities were never used on a rapid-response basis. Planning, leadership, logistics, strategic support assets and the expeditionary "spearhead" of each operation fell to the contributing countries with the deepest pockets.[6]

Speaking solely on the basis of logistics, an effective rapid reaction force (RRF) is very feasible and would offer great benefits to the EU. Indeed, if such a force had been readily available to deploy at the time, it would have been of great value in situations such as Rwanda in 1994 or in Srebrenica the following year. It would be relatively easy for the wealthy European countries to overcome the stumbling blocks of forming such a force (e.g. financing, nationalism, basing, command, and deployment) because there is a centuries-long history of military professionalism and excellence on the continent. However, problems inherent to a loose confederation of states have hampered the cooperation necessary for many projects so far.[7]

The goal of this paper is to demonstrate the shortcomings of the existing European RRF and Battlegroup systems, as well as describe an alternate and more capable option. A standing EU military force, if created under the parameters that will be outlined within this paper, would provide a number of tangible benefits to the EU. First, a proper RRF would be able to offer a rapid response capability for major emergencies anywhere in the world. Second, it would serve as a stopgap measure that would buy time for the mobilization of European national military strength. Third, it would serve as another tool of diplomacy available to EU statesmen. Fourth, it could be an economic stimulus for the states of the EU.

The intangible benefits would also be considerable. A unified, competent, capable, and supranational organization within the EU, in which the participants have set aside national interests for a common ideal, would be a powerful symbol for the Union and the international community. The men and women who would serve in such an organization would most likely return to their home countries with a new sense of affiliation to the EU. Additionally, if a mechanism were developed to offer people citizenship in an EU state after having completed a military service commitment, many would be likely to find this to be a strong recruiting incentive to encourage potential service members to join this military force. Over generations, this has the potential to help cement the union more strongly. Such a force would provide a credible military organization that operates independently of the EU's "powerhouse" economies and would give the poorer nations of the EU a voice in international military matters.

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[6]   Operation Althea in 2003, EUFOR DR Congo in 2006, EUFOR TChad/RCA in 2007.

[7]   Derek Brown, "The European Rapid Reaction Force," *The Guardian*, 11 April 2001.

Historical Background

> *The more optional the war, the weaker the support achieved ... the more*
> *dangerous the mission, the more contested it becomes.*
> − Janne Haaland Matláry [8]

The creation of a European military has been intrinsically tied to the first attempts towards a union of European states. With the formation of NATO, the advent of the Cold War, and the military supremacy of the United States, the issue became an almost moot point of Pan-European thought. Once the various treaties and agreements between states coalesced into the Maastricht Treaty in 1993, the EU again discussed the issue of military cooperation. However, such discussions were met with limited participation and little enthusiasm from Member States. This collective lack of military solidarity possibly contributed to the Union's impotent and anemic response to the crisis in Balkans during the 1990s. [9]

In 1992, the forerunner of the EU, the Western European Union (WEU) agreed upon a number of responsibilities, known as "Petersberg Tasks," for which military forces would be pooled when necessary. [10] These tasks were somewhat limited in scope and were a marked withdrawal from the strategies of total war that had dominated military planning in the previous fifty years.

The Petersberg Tasks included the following:

- Humanitarian and rescue tasks
- Conflict prevention and peace-keeping tasks
- Tasks of combat forces in crisis management, including peacemaking
- Joint disarmament operations
- Military advice and assistance tasks
- Post-conflict stabilization tasks.

With an eye on the Petersberg Tasks, the WEU was able to create the Eurocorps in 1992, a brigade consisting of troops from five nations, who are not under the direct command of any single contributing country. Personnel have been relinquished from their home nations to serve under the command of a supranational body and have served under this command in potential combat situations, which is an important step. The case

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[8] Janne Haaland Matláry, "EU Foreign Policy: 'High Politics,' Low Impact − and Vice Versa?" in *Rethinking Foreign Policy*, ed. Fredrik Bynander and Stefano Guzzini (New York: Routledge, 2013), 143.

[9] Graham Jones, "Srebrenica, Triumph of Evil," *CNN International*, 10 April 2007, available at http://edition.cnn.com/2006/WORLD/europe/02/22/warcrimes.srebrenica (accessed 17 December 2013).

[10] Western European Union, "Petersberg Declaration," 1992, available at http://www.weu.int/documents/920619peten.pdf.

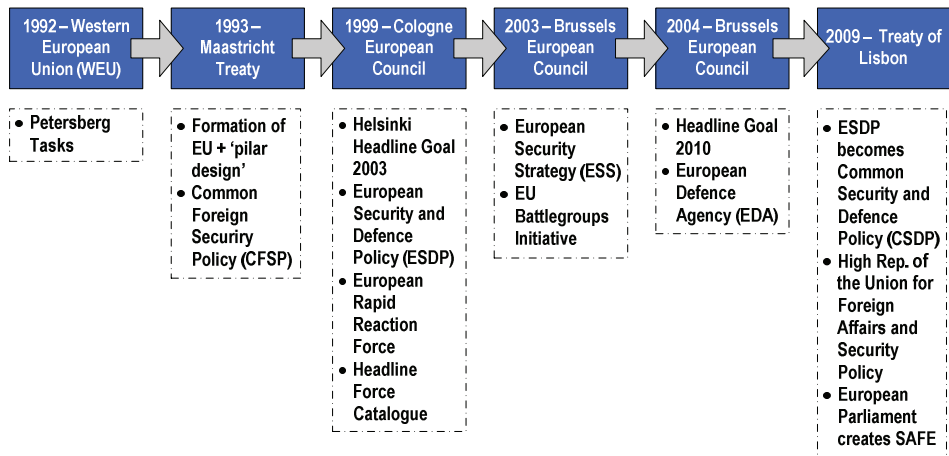| 1992 – Western European Union (WEU)	1993 – Maastricht Treaty	1999 – Cologne European Council	2003 – Brussels European Council	2004 – Brussels European Council	2009 – Treaty of Lisbon
• Petersberg Tasks	• Formation of EU + 'pilar design' • Common Foreign Securiry Policy (CFSP)	• Helsinki Headline Goal 2003 • European Security and Defence Policy (ESDP) • European Rapid Reaction Force • Headline Force Catalogue	• European Security Strategy (ESS) • EU Battlegroups Initiative	• Headline Goal 2010 • European Defence Agency (EDA)	• ESDP becomes Common Security and Defence Policy (CSDP) • High Rep. of the Union for Foreign Affairs and Security Policy • European Parliament creates SAFE

Figure 1: Milestones of EU Security Policy.

of the Eurocorps provides an example of how some of the obstacles involved in supra-national military organizations can be overcome.[11]

In retrospect, the Petersberg Tasks and the Eurocorps seem to be tailor-made for the Bosnian crisis. Despite these plans, however, it was the North Atlantic Treaty Organization (NATO) and the United Nations (UN), not a European body, which were the driving forces behind the belated humanitarian intervention to stop the butchery. This caused some embarrassment in many European governments when the enormity of the genocide that happened "in their own backyard" came to light.[12]

Development of an EU security strategy has taken place through a convoluted process in a series of decisions taken mostly at EU Council meetings (see Figure 1). Similarly, the European Parliament recently voted to create the Synchronized Armed Forces Europe (SAFE) with an accompanying council for the formation of a doctrine and the "Pooling and Sharing Concept."[13] While the concept of collective European defense through pooled and shared military resources has progressively solidified, NATO is still

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[11]   The Eurocorps was able to overcome some of the stumbling blocks that still beleaguer efforts to create an EU RRF capability; HQ Eurocorps actually commanded the ISAF effort for six months in 2004-2005. It has deployed personnel to serve in headquarters and staff functions in such low intensity situations as Bosnia and Kosovo, and similarly sent small numbers of personnel to ISAF in Afghanistan. However, aside from the one ISAF deployment, it remains a somewhat amorphous body that is reliant on troop contributions from willing nations, and has never overcome the general malaise affecting such efforts, namely the reluctance of these nations to deploy large units into potentially high-intensity, casualty-producing situations. Official Eurocorps website: http://www.eurocorps.org (accessed 6 June 2014).

[12]   Vernon Bogdanor, "Srebrenica: The Silence over Britain's Guilt Must Be Ended," *The Guardian*, 12 July 2012.

[13]   European Defence Agency, *Fact Sheet: EDA's Pooling and Sharing*, 2012.

at the forefront of external defense. Also, since the United States is still willing to bear the majority of costs associated with military actions [14] and provide for critical shortfalls of equipment,[15] the state of a unified EU military remains questionable at best.

In addition to the 1992 agreement on the Petersberg Tasks, in 1993 the Maastricht Treaty established the European Union, delineating three "pillars" upon which it would be based. One of these is the Common Foreign and Security Policy (CFSP),[16] which in turn created a number of bodies to deal with security matters, such as the Political and Security Committee [17] (PSC) and the European Institute for Security Studies (ISS).[18] A major element of the CFSP is the Common Security and Defence Policy, which deals with military issues and crisis management.[19] Perhaps most importantly, the office of a High Representative of the Union for Foreign Affairs and Security Policy was also formed, which created a leadership position for the developing security apparatus. This represented a critical step forward in that there was now the beginnings of what the military would refer to as a unified command, which streamlined decision-making processes and concentrated responsibility for the Union's foreign affairs under one individual.[20]

During the 1999 European Council meeting in Helsinki, Member States signed the Helsinki Headline Goal, laying out somewhat hazy plans to create a European Rapid Reaction Force (ERRF),[21] conceived as a self-sustaining force of up to 60,000, which would be deployable within 60 days.[22] Also included within this initiative were initial

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[14] The U.S. provides almost a quarter of NATO's budget; See "NATO funding," available at http://www.nato.int/cps/en/natolive/topics_67655.htm (accessed 6 June 2014).

[15] Nikolaj Nielsen, "NATO Commander: EU could Not Do Libya without US," *EU Observer*, 20 March 2013, available at http://euobserver.com/defence/115650 (accessed 6 June 2014).

[16] Europa, Synthèses de la législation, *Common Foreign and Security Policy (CFSP) of the European Union*, http://europa.eu/legislation_summaries/glossary/foreign_security_policy_en.htm (accessed 17 April 2014).

[17] Europa, Synthèse de la législation, *Political and Security Committee (PSC)*, http://europa.eu/legislation_summaries/glossary/political_security_committee_en.htm (accessed 19 December 2013).

[18] European Institute for Security Studies, http://www.iss.europa.eu (accessed 12 December 2013).

[19] Europa, Synthèse de la législation, *Common Security and Defence Policy*, http://europa.eu/legislation_summaries/institutional_affairs/treaties/lisbon_treaty/ai0026_en.htm (accessed 16 December 2013).

[20] High Representative of the Union for Foreign Affairs and Security Policy, www.consilium.europa.eu/policies/council-configurations/foreign-affairs/high-representative-of-the-union-for-foreign-affairs-and-security-policy?lang=e.

[21] European Union External Action, *About CSDP: Military Headline Goals*, http://eeas.europa.eu/csdp/about-csdp/military_headline_goals/index_en.htm (accessed 12 December 2013). See also Myrto Hatzigeorgopoulos, "The Role of EU Battlegroups in European Defense," *European Security Review* (June 2012).

[22] The deadline for activation of the ERRF (the 2010 Headline Goal) has quietly expired. The ERRF concept seems to be modeled almost directly after the Eurocorps, which became operational in 1995, but (besides an 8-month headquarters-only rotation in ISAF, and a 6-month

plans for the EU Battlegroup, that is, battalion-sized[23] elements contributed from Member States that could provide "rapid" responses. The Headline Goal tasked Member States with "being able to provide rapid response elements available and deployable at very high levels of readiness" by 2003.[24] The test of this concept came immediately that year, with Operation Artemis, the first autonomous deployment of troops under EU auspices, which will be discussed later in greater detail.[25]

The concept of the Headline Goal provided for three main types of operations for the Battlegroups (BG): 1) "bridging," where the BG would deploy in support of forces already deployed; 2) "initial rapid entry response" operations, where the BG would pave the way for a larger follow-on force (such as the European RRF) and 3) "stand-alone" operations, where the BG would deploy on a short-term basis for situations requiring a limited response. There were a number of missions that the Battlegroups were to be prepared to conduct (Figure 2).

Scenario	Potential missions
Separation of parties by force	Securing key areas
Conflict prevention	Preventive deployment
Stabilization, reconstruction, and military advice to third countries	Initial entry point
Evacuation operations in a non-permissive environment	Non-combatant evacuation
Assistance to humanitarian operations	Deliverance of humanitarian aid

Figure 2: Illustrative Scenarios.[26]

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rotation through Kosovo) it has never been employed in its entirety in a combat situation or in a rapid-reaction, expeditionary capacity. Defence Dateline Group, "EU Debates of Attrition: A Slow Death for Europe's 'Rapid Reaction Force'?" *Defence IQ*, 15 February 2011, available at http://www.defenceiq.com/air-land-and-sea-defence-services/articles/eu-debates-of-attrition-the-slow-death-of-europe-s/ (accessed 18 April 2014).

23 A battalion consists of 3-5 companies of troops, for a total of approximately 600-900 troop strength. The Battlegroup is a strong battalion with the additional support troops needed to be self-sustaining, i.e. about 1500 soldiers.

24 European Union External Action, "Common Security and Defence Policy: EU Battlegroups," Information Paper (2013).

25 Peacekeeping Best Practices Unit, Military Division, *Operation Artemis: The Lessons of the Interim Emergency Multinational Force* (United Nations, 2004).

26 Gustav Lindstrom, "Enter the EU Battlegroups," Chaillot Paper No. 97 (European Union Institute for Security Studies, February 2007), 18.

The 2003 Brussels European Council laid out the European Security Strategy (ESS), clarifying and replacing the European Security and Defense Policy. It singled out five key security threats for the EU: terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure, and organized crime.[27] In addition, the "Berlin-Plus" agreement between the EU and NATO was signed in 2003, allowing the EU to use NATO force structures for EU-led crisis management operations.

In 2004, the program for a rapid-response capability saw slow progress. "The European Capability Action Plan remains an essentially intergovernmental process, with limited leadership and coordination, and with insufficient incentives for Member States to take action."[28] Despite this, the European Defence Agency (EDA) was successfully established in that same year in order to coordinate military research and industrial cooperation. With the results of the ambitious Headline Goal 2003 only partially complete, the EU refined its security requirements more qualitatively than in 1999, and set a new deadline for 2010,[29] mandating that the EU's RRFs be able to conduct more than one operation at a time, while illustrating five scenarios in which the Battlegroups should be prepared to engage:

- Separation of parties by force
- Stabilization, reconstruction, and military advice to third countries
- Conflict prevention
- Evacuation operations
- Assistance to humanitarian operations.[30]

In 2009, the Lisbon Treaty consolidated control of the EU's security organs under a single chief coordinator[31] and mandated that EU states assist each other in the event of a natural or man-made disaster or terrorist attack, and established the Permanent Structured Cooperation in Defense (another bureaucratic offshoot of a treaty, this one attempting to outline permanent cooperation between the major military powers of the

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[27] European Union External Action, *European Security Strategy*, available at www.eeas.europa.eu/csdp/about-csdp/european-security-strategy/ (accessed 17 December, 2013).

[28] Jelena Juvan and Vladimir Prebilic, "Towards Stronger EU Military and Defence Capabilities?" *Journal on European Perspective of the Western Balkans* 4:4 (October 2012): 129.

[29] Didier Laporte and Johann Fischer, "The EU Headline Goal Process," in *Military Capability Development in the Framework of the Common Security and Defence Policy*, ed. Jörg Hillmann and Constantinos Hadjisavvas (Nicosia: Cyprus Presidency of the Council of the EU 2012 / Ministry of Defence, 2012).

[30] Juvan and Prebilic, "Towards Stronger EU Military and Defence Capabilities?"

[31] The title of this position would not fit neatly on a paper nametag: the earlier-discussed "High Representative of the Union for Foreign Affairs and Security Policy."

EU).[32] Although the Union's military structure has continued to evolve, there has been no real progress towards an effective RRF in the last five years.[33]

The Current RRF System

> *[It] is also clear that European defence can only be successful if under-pinned by the necessary military capabilities; otherwise it is but an empty shell. And it is no secret that we still lack critical capabilities.*
> – Catherine Ashton*, Keynote address at EDA Annual Conference, March 2014

Despite the occurrence of a number of crises that met the Union's criteria for intervention, the EU has not yet deployed a Battlegroup in actual combat. However, a number of important lessons can be learned from other recent EU deployments. Operation Artemis (stabilization in the Democratic Republic of Congo or DRC) was an important test case for EU planners. Most of the planning for Headline Goal 2010 incorporated the after-action reviews of that operation. Other expeditionary missions undertaken by the EU, such as EUFOR RD in the Congo/DRC in 2008, EUFOR TChad/RCA in Chad, and the intervention in the Central African Republic in 2007, provided additional lessons for EU military cooperation.[34]

With the inception of the Battlegroup concept, the EU began creating these new combat units, completely from the "ground up" for six-month readiness periods. Fourteen Battlegroups have been formed in the last six years, but none have been composed of the same units twice. This pattern is to continue in the foreseeable future.[35] Similarly, the Operational Headquarters (OHQ) for each of the Battlegroups has also changed locations and leadership every six months.[36] Aside from engendering enormous extraneous costs, this practice invariably and needlessly causes friction before these units are ever put into action. Such piecemeal construction results in leadership that is unfamiliar with its chain of command, personnel, organization, and equipment. As any experienced military leader can attest, this situation will undoubtedly sap troops' morale and confi-

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[32] Council of the European Union, "Consolidated versions of the Treaty on European Union and of the Treaty on the Functioning of the European Union," *Treaty of Lisbon* (Brussels: Council of the European Union, 2008).

[33] While the reader's eyes may have already glossed over in this very truncated version of the EU development of military capability, a more nuanced and complete perspective on the evolution of EU military structure and capabilities is available in LTCOL (German Army) Peter Fischer's excellent work, *European Security and Defense Policy (ESDP) After Ten Years – Current Situation and Perspectives* (Fort Leavenworth, KS: Army War College, 2012).

[34] The EU considers the intervention in Congo as a dramatic success, which probably "prevented a genocide," Parliament.uk 2012, op. cit., 58.

[35] Global Security, *EU Battlegroup*, 1 October 2012, available at http://www.globalsecurity.org/military/world/europe/eu-battlegroups.htm (accessed 16 December 2013).

[36] Wikipedia, *EU Battlegroup*, 19 April 2014, http://en.wikipedia.org/wiki/EU_Battlegroup (accessed 7 May 2014).

dence. Militaries that are thrown together in such a fashion must also be brought into compliance with one another. Mismatched equipment exponentially multiplies logistics trails and each different piece of equipment needs different spare parts, experts, fluids, etc. This further increases the cost and lengthens the preparation time required for forming the Battlegroup and bringing it to a ready status. Continuity of leadership is also adversely affected: even if the units comprising the Battlegroups are fortunate enough to retain leaders who had served in the previous rotation, most countries' Battlegroup rotations are years apart and valuable experience is lost in the interim.

Furthermore, Battlegroups have no mandated force structure, which, according to the EU CSDP, "provides Member States with the necessary flexibility to form their own Battlegroup package."[37] However, this may lead to gaps in critical proficiencies. So-called "niche capabilities," or "enablers," that is, units which exist as integral and indispensable parts of modern armies' deployable strength (for example: CBRN,[38] water purification, maritime transport, bomb disposal, or medical capabilities) are also only available on an ad hoc basis. Only a few of EU Member States possess all of these units. Consequently, although it is mandated that Battlegroups be able to deploy "independently," most Battlegroups are formed with only a few of the required niche capabilities and must either go without or hastily add the necessary units at the last minute of a deployment.[39] For example, during the 2010 EUTM operation in Uganda, contributing countries "could not deliver a single medical officer across the EU to care for the trainers."[40] In addition, the OHQ is not necessarily an integral part of the Battlegroup, as illustrated in Figure 3. This creates another possible weak link in a chain of command between the operational units and the EU Military Staff (EUMS). Airlift, sealift, strategic logistics, and special operations forces are also organized and added to the Battlegroup on an "as-needed" basis, contributing to lengthy preparation and deployment times.[41]

Once more, as any military officer who has served in a coalition will verify, setting up and running a functional logistics effort (or operations section, personnel management, command relationships, finance matters, etc.) in a multi-national setting, is a herculean task, and usually not very successful. These problems occur even in well-established militaries, albeit to a lesser extent. The problems multiply and metastasize in multi-lingual and ad hoc institutions that are comprised of members from different countries, militaries, and ethnic backgrounds. These difficulties translate into greater operating costs and manpower requirements when regular military functions (such as transport of supplies) need to be supplemented with more expensive commercial means. Growing such new organizations also extends preparation and deployment times. This
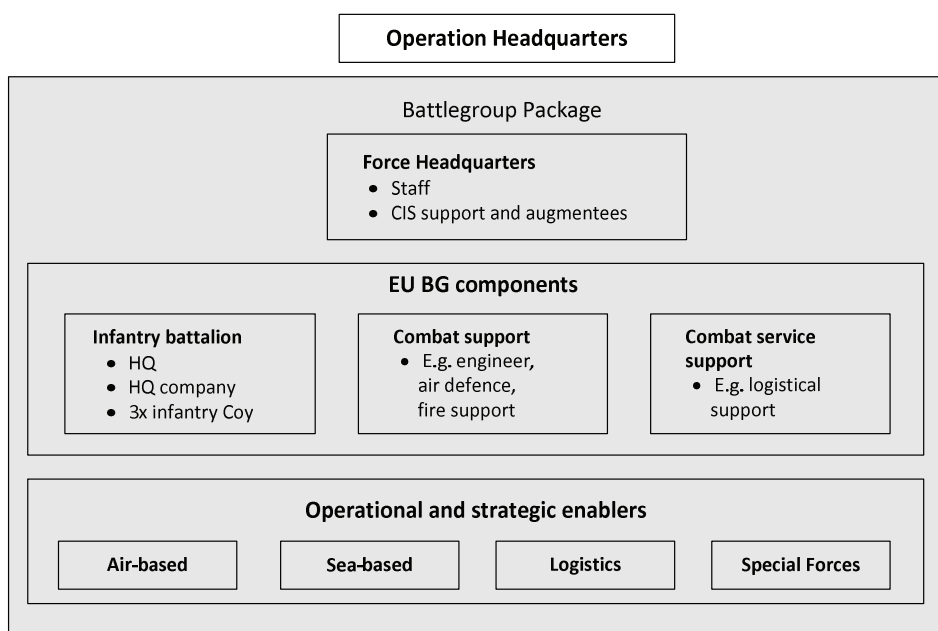
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[37] European Union External Action, "Common Security."

[38] Abbreviation of "Chemical, Biological, Radiological, Nuclear."

[39] European Union Military Committee, *EU Battlegroup Concept* (Council of the European Union, 2006).

[40] *Parliament.uk*, 2012, 61.

[41] Of the aforementioned 27 European military headquarters, nearly all have completely different logistical systems, *Parliament.uk*, 2012, 37.

Operation Headquarters

Battlegroup Package

Force Headquarters
- Staff
- CIS support and augmentees

EU BG components

Infantry battalion	Combat support	Combat service support
• HQ	• E.g. engineer,	• E.g. logistical
• HQ company	air defence,	support
• 3x infantry Coy	fire support	

Operational and strategic enablers

Air-based	Sea-based	Logistics	Special Forces

Figure 3: Battlegroup Organization.[42]

translates into prolonging the conflict or suffering that these deployments are designed to mitigate.

Examples of logistical problems with the current system are discussed widely in academic settings, but they are rarely highlighted in official EU materials. In a review of the 2008 Nordic Battlegroup, the Swedish Riksdag gives a very candid account of what was probably a fairly typical preparation of a Battlegroup.[43] The projected cost of preparations and operations of the Battlegroup for a six-month alert period was about one billion Swedish krona (about 110 million Euros or 150 million dollars) and was expected to use 1,100 service members. The final cost of preparation was 4 billion krona (almost 450 million Euros, or 600 million dollars), with the Battlegroup ultimately requiring 2,350 soldiers.[44] Similarly, Operation EUFOR TChad in 2007-2008 was also plagued by problems in logistics. The originally planned deployment date was November 2007, and the group was expected to be fully operational by May 2008. The force was not fully operational until September 2008, however, halfway through the mission's mandated

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[42]   European Union External Action (n.d.).
[43]   The Nordic BG is widely regarded as one of the best equipped, created with nearly every "niche capability" within the BG: fire support, CBRN, engineers, air defense, medical capabilities, etc.
[44]   The Swedish National Audit Office, *The Nordic Battlegroup 2008 – A Part of the EU's Rapid Reaction Capability* (2010).

timeline.[45] Recreation of Battlegroups is needless duplication of effort and unnecessary financial costs to contributing countries are only the most obvious problem of the current system.

Compatibility of equipment is another problem encountered on recent EU deployments. Although most EU countries use NATO-compatible systems, in the EUFOR TChad operation, the French were forced to distribute their own command-and-control (C2) equipment (such as radios, as well as liaison/interpreter teams) to all national partners in order to share information and ensure communications with higher echelons.[46]

Other command and control problems are significant. Command of Battlegroups is kept by the host nation(s) until they are deployed, when it supposedly would fall under a hastily organized EU command center.[47] The current EU Operations Center (EU Ops Centre) is not permanently manned and has only ten permanent staff. When needed, it is augmented by officers from the EUMS. During the preparations for the EUFOR TChad operation, the French leadership actually urged that the OpsCentre not be activated due to the additional workload that would be placed on the EU staff. This occurred despite the demonstrated need for an additional 76 personnel during a recent command post exercise.[48] To put it bluntly, "The simple process of familiarizing all augmentees with the operation and learning to work together requires time … getting a skeleton HQ up to work at full power takes about 3 months."[49] The practice of using a majority of officers who are unfamiliar with the units and command structures operating under such a headquarters is, in the author's opinion, a recipe for failure. Without distinct and well-worn lines of command, these difficulties also extend to the operational and tactical levels. For example, during the EUFOR TChad operation, in an event where several French special operations personnel were killed, EUFOR leadership was not even aware of the mission of the special operations platoon.[50]

Furthermore, while strategic planning was accomplished at the EU Secretariat and the Military Staff, operational planning was taken up by the French Defense Staff because the French were the lead nation and force provider for the mission. In Mittelaer's words, "The Initiating Military Directive [from the EU Council Secretariat] arrives in

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[45] IRIN, UN Office for Coordination of Humanitarian Affairs, *Chad: Dual Peacekeeping Mission Seeks to Dispel Confusion* (11 January 2008), available at http://www.irinnews.org/report/76196/chad-dual-peacekeeping-mission-seeks-to-dispel-confusion (accessed 11 December 2013).

[46] Alexander Mattelaer, *The Strategic Planning of EU Military* (Brussels: Institute for European Studies, 2008).

[47] *Parliament.uk*, 2012, 67.

[48] Vice Admiral Jean-Pierre Tiffou, interview by Bjoern H. Seibert, Former French Military Representative to the EU, 12 October 2009; see also Nicholas Fiorenza, "EU Activates Operations Center for the First Time During MIEX Exercise," *Jane's Defence Weekly* (2007).

[49] Mattelaer, *Strategic Planning*, op. cit.

[50] Gerald Hainzl and Walter Feichtinger, "EUFOR TChad/RCA Revisited – A Synopsis," in *EUFOR TChad/RCA Revisited*, ed. Gerald Hainzl and Walter Feichtinger (Vienna: Austrian Armed Forces, 2009).

the [French] Operational Headquarters as if descending from heaven – without the same staff having been working on the initiating phase."[51] In addition, the Operational Headquarters does not deploy or even derive from the same Member State. Instead, Battlegroups are merely "*encouraged* to develop working relationships with relevant (F)HQs," and training *could* culminate in a joint and possibly combined field exercise."[52] The U.S. Army would not put any task force on alert, or much less deploy one, without these simple measures being completed to a set standard.[53]

When rapid reaction units are based on national instead of supranational militaries, politics invariably enters decision-making processes. This can also color international perceptions of the operation. For example, the involvement and leadership of the French in EUFOR TChad/RCA raised eyebrows because France was a former colonial master of the area.[54] The current six-month scheduling system presents another problem that arises when these units are nationality-based. If a situation requiring deployment of a BG arises at or near the rotation date, a Member State that does not necessarily agree to the deployment may attempt political wrangling to either slow down or speed up the rotation process. This may happen for a variety of reasons, such as unwillingness to contribute the additional funds or manpower that a deployment would require, reluctance to deploy countrymen into a specific dangerous situation or if the contributing nation is simply against the Council's decision to act for political reasons.[55]

Moreover, the Battlegroups' ability to provide a rapid response to crises has not been proven. A rapid-reaction force that is unable to take action in a rapid manner is not, to say the least, maximizing its potential. Emergencies within the EU will typically be dealt with by Member States' national security services, reducing the need for a supranational RRF. However, with emergencies outside of the EU, time is usually of the essence. According to EU documents, the Battlegroup on "ready status" has no more than ten days from the time of the EU Council's decision to deploy, after which it must be fully operational within the targeted area (see Figure 4, "Battlegroup Deployment Timeline").[56] This may be sufficient for "slow burn" crises (such as chasing ragtag bands of terrorists in Mali or recent peacekeeping in the former Yugoslavia), but proved inadequate in a number of situations in the past. For instance, a time span of about three days elapsed from the moment Dutch peacekeepers in Srebrenica were first fired upon until Serbs started killing the first "protected" Bosnians.[57] Similarly, the Rwandan genocide took only one day to start, during which time a Belgian UN contingent was butchered and

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[51]   Mattelaer, *Strategic Planning*.

[52]   European Union Military Committee, *EU Battlegroup*.

[53]   Author's military experience.

[54]   Bjoern H. Seibert, "EUFOR TChad/RCA – A Cautionary Note," *European Security Review* 37 (March 2008), available at http://www.tamlyn-serpa.com/images/ISIS_euforchad_mar08.pdf.

[55]   Lindstrom, "Enter the EU Battlegroups."

[56]   This period of ten days is *in addition* to however long the Council takes to reach a decision – potentially days, weeks, or months.

[57]   Office of United Nations Secretary-General, *Report of the Secretary-General pursuant to General Assembly Resolution 53/35* (New York: United Nations, 1999), 57-63.
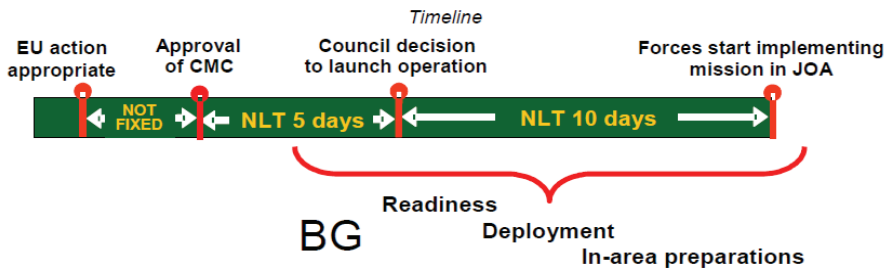
Figure 4: Battlegroup Deployment Timeline.[58]

hundreds, if not thousands, of Rwandans died.[59] Furthermore, evacuations of European civilians from unstable regions occur on an almost annual basis and specialized quick-reaction national military units usually perform these missions, with priority going to their own citizens. It is also essential that these Non-combatant Evacuation Operations (NEO) be completed in a matter of hours or days, instead of weeks.

The standard for "ready response forces" in the U.S. Army Ranger Regiment is a three-tier rotation system. One battalion can be on standby to be loaded and in the air on the way to a mission within eighteen hours of notification, while the other two battalions are on 48-hour and one-week notice, respectively.[60] Even larger forces, such as the 82nd Airborne Division, operate under similar procedures.

As we can see from Figure 5, forty-six days elapsed from the time the UN approached France (the only force-generator available and willing to intervene in the Democratic Republic of Congo) and the time when the European military force had enough troops on the ground to affect the situation. With Operation EUFOR TChad/RCA, "the EU took several months to assemble its force, despite the limited timeframe of the operation and its members being among the wealthiest and militarily most capable countries in the world."[61]

In comparison, Operation Urgent Fury, the 1983 invasion of Grenada by the United States, took nine days to organize and execute a division-sized joint operation in a hostile environment.[62] The 1989 invasion of Panama by the U.S. (another large-scale joint

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[58] European Union External Action, "Common Security."

[59] "Ten Belgian Paratroopers Murdered and Mutilated: Who's to Blame?" *Associated Press*, 6 April 1997, available at http://lubbockonline.com/news/040797/ten.htm (accessed 7 May 2014).

[60] Author's recollection from service in the 3rd Ranger Battalion, 75th Ranger Regiment, 1992-1994.

[61] Siebert, "EUFOR TChad."

[62] Ronald H. Cole, *Operation Urgent Fury, Grenada* (U.S. Office of the JCS, Joint History Office, 1997).

operation involving over 25,000 U.S. personnel) took four days to complete.[63] After the 9/11 attacks, it took the United States 37 days to strike the opposite side of the planet with an over-strength company. The U.S. also sent hundreds of special operations and intelligence personnel to Afghanistan through various means in the same timeframe.[64] In response to an aircraft hijacking in 1976, the Israelis were able to plan, conduct reconnaissance, and insert the equivalent of a mechanized company onto an unlit hostile airfield within a single week for the successful Entebbe raid.[65]

10 May	UN General Secretary approaches French President regarding possible deployment.
19 May	EU Council requests feasibility study of an EU military operation in the DRC.
20 May	French reconnaissance team visits Bunia.
25 May	USG Guéhenno visits Bunia.
27 May	2nd Special SG report on MONUC – Call for expanded MONUC presence and role, as well as new calls for MNF.
28 May	France announces intention to intervene.
30 May	SCR 1484 authorizes IEMF.
31 May – 1 June	Violence between militias results in 350 casualties (mainly civilians).
5 June	EU Council Joint Action (authorizing Artemis and approving logistics).
6 June	First IEMF troops arrive.
12 June	EU Council Decision approves operational plan and launch of IEMF. Security Council mission visits Bunia.
25 June	IEMF declares Bunia a weapons-invisible zone and sets boundaries for militia withdrawal.
1 July	Transitional government installed.
6 July	IEMF forces reach full deployment (three weeks after initial deployment).

Figure 5: Operation Artemis Timeline, May – July 2003.[66]

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[63] Global Security, *Operation Just Cause* (7 July 2011), available at www.globalsecurity.org/ military/ops/just_cause.htm (accessed 17 December 2013).

[64] Gary C. Schroen, *First In: An Insider's Account of How the CIA Spearheaded the War on Terror in Afghanistan* (Novato, CA: Presidio Press, 2005).

[65] Simon Dunston, *Entebbe: The Most Daring Raid of Israel's Special Forces* (New York: Rosen Publishing Group, 2011).

[66] Lindstrom, "Enter the EU Battlegroups."

If the EU wishes to develop a response capability that is able to perform at such high standards, some basic assumptions of force structure require a second look. In the author's view (while mindful of the irony therein), the most conspicuous and potentially catastrophic shortcoming of the Battlegroup concept is precisely the *multinational* concept on which it is based. First, most nations are normally loath to place large numbers of their troops under foreign command and regularly demand caveats regarding how they are to be employed. In the United States' OEF-A,[67] for instance, the caveats that even NATO members participated with "increase the risk to every service member deployed in Afghanistan and bring increased risk to mission success."[68] They are also "a detriment to effective command and control, unity of effort and … command."[69] Even in NATO, each Member State can decide whether and to what extent to respond militarily to an attack on another member.[70]

Second, and on a more strategic level, Member States may not agree with missions the EU has decided to fulfill. For example, in the run-up to the EUFOR TChad/RCA operation, France was accused of spearheading the mission in its own interests and shoring up the long-term military operation that was already in Chad.[71] Six "force-generation" conferences were required to get Member States to provide enough troops to accomplish such a relatively small operation, in a low-intensity conflict.[72] Another notable example is Germany's refusal to sign the UN Security Council vote that resulted in the 2011 air campaign in Libya.[73] The problems encountered by the EU in finding a nation to lead the 2006 EUFOR RD Congo operations also "revealed how difficult it could be to organize an EU military mission if no state is willing to bear the main responsibility" of such an undertaking.[74] More recently, when European experts drew up plans to send a British-led BG into the Central African Republic to reinforce France's mission in 2013, London balked so vehemently that the request was never officially raised.[75] As perhaps

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[67] Operation Enduring Freedom, Afghanistan.

[68] Attributed to General John Craddock in Arnaud de Borchave, "Commentary: NATO Caveats," 10 July 2009, available at www.UPI.com/emerging_threats/2009/07/10/Commentary-NATO-caveats/UPI-47311247244125/ (accessed 16 December 2014).

[69] David P. Auerswald and Stephen M. Saideman, *NATO at War: Understanding the Challenges of Caveats in Afghanistan* (Montreal: McGill University, 2009).

[70] Ibid.

[71] Hainzl and Feichtinger, "EUFOR TChad."

[72] Niklas Novaky, "Burden-sharing in CDSP Military Operations – A Theoretical Analysis," *Working paper* (London: Kings College, 2011), 13.

[73] Steven Erlanger and Judy Dempsey, "Germany Steps Away From European Unity," *The New York Times*, 23 March 2011, available at http://www.nytimes.com/2011/03/24/world/europe/24germany.html?pagewanted=all (accessed 7 May 2014).

[74] Giulia Piccolino, "A Litmus Test for the European Union? The EU's Response to the Crisis in the Democratic Republic of Congo from 1996 to the 2006 Elections," *European Foreign Affairs Review* 15:1 (2010): 115-136.

[75] Judy Dempsey, "The Depressing Saga of Europe's Battle Groups," *Judy Dempsey's Strategic Europe*, 19 December 2013, available at http://carnegieeurope.eu/strategiceurope/?fa=53975 (accessed 4 June 2014).

the most egregious example of national interests overriding moral imperative, the Euro-corps stood idly by during the Bosnian genocide, shackled by buck-passing and foot-shuffling by its sponsor nations. This reliance on Member State compliance with EU resolutions now creates a potential reason for BGs to simply refuse an EU-ordered deployment.

Another shortfall is in the ever-sensitive area of finance. Each country in the EU has its domestically acceptable level of defense spending; this issue became especially acute in the wake of the 2008-2009 financial crash. The Battlegroups currently require a lead EU nation or group of nations to put together and bear the financial and manpower burdens. Despite this investment, the Battlegroup does little materially to enhance a Member State's national defense, especially if it is based beyond the state's borders.[76] The EU, usually held captive by how much its members want to or are able to spend, is especially powerless in this situation because of the leeway allotted to states with regard to the Battlegroups' creation and their allowable standards. The BG "generation process is done... normally out of sight of EU bodies."[77] While the EU is currently debating an expansion of the process that allowed common funding for Operation Althea,[78] the host nations must bear the cost of deploying a BG if it were to occur. This process has a large potential for failure due to the possibility of Member States' simply refusing to fund a BG at a critical moment. It may be a large part of the reason why there has not been a single BG deployed to date.

The basis for the EU's Battlegroup concept is sound: a battalion-sized combat team, capable of deploying rapidly and supporting itself for a limited time and performing a variety of missions. The EU has proven it can fairly successfully deploy for short-term missions when one of the larger countries wants to get involved in international crises. However, I hold certain that one long-dead Prussian military theorist rolls over in his grave whenever a new BattleGroup is formed. The shortcomings of the concept generate unnecessary friction and are precisely those aspects that leave a great deal to the whim of the Member States and their willingness to support the Union: national hubris, financial cost and political squabbling. Billions of euros are spent each year by contributing countries on sustaining the Battlegroup concept, but this concept has yet to be tested in combat. To date, it is an untested system with obvious flaws.

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[76] Even with the cost savings created by group and joint procurement, fears still persist that the costs of activation of Battlegroups might be high enough that member states "may look for ways to avoid activation of their EU BG during a time of crisis." Hatzigeorgopoulos, "The Role of EU Battlegroups."

[77] Lindstrom, "Enter the EU Battlegroups."

[78] The assumption of military implementation of the Dayton agreement in Bosnia-Herzegovina, by the EU from NATO. European Union External Action, "Althea/BiH," http://eeas.europa.eu/csdp/missions-and-operations/althea-bih/index_en.htm (accessed 10 June 2014).

A Possible Solution

> *Operational doctrine increasingly includes elements of human security ... and is rarely matched by strategic narrative. Until it does, the EU's ambition to be seen as a different kind of security actor will not be realized.*[79]

A professional, permanent, standing brigade-sized Battlegroup can fill the need for an initial reaction force, which is not yet met by the Eurocorps or the current Battlegroups.[80] This can be done inexpensively, more reliably, with greater flexibility, with greater chances of mission success and with less risk incurred to service members and the international reputation of the EU. Such a brigade could serve as a blueprint for any further enlargement of an EU military, would help unify the shared military industry of Europe and stimulate both the European arms industry and the economy of the region where the brigade is based.[81] Even a relatively small unit, if equipped with the latest technology and manned only by highly motivated soldiers, would be large and capable enough to hold its own against almost all conceivable modern threats.

The brigade should be accountable only to the highest echelons of EU leadership, such as the High Representative of the Union for Foreign Affairs and Security Policy (AR/VP).[82] Deployments should only take place under the order of the AR/VP, with a majority of the Commission's Member States in agreement or, failing an order by the AR/VP, by unanimous Member States' consent.[83] A vote to sustain the force past a 90-day window can be taken by the Commission after deployment. This would alleviate the wrangling for force generation and allow smaller states to have an equal voice in deployment of the force. Command structures would be based in Brussels, while operational command would remain in the same location as the brigade with a permanent

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[79] Mary Martin and Mary Kaldor, *The European Union and Human Security: External Interventions and Missions* (Oxford: Routledge, 2010).

[80] None of the EU's deployments have required more than a brigade's strength of troops. See Nick Witney, "Re-energizing Europe's Security and Defence Policy," 29 July 2008, available at www.elpais.com/elpaismedia/diario/media/200807/29/internacional/20080729elpepiint_2_Pes_PDF.pdf (accessed 4 June 2014): 29.

[81] Even this larger brigade form of an RRF would pose no military threat to most of the EU's Member States, allaying possible fears that the EU might use the force against smaller Member States.

[82] This would streamline the lines of communication for command and reporting, bypassing the already bloated command structure the EU has created. The benefits of entrusting the European Commission with decision authority for employment of the brigade, instead of the European Parliament (an unwieldy legislative body of 736 representatives) or the European Council (which only meets 3-4 times a year) are obvious: a more rapid decision-making ability, control of the budget, and direct accountability to Member States through their sole representative commissioners. The Parliament would retain the ability to dismiss the Commission and appoint Commissioners, and the AR/VP must answer to them, both of which make a reasonable "check" on the Commission's military power.

[83] This "vote" of consent could be performed according to the NATO model: the motion carries as long as there are no votes against action (i.e., only favorable votes or abstentions).

command team, alleviating the need to "re-invent the wheel" after every rotation and be-
fore any deployment. Regular training deployments would cement channels of com-
mand, reporting, and logistics. With a mix of infantry (both mechanized and airborne),
engineer, special operations, and support personnel (medical, CBRN, civil affairs,
PSYOP, etc.), the brigade would be able not only to perform the traditional Battlegroup
tasks, but also offer a better response to civil emergencies such as natural or man-made
disasters *within* the EU.[84]

It has been demonstrated that the costs for establishing and maintaining a Battle-
group under the current system can be enormous: 600 million U.S. dollars for one bat-
talion for a six-month standby period, to use the Nordic example. This equates to 1.2
billion dollars per year for one battalion and 2.4 billion dollars for two Battlegroups for
a year, which is the current standard. According to the U.S. Government Accounting Of-
fice, the cost of standing up a U.S. Army Stryker Brigade is approximately 1.5 billion
dollars for *five* battalions of modern combat power and their supporting units.[85] It would
cost an additional 525 million dollars to construct new facilities for the brigade head-
quarters, barracks, operational buildings, morale and welfare buildings, as well as hous-
ing and schools for family members. These two figures add up to just over 2 billion
dollars (for five battalions), still well under the cost of maintaining one year of the Bat-
tlegroup readiness posture (with two battalions). An American heavy brigade costs ap-
proximately 360 million dollars a year to operate, which looks like a bargain compared
to the 600 million dollars for six months of a single battalion.[86] Of course, if the EU
maintains its position that it needs only two battalions of combat power on standby at
any given time, the savings could potentially be greater.[87] These savings could then be

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[84] As a signatory to the Charter of the United Nations, forces under order of the UN can be used
inside of the EU to deal with emergencies, specifically Article 43 of the UN Charter. United
Nations General Assembly, Article 43, Charter of the United Nations, available at
http://www.un.org/en/documents/charter/chapter7.shtml.

[85] United States Government Accounting Office, "Military Transformation: Fielding of Army's
Stryker Vehicles Is Well Under Way, but Expectations for Their Transportability by C-130
Aircraft Need to Be Clarified," Report GAO-04-925 (Washington D.C.: GAO, 12 August
2004).

[86] Lynn E. Davis, J. Micheal Polich, et al., *Stretched Thin: Army Forces for Sustained Opera-
tions* (Santa Monica, CA: Rand Corporation, 2005), 95-96.

[87] The literature is unclear as to whether personnel costs were included in the U.S. Army figures.
However, if we hypothesize a high average salary of $ 50,000 a year per soldier in this 3500-
man brigade, this would add $ 175 million to operating costs annually. This totals about $ 535
million, which is still well under the price-tag of a modern single Battlegroup. Even adding
personnel costs of pensions, medical care, family care, etc., the costs remain lower than the
current system. Following this back-of-the-envelope calculation, once the brigade is built, it
would cost approximately $ 1 billion U.S. dollars for operations, upkeep, personnel, etc., un-
der the shared-costs model, this is a pittance for trillion dollar economies such as Germany
and France.

used for investment in airlift, further reducing the reaction time in a crisis.[88] For cost-sharing, the Union already has in place a system, aptly named "Athena," spreading military costs commonly across Member States based on gross national income.[89]

Meanwhile, the brigade's personnel would be recruited from across the EU and subject to a rigorous assessment and selection process.[90] Since the brigade's missions would most likely be in hostile, austere, and complex environments, both physical stamina and intelligence must be put at a premium. For the same reason, each service member would have to be able to perform "as an infantryman first," and not just for the specialty for which he or she was hired. As a potential NATO partner force, English skills would also be important (and could be taught as part of training). Relatively high salaries should draw the best recruits. Training would have to be as tough as possible. To this purpose, hiring a veteran cadre expert in special operations and infantry tactics would be one of the primary goals when standing up the brigade.[91] These practices, if properly executed, will reduce nationalism as a source of friction within the ranks, as well as during deployments.[92] If the brigade were based within an economically struggling Member State, the benefits to the local economy would be considerable.

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[88] See Lindstrom, "Enter the EU Battlegroups," 33-41, for an in-depth review of the airlift it takes to move combat power into a theatre. Beyond the usual bureaucratic dithering, transportation was the greatest consumer of time in past EU deployments. For optimal performance, the EU Brigade should have enough organic airlift to drop the airborne infantry battalion in one sortie, and then ferry the heavier elements of the Brigade into theatre as a follow-on force. This would require 8-10 A400 aircraft, at a cost of € 150 million apiece (for a total of € 1.5 billion or $ 2 billion, which is the current annual cost of operating two Battlegroups).

[89] Council of the European Union, "Financing Security and Defence Military Operations," availbale at www.consilium.europa.eu/policies/fac/financing-security-and-defence-military-operations-(athena) (accessed 9 June 2014).

[90] Personnel can also be recruited internationally, bringing in any number of soldiers skilled in languages not normally found in the EU, but in possible future conflict zones and places of interest for the EU. A program of "EU citizenship," i.e., citizenship of an EU nation, could be used to reward faithful service, much like the systems used in the U.S. and France. Such a system lets potential citizens enter the Union only after "making an investment" in it.

[91] Specialized skills (communications, advanced medical, maintenance, UAV operations, etc.) could be gained through training in Member States (with compatible European equipment), NATO schools (with the appropriate agreements in place), or the civilian contractors through whom the equipment was purchased.

[92] It would be immensely helpful if many senior officers and NCOs of this initial primary brigade staff were combat-experienced officers from non-EU NATO and "Five Eyes" countries, such as the US, Canada, Australia, and New Zealand. This would serve a number of purposes: 1) reduce any hints of favoritism among personnel in selection and training of the fledgling organization, 2) incorporate knowledge gained from the worst fighting of the recent Iraq and Afghanistan conflicts, 3) forge relations with those nations that are the brigade's most likely allies, and, most importantly, 4) insulate the brigade from political interference between Member States.

Equipping the force would not only be an economic boost for the nations building the equipment,[93] but would also solidify the European arms industry's moves towards commonality. Many armored vehicles, such as the Pandur II IFV and the Dingo II IMV,[94] are in production or were designed in Europe, and already meet the requirements of such a brigade: highly mobile, protected from improvised explosive devices (IEDs), and transportable by aircraft. The same can be said of equipment, such as weapons, radios, computers, etc. Since the brigade would "belong" to the entire EU, it could serve as a starting point for long-awaited standardization of such military equipment across the Union.

The understandable reluctance of Member States to place personnel under the command of another nation is a thorny issue, but is one with which they already deal on a daily basis. Nationals from every Member State are seconded to the EU for every purpose. Administrative, logistical, and management functions of the Union are performed by people from across the region, not to mention the diplomats, security, police, and military personnel that already operate under various commanders and managers on almost every continent, and in potentially hazardous situations.[95] The current Battlegroups themselves operate under the command of the lead or sponsor nations, with the implicit understanding that they would potentially conduct operations in a hostile environment under the command of the EU Operations Center. While this current system would be a substantial risk to current Battlegroups, it demonstrates that national hubris can be overcome.

An EU Brigade would offer a number of additional advantages. For instance, Member States' national caveats and restrictions regarding the use of military forces would be immaterial to it. This fact gives the RRF an operational flexibility that is unmatched within Europe's current militaries, while still giving Member States a say in its employment. This supranational unit would also lend operational flexibility to countries whose national laws restrict deployment of national military forces, such as Germany. In addition, use of the brigade in such an emergency would incur no extra cost to that nation.

This is undoubtedly an American-style approach to a classic European problem. While the United States arguably has the premier military in the world, there is no reason to believe an entity as powerful as the EU could not field a comparable capability on

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[93] At approximately 80-100 armored vehicles per mechanized battalion, and two armored, one engineer, and one support battalion, this could equal up to 250 armored IFV-type vehicles (Pandur II or the like). If the paratroop and SOF battalions are also to be provided with the infantry mobility vehicles (IMV, i.e., the Dingo II) that are essential in modern warfare (at least 200 vehicles in total for the two battalions), this equals a substantial production line and subsequent economic boost for a smaller EU nation.

[94] The IFV (Infantry Fighting Vehicle) would form the primary platform of the brigade's armored battalions, akin to a U.S. Stryker Brigade, with anti-tank, anti-aircraft, indirect fire, medical, command, etc., variants of the vehicle incorporated into them. The IMV (Infantry Mobility Vehicle) would provide long-distance mobility and IED/ambush protection for the airborne and SOF battalions and headquarters elements.

[95] Witney, "Re-energizing Europe's Security," 29.

a smaller scale, in order to achieve a more rapid response to crisis situations. Such a capability could replace the unused, risky, and unwieldy Battlegroup concept, deal quickly with minor crises, or take on the role of a "bridging force," acting as a stopgap in major emergencies until a larger European Rapid Reaction Force, the UN, or a Member State's national military is able to assemble and deploy.

Conclusion

> *Our traditional concept of self-defence—up to and including the Cold War—was based on the threat of invasion. With the new threats, the first line of defence will often be abroad.*
> – European Security Strategy, 2003

Recent world events have demonstrated that European soft power has limitations. Within the EU's sphere of influence, problems remain that have proven impervious to financial aid and missions of goodwill. The Middle East remains dangerously unstable. Africa shows signs of economic and political improvement, but the security situation remains neglected and precarious.[96] Natural disasters (in the form of major flooding) overwhelmed civil authorities in Germany (the EU economic powerhouse), Austria and Serbia (an EU neighbor and membership candidate).[97] Military strength is sometimes required in order to supplement civil authorities and protect civilians' and national interests. The Union is the perfect vehicle with which to provide such a military capability.

Since the earliest days of the EU and in the yearly meetings of the EU Council, Members States have agreed that the Union requires the capability to militarily respond to emergencies within its territory and across the globe. The Union has since constructed a solid foundation on which to build a military: a leadership structure, military staff and educational institutions, as well as a powerful economy. Consequently, conditions are ripe for creation of an RRF that could rapidly respond to any of the potential crises identified within the Union's policies and the Petersberg Tasks. This force will only work if its creation is organized by unbiased and competent military experts who can put national interests aside, if these experts are protected from above from political interference, and if the effort is fully supported by Union leadership.

This new, professional, *supranational* EU Brigade would drastically reduce the problems of the current ad hoc system of the EU military, as well as reduce the chance of the current Battlegroups deploying into a costly, bloody, and very public military failure. Cheaper, more agile, more flexible, not directly bound by national will or politics of Member States, and manned by well-trained and highly motivated "citizens of the

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[96] Michela Wrong, "Why Are Africa's Militaries so Disappointingly Bad?" *Foreign Policy*, 6 June 2014, available at http://www.foreignpolicy.com/articles/2014/06/06/why_are_africa_s_militaries_so_disappointingly_bad_kenya_nigeria_boko_haram_al_shabab (accessed 9 June 2014).

[97] "Martial Law over Flood in Germany. Military Is Deploying in 3 States by Now," *Investment-Watch*, 3 June 2013, http://investmentwatchblog.com/breaking-martial-law-over-flood-in-germany-military-is-deploying-in-3-states-by-now/ (accessed 9 June 2013).

EU," the EU Brigade would provide the Union with another tool of foreign policy, and help fulfill the vision of becoming the "humanitarian superpower." With such a brigade, the EU would be much better prepared to offer a rapid and effective response to the challenges of an uncertain twenty-first century.

Appendix A
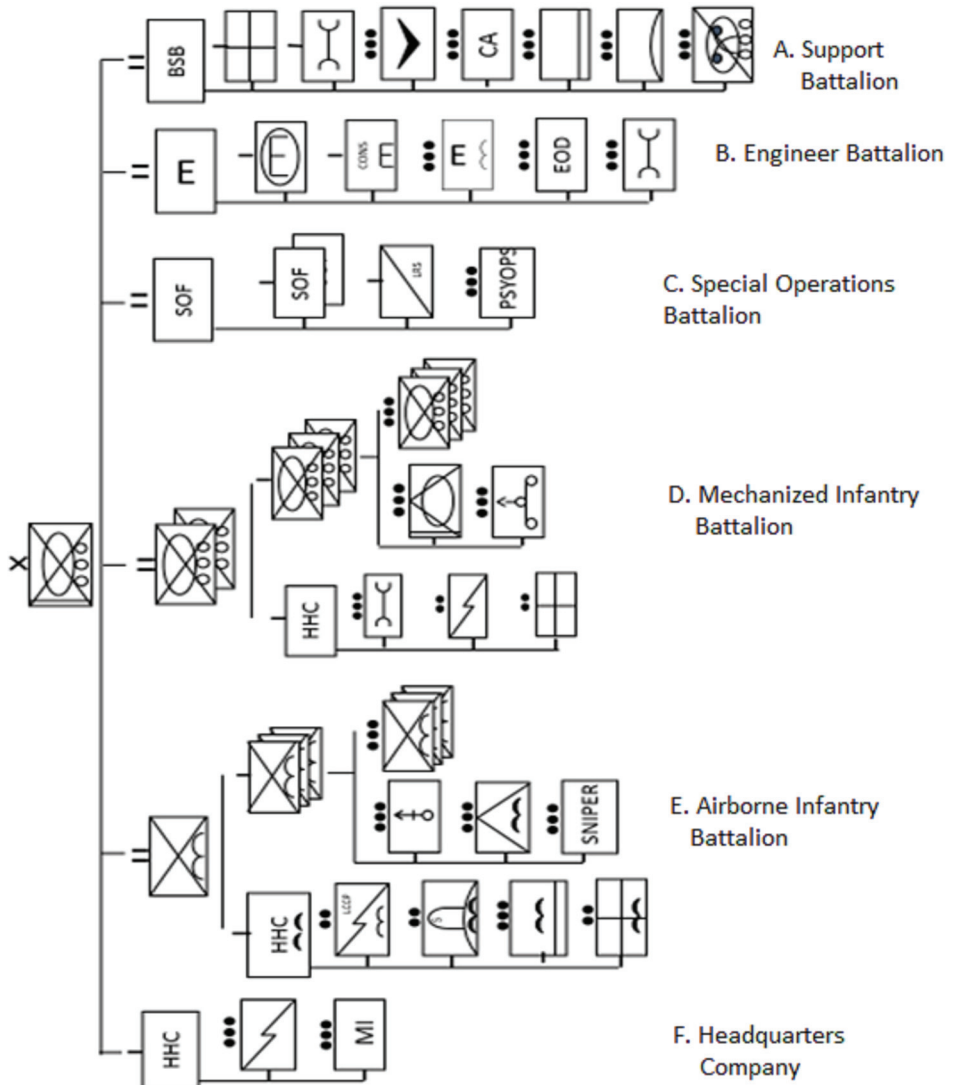
Appendix A, EU Brigade Organizational Chart.

The EU Brigade would be composed of six battalions and a headquarters company.

- *Brigade Support Battalion.* Consists of the major supporting elements required for day-to-day operation of the brigade, as well as important "niche" capabilities, which make the Brigade generally self-sufficient. Units here would be modular and deployable as needed to support operations; most would also be airborne-capable. Composed of a medical company, a maintenance company, as well as platoons for unmanned aerial vehicles, civil affairs, supply, anti-air, and CBRN.

- *Engineer Battalion.* Provides construction, excavation, and sapper capability to the Brigade. Heavy equipment companies can respond to natural disasters, as well as assist in humanitarian responses. Combat engineer units are multi-purpose assets that are critical in high-intensity conflict; explosive ordinance disposal (EOD) personnel have been essential in all recent conflicts. A maintenance platoon provides specialized work on the battalion's equipment.

- *Special Operations Forces Battalion.* Modeled after U.S. Special Forces and British SAS, this unit provides EU planners a smaller-scale capability for intervention: highly-trained operators versed in counter-insurgency and low-intensity conflict, in operations such as hostage rescue, non-combatant evacuation, or in crises where a larger force has been deemed undesirable. Personnel from the long-range reconnaissance and surveillance (LRS) company would be the first "eyes on the ground" for EU and Brigade planners in a crisis area. A psychological operations (now known as "information operations," due to the politically-charged term PSYOPS) platoon has the capability to provide media broadcasts and distribute literature in support of the Brigade's mission.

- *Mechanized Infantry Battalion.* This is the basis of the Brigade. Highly mobile and survivable vehicles provide highly-trained soldiers rapid access to conflict areas, protection from fire and the now-ubiquitous IEDs, and firepower substantial enough to deter aggression. Anti-tank and heavy mortar platoons make the battalions a potent force even against an adversary equipped with high-end military hardware. A headquarters company with command, maintenance, medical, and communications capabilities will make the battalion deployable as a stand-alone unit.

- *Airborne Battalion.* Composed of three light companies of paratroopers and air-droppable equipment, this unit would be the most likely initial-entry force into a crisis situation and could be self-sufficient while supplied from the air, or until heavier forces arrive.

- *Brigade Headquarters and Headquarters Company (HHC).* Provides the resources need to direct the Brigade through daily and deployment operations. With integral communications and intelligence capabilities, this unit is the link between the Brigade's battalions and the Brigade commander, as well as links with EU leadership.

Regional Alliances: A Political, Military, and Economic Strategy to Confront Hostile Regional Powers

David Tier [*]

Introduction

Russia and China have recently displayed aggressive actions that have steadily garnered international concern. The United States, as a country interested in preserving the existing international order, share apprehensions towards potential disruptions that could affect its interests. The intensifying nationalist sentiment of rising powers, their increasing military strength, demonstrable willingness to employ military aggression, and freshly invigorated territorial claims cause defenders of the *status quo* to worry that war is on the horizon. Will Russia and China make a bold attempt to seize what they claim as theirs? No fewer than two other regional powers give cause for concern. Neighbors of North Korea and Iran warily keep watch for aggressive actions from these "rogue" states. To what extent should threatened neighbors take precautions to protect their territorial integrity in the interests of national security? As seen in some recent signs of weakness from the threatened, a new generation of untested leaders and their respective populations must learn the lessons of "peace through strength" in order to protect themselves from possible aggression. Threatened countries should create, strengthen, and expand military alliances between mutually interested partners, grow military capability by ensuring adequate defense spending, and demonstrate the willingness to take military action against aggressors in order to lessen the threat of attack. Starting with an assessment of the present challenges, then examining how global powers should shield regional alliances during their formation, and lastly, analyzing the respective failure and success of alliances of World War I and the Cold War, this article proposes a strategy to thwart potentially hostile state-based regional powers. A nation or alliance facing a hostile regional power must match at least one-third of the potential aggressor's defense spending to discourage an aggressor, but should aim for matching two-thirds. Global powers should foster the formation of regional alliances in order to maintain the *status quo*.

Russia: Returning to Grandeur of 19th Century Empire?

The Russian Federation recently seized control of Crimea and poses a lasting threat to the territorial integrity of Ukraine. The international community has resoundingly condemned this action. Led by the United States in the form of sanctions, a number of

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countries have taken limited action to punish Russia. Although mostly symbolic, the U.S. has also exercised shows of military force consisting of small-force deployments in the region that demonstrate a level of resolve against further aggression. Ukraine offered very little resistance to the initial takeover of Crimea and stands little chance of successfully opposing a conventional invasion of their mainland. However, the country is now using military force to quell rebellion allegedly stoked by Russia.

Many speculate about Russia's motives, but only Putin himself may comprehend the country's ultimate objective. Regardless of whether to reestablish the former greatness of czarist Russia, secure access to resources, or following through on face-value claims to secure ethnic Russians, the uncertainty of knowing obligates Russia's neighbors to make prudent hedges against the worst case scenario.

In general, Russia's actions towards Ukraine have revealed some weaknesses in the West, but have also created an opportunity to renew Europe's interest in collective defense. Russia's nearby NATO members, Estonia, Latvia, Lithuania, and Poland have vocalized a need for greater strength. Former Warsaw Pact nations of Romania, Bulgaria, Hungary, the Czech Republic, and Slovakia fled the Eastern bloc after the fall of the Berlin Wall and have since achieved NATO membership, but surely Russia's new assertiveness must make them feel uneasy. However, these countries have not made sufficient effort to protect themselves against Russia, relied on the potential of other countries to augment their defensive capability, or primarily sought political alliances that rely more on the signature of documents rather than building their own military force. They have not sufficiently invested in their own defense to inoculate themselves against Russian aggression. Ukraine and Moldova, with its breakaway Transdniestrian region vulnerable to Russian intervention, must regret their lack of preparedness to handle the present situation. Consider that, in 2012, Russia spent $90.8 billion on defense, but the ten nations listed above spent a combined total of about $20.25 billion, or roughly 22 percent of Russia's expenditures.[1] This trend has been comparatively similar for the past ten years.

Although dollars spent do not necessarily translate directly into commensurate military capability, defense spending is a reasonable benchmark to measure levels of effort. Russia's defense spending was 4.4 percent of its Gross Domestic Product (GDP) during 2012, while the average defense spending of these ten other concerned states was about 1.5 percent.[2] If seriously concerned with the threat of militarily aggression by Russia, a combination of these nations should attempt to match a total of at least one-third of Russia's military capability merely to seek parity against a possible Russian attack. Studies in military operations show that forces conducting defensive operations, due to the tactical advantages of being on the defensive, require a combat power ratio of 1:3 in order to have an equal chance of success in defending, compared to the success of the attacker.[3]

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[1]   Stockholm International Peace Research Institute (SIPRI), *Military Expenditures by Country*, 2012, available at http://portal.sipri.org/publications/pages/expenditures/country-search.

[2]   Ibid.

[3]   Michael E. Brown, *Offense, Defense, and War* (Cambridge, MA: The MIT Press, 2004), 168.

This ratio of combat power is not necessarily measured by the simple numbers of combatants, weapon systems, or firepower committed to action, but includes enablers and other combat multipliers that help determine their total military capability. In order to ensure odds better than 50/50 for either side, either side needs to tip the ratio in their favor further from the equilibrium of 1:3. According to military studies conducted by the Center for Army Analysis, defenders stand an 80 percent chance to deny an attacker's military objectives when employing a force ratio of 2:3 , and with an expected cost of 6 percent friendly force casualties. Attackers improve their success chances to 80 percent with a 1:6 force ratio, and also at an expected cost of 6 percent casualties.[4] Since defense spending can be used as a rough indicator of military capability, nations seeking to defend themselves against a hostile regional power should match at least one-third of the threatening countries' spending.

Before going further, it is important to note that defense spending alone may not directly translate into combat capability. It is an imperfect heuristic. After making a few assumptions and generally holding a few variables constant, defense spending is a fair measure for comparing the expected capability of different nations. These comparisons assume the same wisdom, efficiency, and economies in scale of defense spending between nations, which we know would be false to some extent. Naturally, this induces a degree of error. Additionally, tabulating the defense expenditures of several countries in a potential coalition assumes that spending would be coordinated in shared decisions between all parties in a perfectly efficient "smart defense."[5] We know that this would be untrue as well. Lastly, the potentially hostile power an alliance intends to defend itself from—Russia, for example—may also decide to boost its spending to counter the spending increase of nations it would like to maintain an advantage over. However, this type of game-theoretical development of action-reaction-counteraction would merely change the numbers involved in a comparison. It would not change the concept that a certain portion of an aggressor's defense spending should be matched. All other things being equal, money spent towards defense will determine the resources applied, and serve as an easy-to-use rule of thumb to compare military capability between countries. Therefore, an entity seeking to protect itself from a state-based threat should spend at least one-third the level of the potentially hostile nation's defense budget. Collective defense can also be gauged by collective defense spending, though additional inefficien-

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[4] National Research Council, *Improved Operational Testing and Evaluation: Better Measurement and Test Design for the Interim Brigade Combat Team with Stryker Vehicles*, Phase I Report (Washington, DC: The National Academies Press, 2003), 105-108. The Defenders Advantage (ADV) calculated in the Force Exchange Ratio (FER) is assumed to be 1:3 in accordance with generally accepted principles, as specified in Brown, *Offense, Defense, and War*, op. cit., 168.

[5] According to NATO, "smart defence" is defined as a group of allies cooperating to develop, acquire, and maintain military capabilities to meet security problems in accordance with a mutually understood strategic concept, characterized by pooling and sharing capabilities, setting priorities, and coordinating efforts. For more information, see http://www.nato.int/docu/review/topics/en/Smart-Defence.htm.

cies would be incurred when different nations purchase redundant capabilities, and multiple parties incur similar separate overhead costs, such as research and development, that could instead be shared.

As a mathematical formula, the minimum level of defense spending for nations facing a potentially hostile regional power should be:

$$Ayw \geq (1/3)T$$

where:

- A is the combined defense spending of allied nations opposing hostile power T
- y is the coefficient for friction in the loss of spending efficiencies within alliance A
- w is the alliance's coefficient for spending efficiency compared to hostile power T, and
- T is the expected defense spending of the hostile power.

As an example, since Russia's 2012 defense spending was $ 90.8 billion and, assuming the perfect integration of collective military capabilities of a potential alliance as well as equal spending efficiency ($y=1$, $w=1$), a collection of nations threatened by Russia should have developed combined defense budgets totaling at least $ 30.25 billion in 2012. This would have yielded defensive capability to withstand a Russian attack with 50 percent chance of success. A combined budget of $ 30.25 billion would have been the minimal level—the floor of defense spending—for a group of nations to protect their interests because a rationally-acting hostile power facing only 50/50 odds of success would have considerable cause to hesitate. Deterrence could work by procuring this level of capability. Furthermore, it would impose a greater cost on the potential aggressor in seeking at least 3:1 additional levels of spending to grow stronger over the threatened nations. Presumably, a defending entity would desire odds greater than 50/50, meaning that securing better chances would have required greater defense spending than $ 30.25 billion in 2012.

If Ukraine relied only on itself to defend against Russia and not depended on an alliance, Ukraine would have had to spend $ 30.25 billion in 2012. This would have been 17 percent of the nation's GDP,[6] or about twice as high of a defense spending rate than the highest nation on Earth.[7] This would have been quite a steep price to pay. If an alliance of the ten Eastern European countries above had shared the burden of defense collectively, they would have needed to pool about 2.5 percent of their collective GDP for defense spending to match one-third of Russia's. This would have been a much more reasonable rate than to impose the costs on a single nation.

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[6] GDP data according to International Monetary Fund, "Report for Selected Countries and Subjects," available at http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/weoselco.aspx?g=2001&sg=All+countries, accessed on 20 May 2014.

[7] SIPRI, *Military Expenditures by Country*, 2012.

An additional point to consider is that the more countries involved in a collective security agreement, the more the total defense costs could be diffused. Perhaps this group of countries could persuade Finland, Norway, and Turkey, or nations in the Caucasus region and Central Asia to join the agreement, thus spreading out the costs even further. Indeed, NATO as a whole, or the defense arm of the European Union (EU) could support its formation. However, Russia may view a new neighboring alliance supported by NATO to be little different than outright NATO expansion up to its borders, and seek to disrupt the formation of such an alliance. A separate, more specifically-purposed defensive alliance composed of Eastern European nations could be less provocative towards Russia than NATO expansion.

This raises another issue, however, in that nations could have overlapping memberships with a new regional alliance while simultaneously maintaining membership in NATO or the EU. A web of entangled, overlapping alliances could endanger all parties, pulling them into a greater conflagration if a potential conflict triggered just one alliance to respond. As at the start of World War I, a local event could cause a spiral of successive nations to take up arms and join the fighting to honor their commitments. This risk must be mitigated. Establishing a new alliance would alter a region's security architecture, and existing alliances would have to review charters to ensure their commitments had been stipulated appropriately. For instance, in NATO's case, the alliance may want to caveat its defense policy so that, in the event of a nation's Article 5 request for collective defense, the requesting nation's forces must primarily defend its own territorial integrity rather than a third-party non-member nation. This would ensure that NATO countries sending forces to defend one another would not subsidize the requesting nation's effort to defend a non-member, while still assuring the member country of the alliance's commitment to defend it. More importantly, this would reduce the risk of NATO being pulled into a greater war by a non-member, or by injudicious members making careless agreements outside of NATO.

Looking at the data more closely, one could argue that a potential partnership of Eastern European countries could afford to risk procuring a collective, aggregate combat capability ratio below 1:3 compared to Russia, since some greater portion of Russia's capability would have to remain directed towards security concerns elsewhere on its frontiers. Russia would likely have to keep some portion of defense effort in the Far East to protect against China, a portion of security to guard against concerns near the Caucasus, and even threats emanating from North America would force Russia to devote military capability elsewhere besides Eastern Europe. An additional advantage of this would be to lessen the chance of Russia finding such an alliance provocative. However, any ratio for Eastern Europe below a total of 1:3 would deliberately incur additional risk based on this assumption. If prudently choosing not to accept this added risk and, in an effort to improve the odds of defensive military success to better than 50/50, an alliance of Eastern European nations should seek a collective ratio greater than 1:3 compared to Russia.

The countries of Eastern Europe can be somewhat forgiven for their lack of defense spending in the past. First and foremost, due to its proximity to Russia, Ukraine has been

under Russia's shadow to an extent to preclude it from either joining a collective security agreement, or independently developing the necessary defensive capability. Indeed, the present crisis has been at least, in part, precipitated by Ukraine's increasing closeness to the West as it considered joining the EU. Had Ukraine sought an alliance earlier, or had their defenses shown potential to grow strong enough to challenge Russia's ability to pressure them, this same crisis could have happened earlier. Moldova, in addition to being small, has suffered an additional challenge of having to contend with Russian forces deploying a peacekeeping contingent in its Transdniestrian region. The presence of these forces serves as a reminder of Russia's reach and their ability to intimidate. Similar factors exist for the Baltic States and former members of the Warsaw Pact. These countries observe an incentive to placate Russia by not threatening to challenge Russian dominance by increasing their own military capability. Belarus is a country so much under the influence of Russia that it tends to act more as a Russian ally than as a potential defensive partner with its other neighbors. However, with the threat of Russian aggression now realized, a chance to change these attitudes has emerged. Opportunity is rife to rally nations against continued Russian expansionism.

Although individually smaller and too weak to resist Russian aggression on their own, together the nations of Eastern Europe exhibit potential to protect themselves if they unite for their collective defense. If well-coordinated, the minimum level of defense spending would incur a cost of at least 2.5 percent GDP for each contributing nation. For this price, these nations could expect to secure a 50/50 chance of denying Russia its military objectives in case of an attack.

China: Establishing a New Dynasty?

China has become an aggressive regional power in recent years. Each day, dramatic maritime encounters and tense standoffs between the coastal security forces and nationally-flagged commercial ships of different nations plague the waters of the South China Sea. Diplomatic spats between nations periodically make headlines. China's recent announcement establishing a new Air Defense Identification Zone in the East China Sea caused controversy. China continues to conduct cyber espionage and has tested anti-satellite weapons systems. Overall, China's newly invigorated assertion of control over territorial claims in the South China Sea is supported by noticeably growing military capability. Combined with a supposition that the South China Sea contains vast, thus-far untapped oil reserves, the value of contested territory between regional nations has intensified. The Paracel, Spratly, and Senakaku/Diaoyudao island groups are even greater potential flashpoints for war than before, with China, Japan, Taiwan, the Philippines, Malaysia, Brunei, and Vietnam as the most likely combatants in a potential regional conflict.

As with Russia, China's ultimate intentions are unclear since the question remains; to what extent will China use subversion and overt force to fulfill their contested claims in the region? What is their ultimate goal? Although China has not indicated a motivation to spread communist ideology like the Soviet Union once did, China has indeed shown willingness to use force to resolve conflicts, such as gaining control of Taiwan or sup-

pressing internal dissent. China's economic interests, which rely heavily on maritime traffic choked through the Strait of Malacca, serves as another incentive for China to further expand its military influence in the region. China's growing military capability, foreign interests, and willingness to use force make it unwise to rule out the possibility that China could seek military conflict as a way to achieve its shadowy ambitions. As was the case with the analysis of Eastern Europe, South China Sea nations should prudently safeguard themselves against the worst-case scenario if they want to feel secure in their present territorial holdings.

China's actions have grabbed enough attention to warrant policy consideration by the United States. The Obama Administration has made "rebalance to the Asia-Pacific" a high priority of its defense policy and intends to redistribute military assets in favor of the United States' Pacific Command. However, an examination of regional actors reveals that perhaps not all nations most threatened by China's aggression have taken adequate measures to protect themselves.

From 2007-2012, China averaged $128.8 billion per year in defense spending at an average rate of 2.1 percent of its GDP per year.[8] Japan averaged $59.5 billion or 1 percent of its GDP per year.[9] Japan's expenditures, at about 46 percent of China's, were sufficient to apply at least one-third of the resources needed to gain a 50/50 level of confidence in its ability to independently defend its territorial claims. If Japan's defense spending translated into military capability at the same rate as China's ($w=1$), Japan itself would still have close to a 65 percent chance of denying China its military objectives in the event of a confrontation.[10] However, not all of Japan's military effort is directed against China. Some effort also counters potential attack from North Korea or Russia. Unlike the analysis of Russia, for the purposes of this analysis we will assume that the fraction of Japanese military effort reserved to defend against nations other than China would be equal to a similar fraction China must reserve in defense of interests other than the South China Sea. This assumption isolates Japan and China's defense concerns to each other. It was unlikely to be valid in Russia's case since Russia's other peripheral threats were greater than Eastern Europe's. This assumption makes more sense with Japan since Japan and China have roughly similar levels of defense concerns besides those against each other. This assumption helps simplify a review of the situation, but also introduces a margin of error in the concluding analysis as to how much to spend. Although Japan may be capable of protecting its interests against China, Japan also enjoys the benefit of a mutual defense treaty with the United States. This mutual defense treaty greatly strengthens its confidence, as could similar arrangements between nations in the South China Sea.

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[8] SIPRI, *Military Expenditures by Country*, 2007-2012. Expressed in terms of 2011 U.S. dollars.

[9] Ibid.

[10] See National Research Council, *Improved Operational Testing and Evaluation*, op. cit., 105-108. The Defenders Advantage (ADV) calculated in the Force Exchange Ratio (FER) is assumed to be 1:3 in accordance with generally accepted principles and specified in Brown, *Offense, Defense, and War*, op. cit., 168. Cf. note 5.

Taiwan has been maintaining defense spending levels at the same rate as China. From 2007-2012, Taiwan averaged $ 10.0 billion per year at an average rate of 2.2 percent of its GDP.[11] This was about 8 percent of China's defense expenditures. Although too small to match aggregate defense spending, Taiwan's formidable rate of spending demonstrates its commitment to defense. The resulting comparison, however, shows the extent which Taiwan needs external assistance to give itself a fighting chance of defending its territorial integrity. Taiwan would very much benefit from a defense treaty, but the threat of Chinese intervention disrupting an alliance makes reaching such an agreement problematic. At one point, Taiwan enjoyed formal protection under the U.S. while the Sino-American Mutual Defense Treaty was in effect. When the U.S. normalized relations with China in 1979, however, the treaty came to an end. Although reestablishing a U.S.-Taiwan alliance would likely lead to conflict, perhaps clever maneuvering to join a regional alliance would stand a better chance of survival. The strongest chance of this would be for a regional alliance to form first and establish itself as a credible force against China. Then, after this point, Taiwan could join the alliance and fall underneath its protective umbrella. Taiwan's decision would, however, have to weigh the added security gained through additional allies against the probability of provoking war with China.

An analysis of the other key actors in the region reveals their weaker situation. The Philippines, Malaysia, Brunei, Indonesia, and Vietnam average combined defense spending was $ 2.6 billion per year from 2007-2012, or 2 percent of China's expenditures.[12] These countries averaged spending at a rate of 1.5 percent of their GDP per year. Had all of these countries including Japan and Taiwan combined their defense resources in a perfect "smart defense," they would have collectively spent 66 percent of China's defense budget. If the previous assumptions held true, they would have collectively stood an 80 percent chance of denying China its military objectives in the event of an attack.[13]

This introduces us to a modified equation for a regional alliance that secures an 80 percent level of confidence in preserving the *status quo* through military force in the event of conflict. A target level of spending should be:

$$Ayw \geq (2/3)T$$

From 2007-2013, an entity aimed at protecting interests against Chinese aggression, whether a single nation or a multinational alliance, would have had to spend approximately $ 43 billion per year on average to yield one-third of China's capability, in order to achieve a 50/50 level of confidence of denying China its military objectives. This entity would have had to average $ 86 billion per year to secure an 80 percent level of confidence. Again, this involves a number of the previously mentioned assumptions, in-

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[11]   SIPRI, *Military Expenditures by Country*, 2007-2012.

[12]   Ibid.

[13]   See National Research Council, *Improved Operational Testing and Evaluation*, op. cit., 105-108. See note 5.

cluding that a potential alliance would perfectly coordinate its resourcing efforts in a "smart defense" ($y=1$), and dollars spent would result in equal military capability regardless of which nation spent it ($w=1$). Nevertheless, the collection of seven nations listed above would merely have had to spend 0.6 percent or 1.2 percent of their combined GDPs per year, on average respectively, to achieve these levels of confidence.[14] These are quite reasonable levels of contributory spending.

Since the analysis of the years from 2007 to 2012 showed that, led by Japan, these nations collectively exceeded the minimum level of spending necessary to counter China's aggression to achieve a moderate chance of denying China's military objectives in the event of war, they are well on their way to being able to collectively counter their regional aggressor. However, we know if a previous assumption proved false, $43 billion may not be enough. For instance, we know that these nations do not perfectly coordinate their expenditures in a "smart defense." Their defense spending to produce military capability may or may not be more efficient than China's, but collectively it certainly is not (i.e., $y<1$). They do not enjoy the economies of scale that China does, and how wise their choices to modernize military capability have been remains to be seen. Any such incorrect assumptions would incur some level of error that would require more defense spending to compensate. A good mechanism to reduce friction of their cooperative expenditures would be for the threatened countries to agree on how to integrate their capabilities by entering a formal military alliance. Increasing the number of partners—perhaps by also including the capabilities of Singapore, for example—would further diffuse the costs among nations.

The Southeast Asia Treaty Organization (SEATO) was a Cold War-era defense alliance established to contain the regional advance of communism, particularly China's,[15] which lasted from 1954–1977.[16] The founders of SEATO envisioned it as a regional counterpart to NATO designed with similar purposes and intent.[17] Although heavily criticized for its ineffectiveness while it existed,[18] a well-led and well-coordinated restoration of SEATO composed of the seven members above could conceivably form an effective deterrent to Chinese aggression.

The contemporary cousin of SEATO is the Association of Southeast Asian Nations (ASEAN). ASEAN is predominantly an economic organization, but it does address some aspects of security and defense. ASEAN's charter accentuates the principles of ter-

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[14] GDP data according to International Monetary Fund, "Report for Selected Countries and Subjects," available at http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/weoselco.aspx?g=2001&sg=All+countries, accessed on 20 May 2014.

[15] Keat Gin Ooi, *Southeast Asia: A Historical Encyclopedia From Angkor Wat to East Timor*, Volume 2 (Santa Barbara, CA: ABC-CLIO Publishing, 2004), 338-339.

[16] Calvin Jilson, *American Government: Political Development and Institutional Change*, 5th ed. (Taylor & Francis, 2009), 439.

[17] Paul S. Boyer, et al., *The Enduring Vision,* concise 6th ed. (New York: Houghton Mifflin Publishing, 2007), 836.

[18] For a summary of the criticism, see John K. Franklin, *The Hollow Pact: Pacific Security and the Southeast Asia Treaty Organization* (Fort Worth: ProQuest Publishing, 2006), 1.

ritorial integrity, sovereignty, and peaceful settlement of disputes and, perhaps, if ASEAN put more teeth into a military aspect of its association, it could improve upon what used to be the military alliance of SEATO. The formal association between current members of ASEAN could serve as the initial dialogue to establish a new regional mutual defense treaty. This alliance could combine the efforts of nations in the region threatened by China and block China's aggressive regional ambitions.

North Korea: Conclusive Resolution to Civil War?

North Korea has been an aggressive power disrupting the peace in Northeastern Asia for more than 60 years. Not only has the North attempted to conquer the South in what they claimed to be a civil war, but North Korea often makes provocative statements and consistently initiates hostile military engagements that remind the South of its existential threat. A rogue nation, dubbed by former United States National Security Advisor Anthony Lake in 1994,[19] North Korea remains a serious threat to its southern neighbor as demonstrated through the North's aggressive positioning of military forces for invasion of the South, numerous instances of killing South Koreans, killing or imprisoning Americans, periodic military or terrorist attacks against South Korea, and withdrawal from the nuclear Non-Proliferation Treaty.[20] South Korea is not the only nation threatened, however.

The United States has military forces positioned in South Korea to defend the South, but also additional forces in the region that could be used to support military operations in Korea if conflict broke out. North Korea is aware that, during the 1950 invasion, General Douglas MacArthur based allied operations from Japan before landing in force on the peninsula. Japan was a theater-wide base of operations much like Great Britain was for the Western Allies in World War II. North Korea has since developed a capability to strike U.S. forces in Japan through ballistic missile launches, like the ones that flew over the island nation in 1998 and 2009. North Korea also maintains unconventional warfare capability, which could be employed against Japan. Due to the 1960 U.S.-Japan defense treaty, Japan cannot expel U.S. military forces as an easy solution to rid itself of the North Korean menace, nor is it in Japan's interest to withdraw from the treaty. U.S. forces provide Japan assurances against threats from China and Russia as well as North Korea. Consequently, Japan faces a threat of attack from North Korea, which demands some defensive capability to counter. Despite longstanding differences and recently deteriorating relations between South Korea and Japan,[21] the two nations share mutual defense interests and should increase military cooperation with each other.

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[19] Anthony Lake, "Confronting Backlash States," *Foreign Affairs* 73:2 (March/April 1994).

[20] Michael McDevitt, "Deterring North Korean Provocations," *Brookings East Asia Commentary* (February 2011), available online at http://www.brookings.edu/research/papers/2011/02/north-korea-mcdevitt.

[21] Hayley Channer, "Manufacturing partners: Japan – South Korea security cooperation and Australia's potential role," *ASPI Strategic Insights* 69 (Australian Strategic Policy Institute, March 2014), 2.

Presently, the U.S. serves as a link to join the two because they are not sufficiently willing to stand together. South Korea and Japan should set aside their differences in their common interest to counter the military threat of North Korea.

Determining the level of defense spending South Korea and Japan should each commit in a potential alliance is trickier than it was for the previous examinations of Eastern Europe and nations of the South China Sea. Reliable figures on North Korea's defense spending are not available due to its isolation from the international community.[22] Rather than simplifying an analysis by scrutinizing its defense spending, analyzing other indicators of military capability will be useful but more complicated. The active duty personnel strength of a nation's armed forces, the sophistication in the preponderance of its heavy military equipment, readiness estimates, and the number of nuclear weapons a nation possesses can provide a crude summary of a nation's military capability. However, this examination is still a simplified generalization, albeit more detailed than examining defense spending alone.

North Korea has 1.206 million personnel on active duty.[23] The most numerous versions of its tanks, naval vessels, and combat aircraft were developed in the 1960s.[24] The readiness levels of North Korea's armed forces are moderate,[25] and it is estimated to possess 12 low-yield nuclear devices.[26] In comparison, South Korea has 687,000 personnel on active duty,[27] its heavy-weapons were mostly produced in the 1970s,[28] readiness

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[22] SIPRI, Military Expenditures by Country, available online at http://portal.sipri.org/ publications/pages/expenditures/country-search.

[23] James Hackett, ed., *The Military Balance 2010* (London: Routledge Journals for the International Institute for Strategic Studies, 2010).

[24] Data combined from several sources including Christopher F. Foss, *Jane's Armour and Artillery 2005-2006*, Stephen Sanders, *Jane's Fighting Ships 2002-2003*, and Craig Hoyle, *Flight International* (December 2012).

[25] For more information on North Korea's readiness, see Andrew Scobell and John M. Sanford, *North Korea's Military Threat: Pyongyang's Conventional Forces, Weapons of Mass Destruction, and Ballistic Missiles* (Carlisle: US Army War College, Strategic Studies Institute, April 2007), 60-70. Part of the assessment above is the author's subjective evaluation of NKPA preparedness based on open-source reporting. An abstract topic such as "readiness" requires judgment to assess, and an evaluation of capability based on numbers alone would neglect vital human factors. Nonetheless, it is still important to factor readiness as a part of military capability in order to safeguard against overestimating the capabilities of a "paper tiger."

[26] David Albright and Christina Walrond, "North Korea's Estimated Stocks of Plutonium and Weapon-Grade Uranium" (Washington, D.C.: Institute for Science and International Security, 16 August 2012), 30.

[27] Hackett, *Military Balance*, op. cit., 413-416.

[28] Data combined from several sources including "K1A1 Main Battle Tank" at http://army-technology.com, Eric Wertheim, *The Naval Institute Guide to Combat Fleets of the World: Their Ships, Aircrafts, and Systems*, 15th ed. (Annapolis, MD: Naval Institute Press, 2007), and "Military Aircraft Update: Northrop F-5/T-38," *Aviation Week & Space Technology* (November 2013).

levels are low,[29] and it possesses no nuclear weapons.[30] Japan has 230,000 personnel on active duty,[31] the most numerous of its heavy weapon systems were initially fielded in the 1980s,[32] readiness levels are high,[33] and Japan possesses no nuclear weapons.[34]

A quick comparison of North Korea with the combined forces of South Korea and Japan show that North Korea has an edge over their combined forces, but not a decisive one. North Korea's numerical advantage is much less than the minimum 3:1 ratio necessary, its outdated equipment a disadvantage, and its readiness levels not sufficient to tip the balance in its favor. North Korea's nuclear superiority is a significant advantage, but South Korea and Japan's ballistic missile defense capabilities mitigate this threat somewhat. It is unlikely that North Korea can bring sufficient military strength to bear on South Korea alone, and highly unlikely against the two in an alliance. Furthermore, U.S. forces stationed in the region as well as those that would reinforce them if war broke out, and the "nuclear umbrella" its deterrence forces provide, decisively tip the balance in favor of South Korea and Japan. With the potential of declining U.S. resources, however, a pact between South Korea and Japan would have strong potential in defending against the North Korean threat alone.

Based on this information, North Korea appears to have roughly a 3:1 advantage in overall military capability over South Korea on its own, less than 3:1 for the combined forces of South Korea and Japan, and significantly less than 3:1 when including U.S. forces. The assessment of North Korea's 3:1 advantage over South Korea allows us to estimate the value of North Korea's defense spending. Since South Korea's 2013 defense spending was $34 billion,[35] we can estimate the value of North Korea's defense spending at around $102 billion. Therefore, to secure an 80 percent level of confidence in denying North Korea's military objectives in the event of an attack, a combined South Korean-Japanese alliance would have to have collectively spent around $68 billion (assuming $y=1$ and $w=1$) in 2013. In fact, the two nations combined spent $82.5 billion,

[29] For more information on South Korea's lack of readiness, see Gordon Arthur, "South Korean Defence Modernisation," *Asian Military Review* (1 October 2013), available online at www.asianmilitaryreview.com/cold-south-korean-defence-modernisation-moves-forward.
Part of the assessment above is the author's subjective evaluation based on open-source reporting. Several incidents have revealed weaknesses in the ROK's ability to rapidly respond to aggression, most recently in their delayed response to the November 2010 shelling of Yeonpyeong Island in the Yellow Sea.

[30] National Public Radio, "Nuclear Capabilities and Potential Around the World" (13 April 23 2010), available online at http://www.npr.org/templates/story/story.php?storyId=125898396.

[31] Hackett, *Military Balance*, op. cit., 408–411.

[32] Data combined from multiple sources, including "Type 74," MilitaryFactory.com, "DD-101 Murasame Class" and "F-15J," GlobalSecurity.org.

[33] Jonathan E. Pettibon, *Capabilities of the Japanese Self-Defense Force and its Impact on United States-Japan Relations*, Master's thesis (Monterey, CA: Naval Postgraduate School, March 2011), 65.

[34] National Public Radio, "Nuclear Capabilities and Potential Around the World," op. cit.

[35] SIPRI, Military Expenditures by Country, available online at http://portal.sipri.org/publications/pages/expenditures/country-search.

which puts them well on their way to securing independent capability to counter the threat, and allows them overage to defend against additional, simultaneous threats. On the other hand, due to their present lack of military integration, the efficiencies of their mutual defense spending probably weaken their combined capability to some extent (since $y<1$ to some significant amount). Even so, a potential alliance between South Korea and Japan could stand a strong chance of protecting their territory against North Korean military aggression.

Iran: A Shia Caliphate or New Persia?

For the past 10 years, the U.S. and Israel have sounded warnings of an increasing danger by a nuclear-arms seeking Iran. The reasons that Iran may seek nuclear weapons range from its own self-defense to the annihilation of Israel. Fueled by speculation that Iran's Quds Forces have intervened in Iraq, Syria, and Bahrain to foment instability,[36] nations in the region grow fearful of a more powerful Iran. Former U.S. Secretary of State Hillary Clinton hypothesized that Iran held regional hegemonic ambitions.[37] Iran could possibly envision itself as a regional hegemon, reincarnating the former greatness of the Persian Empire, or as a focal point of Shiite theology. Almost no one would dispute, however, that a nuclear-armed Iran would solidify itself as a force to be reckoned with, possessing strong capability to deter military attack from a single neighbor … maybe even too powerful for a superpower to be willing to challenge. With nuclear weapons as an "ace up its sleeve," Iran could conceivably enact its threat to close the Strait of Hormuz[38] and disrupt the Persian Gulf's vital flow of oil with less fear of reprisal. For these reasons, as well as other potential motives such as jealousy from rival states that also seek regional leadership, countries in the Middle East have expressed their interest in countering the growing power of Iran. Indeed, former Secretary of Defense William Cohen stated that a predominant sentiment in the Persian Gulf is greater fear of Iran than Israel.[39] However, an examination of defense spending in the region indicates that this threat has been exaggerated. Iran is not quite the threat that alarmists warn of.

To ensure some level of confidence to defeat Iranian regional aggression, the nations of the Persian Gulf should off-set at least one-third of Iran's defense spending with collective contributions. From 2007-2012, Iran spent an average $7.76 billion per year on

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[36] Dennis Ross, "Next test for Obama: Soothing the Saudis," *Los Angeles Times*, 24 March 2014, available at http://articles.latimes.com/2014/mar/24/opinion/la-oe-ross-saudi-arabia-obama-20140325.

[37] Secretary of State Hillary Clinton's remarks at the Joint Discussion with Israeli President Shimon Peres, hosted by the Brookings Institution, 12 June 2012, available at www.state.gov/secretary/20092013clinton/rm/2012/06/192200.htm.

[38] For more, see Caitlin Talmadge, "Closing Time: Assessing the Iranian Threat to the Strait of Hormuz," *International Security* 33:1 (Summer 2008): 82–117.

[39] Nicholas Kralev, "Cohen: Middle East fearful of Iran," *The Washington Times*, 29 July 2009, available at http://www.washingtontimes.com/news/2009/jul/29/cohen-says-fear-of-iran-now-tops-wrath-against-isr/?page=all.

defense.[40] Saudi Arabia on the other hand, as the world's most prolific defense spender as a percentage of GDP, averaged $ 44.24 billion per year in the same time span.[41] If defense spending is a good indicator, this suggests that Iran should be more worried about Saudi aggression than vice versa. Iran had less than one-third the spending of Saudi Arabia. A series of other Persian Gulf countries potentially threatened by Iran, including Oman, the United Arab Emirates, Qatar, Bahrain, and Kuwait collectively averaged $ 5.4 billion per year for the same time period.[42] In this instance, if perfectly coordinated, and even without Saudi Arabia, these states should have held a greater than 80 percent chance of denying Iran its military objectives in the event of an attack. Once again, however, it is the overall military capability that each nation should be concerned with, not necessarily aggregate spending. Although Iran may have the advantage of superior numbers in the personnel strength of its armed forces, it does not possess the desired minimum 3:1 advantage an attack requires.[43] A more detailed analysis could possibly uncover a lack in certain capabilities of Middle Eastern countries, but if so, these weaknesses could be overcome through altered spending choices that correct for shortcomings rather than having to compensate against a military threat more powerful than themselves. Short of possessing nuclear weapons, Iran enjoys no special advantage that makes its military the dominant force in the region. The fear of Iranian conventional military hegemony in the Middle East is unfounded. Furthermore, the opposition of Israel reduces the potential of Iranian dominance even further, although a wild card like Iraq could lend weight to either side or even both at the same time.

Hypothetically, if Iran posed a more serious threat to its neighbors, greater than the potential to be troublesome as it does now, Persian Gulf nations could form a mutual defense treaty based on the Gulf Cooperation Council (GCC). Much like the previous proposal to expand disposition of ASEAN from an economic association into a defensive pact for Southeast Asia, the GCC exhibits the potential for military cooperation as the EU has done. In fact, the GCC's "Peninsula Shield Force" was established for mutual defense purposes, and continues to increase its combined-joint military command capabilities.[44] This demonstrates the potential willingness of these nations to cooperate for their collective defense to block Iranian aggression in the region.

Finally, if the Persian Gulf nations truly see a need to inhibit Iran's potential for mischief, then a non-military solution to complete a new Trans-Arabian pipeline from the Persian Gulf to ports on the Red Sea or Mediterranean could be a solution. This would circumvent the need for such high volume sea traffic through the Strait of Hormuz, and

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[40] SIPRI, Military Expenditures by Country, available at http://portal.sipri.org/publications/pages/expenditures/country-search.

[41] Ibid.

[42] Ibid.

[43] For numerical comparison, see Hackett, *Military Balance*, op. cit., 187.

[44] Kuna and Defense News, "Gulf Nations Announce Joint Military Command," *Atlantic Council*, 13 December 2013, available at www.atlanticcouncil.org/blogs/natosource/gulf-nations-announce-joint-military-command.

nullify Iran's threats to interdict it. Regardless, the threat of Iran's military to the region is overblown.

The Role of the United States and Other Global Powers

The United States is presently the world's only superpower possessing the capability to project conventional military power across the globe with sufficient strength to topple sizeable non-neighboring nations. The lone superpower has a self-serving interest to maintain its position and uphold the global *status quo*, since remaining the most powerful nation in the world benefits it most. There are several other global powers that can project conventional military power to achieve more limited military objectives around the world. Since they are also powerful nations, it is also mostly in their interest to maintain the *status quo*. The United Kingdom's conflict in the Falkland Islands, France's operations in North Africa, and both nations participation in the Gulf War demonstrated their global reach. Since these three countries are politically aligned and share many other interests, they are more likely to act in conjunction with one another rather than oppose each other's efforts. Fortunately, this set of global powers advocate liberty and freedom while, unfortunately, the set of potentially hostile regional powers exhibit tendencies of oppression and dictatorship. Global powers play an important role in tying together a strategy to confront hostile regional powers. They must bolster regional alliances, prevent the formation of an alliance of hostile powers, and maintain military capability that offsets at least two-thirds of their single greatest potential adversary in order to maintain the *status quo*.

Global powers can play an important part in bolstering regional alliances in at least three ways:

1. supporting formation of alliances at their inception,
2. providing the alliance with capabilities that only global powers possess, or
3. directly contributing military force, if necessary.

First and foremost, regional aggressors might attempt to destroy regional alliances during their formation in order to maintain dominance. For instance, the present unrest in Ukraine has been supported by Russia, to some extent, out of fear that Ukraine will align itself with the West. Had Ukraine's step towards the West been more decisive than merely considering EU membership, for instance openly expressing a desire to join NATO, Russia's action might have been even bolder. Russia might have escalated by cutting off the gas they provide Ukraine, on which the country so desperately depends. Regrettably, the nations of Eastern Europe are not presently unified on a collective approach to confront Russia, largely due to their dependence on Russian resources.[45] However, economic dependence is a two-way street. Russia is dependent on their European

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[45] Author unattributed, "New Europe Is As Divided About Russia As Old Europe And That's Bad For Everyone," *The Economist*, 18 May 2014, available at www.businessinsider.com/new-europe-still-divided-about-russia-2014-5.

customers and vice versa.[46] If, through sanctions, global powers could impede Russia's ability to find replacement customers in the event of suspending Eastern European exports, Russia would lose its power to divide and weaken Europe.[47] This is one way a global power can prevent a hostile regional power from disrupting attempts at forming regional alliances. Furthermore, global powers should protect the formation of regional alliances by pressuring the aggressor not to attack and buying time for the new alliance to establish itself. Consider what Russia's reaction might be if a new alliance formed along its borders that promised to relieve threatened countries from potential intimidation. Russia would be tempted to somehow break the alliance apart. Global powers have a number of tools at their disposal to pursue this effort, such as economic sanctions, diplomatic and political isolation, information campaigns aimed at fomenting internal dissension, or even some level of military action.

Second, global powers can provide unique capabilities that come with their commensurate status as global powers. For example, military capabilities such as electronic warfare, airborne radar and early warning, space reconnaissance, theater-wide transportation, large-scale logistical support, ballistic missile defense, or nuclear deterrence capabilities are more readily available to powers with global reach than to regional ones. These enablers can significantly augment the overall military capability of an alliance, and if a global power offered to contribute these capabilities, then both parties would stand to benefit. Something similar recently occurred during NATO operations in Libya. The U.S. attacked with cruise missiles and provided air and enabler support to other nations, which in turn provided the preponderance of combat effort.[48] By providing enablers, the U.S. contributed resources to ensure maximum success of the operation, but avoided over-extending its forces.

Third, global powers can tip the regional balance if an alliance's military capability does not sufficiently match the hostile threat. If an alliance has not adequately invested in its own capability, or if a recent development alters the local balance of power in an unforeseen way, a global power has the option to intervene and tip the scales towards the side it prefers. This can occur prior to conflict to improve deterrence, or during a conflict to improve the chances of the desired outcome. Theoretically, this also allows for the possibility of transforming a defensive alliance into an offensive one, to change the *status quo*. Regardless, the global power should ensure that members of an alliance do their part in securing themselves rather than to encourage free-ridership, and limit the alliance's assurance that a global power will bail them out despite their own lack of

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[46] "Conscious Uncoupling: Reducing Europe's dependence on Russian gas is possible – but it will take time, money and sustained political will," *The Economist*, 5 April 2014, available at http://www.economist.com/news/briefing/21600111-reducing-europes-dependence-russian-gas-possiblebut-it-will-take-time-money-and-sustained.

[47] Ibid.

[48] Jean-Michel Guhl, "Strike Operations over Libya: A True Success for France and Britain," *Defence Review Asia*, 6 September 2011, available online at www.defencereviewasia.com/articles/119/Strike-Operations-over-Libya-a-true-success-for-France-and-Britain.

preparation. The countries that comprise an alliance should have a necessary responsibility to take protective measures beforehand.

A critically important strategic imperative of global powers is to disrupt the possibility of an alliance among and between the hostile regional powers. Although hostile regional powers might attempt to stop alliances from forming against them, turn-about is fair play. Such an alliance could conceivably join forces in an attempt to depose the *status quo*. President George W. Bush once spoke of an "Axis of Evil" composed of Iraq, Iran, and North Korea, and something like the alliance he described would be the worst-case scenario for global powers. Thankfully, this "Axis of Evil" was exaggerated since this collection of rogue states did not have strong combined capability to start with, but also, relationships that were not firm enough to publicly commit to each other's collective defense. The United States and other global powers must work to prevent the development of an alliance between Russia, China, North Korea, and Iran. If these forces united, they would wield the potential power to wreak havoc across the Eurasian land mass and beyond. Along these lines, the Shanghai Cooperation Organization (SCO) and Collective Security Treaty Organization (CSTO) are current examples of entities that could possibly solidify and expand into a more dangerous alliance of potentially hostile powers.

Global powers must deftly wield their combination of diplomatic, informational, military, and economic tools to maintain division between these potentially hostile nations. Ideally, the global powers could recruit one of these regional powers into its camp to further defuse their combined potential for mischief. Russia exhibits this possibility stronger than the other potentially hostile states. In negotiating the reduction of Syria's chemical weapons stockpile, allowing the U.S. use of its territory as a logistical supply line for military operations in Afghanistan, and cooperating in multi-national efforts ranging from counter-terrorism to international space exploration efforts, Russia demonstrates the potential to be a benefactor in managing the current global order.

China shows some glimmers of hope in this regard, as well. On several occasions China has sought to restrain North Korea from its bellicose rhetoric and actions. However, this effort has been very modest and had marginal effect. Furthermore, China has not sufficiently sought compromise over contested economic issues, criminal cyber activities, or territorial claims in the South China Sea, making it a potentially intransigent adversary to the present international order.

Assuming no combination of hostile regional forces or simultaneous aggressive actions, global powers protecting the *status quo* should invest in the military capability to match at least two-thirds of their greatest unopposed threat, or at least two-thirds of their greatest threat that remains after deducting the strength of allies that are opposed, whichever figure is higher. Fielding military capability commensurate to this would yield an 80 percent chance of denying a regional aggressor its military objectives, while expecting to incur 6 percent casualties.[49] This would provide the global power a stand-

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[49] National Research Council, *Improved Operational Testing and Evaluation*, op. cit., 105–108. See note 5.

alone capability to deny the strongest hostile regional power its military objectives, thus giving assurance to threatened nations that they could form an alliance under the protective umbrella of the global power. A mathematical format to represent this is:

$$(2/3)\,T - Ayw \le Gzx$$

where:

- T is the expected defense spending of the hostile power
- A is the combined defense spending of allied nations opposing hostile power T
- y is the coefficient for friction in the loss of spending efficiencies within alliance A
- w is the alliance's coefficient for spending efficiency compared to hostile power T
- G is defense spending of the global power
- z is the coefficient for friction in the loss of spending efficiencies between global power G and alliance A, and
- x is the global power's coefficient for spending efficiency compared to hostile power T.

To solve for G and determine the suggested defense spending of the global power, the equation becomes:

$$G \ge 2T/3zx - Ay/zx$$

Of course, further increasing the odds of success, reducing the expected level of casualties, developing capability to simultaneously confront multiple adversarial powers would require fielding even more military capability.

As a practical example, we can examine the case of China and the United States, since China had the highest defense budget of potentially hostile regional powers even after deducting Japan's entire defense budget, as Japan is the U.S.'s only formal ally with regional interests opposed to China. China's defense spending in 2013 was $\$188$ billion.[50] Japan's defense spending was $\$48.6$ billion.[51] We will assume a coefficient of 0.8 to for variable z. This supposes that there is a 20 percent loss of efficiency in military capability between the collective defense spending of Japan and the U.S. The variable y will equal 1 since there is no other alliance to consider at this point, and assume w will equal 1 to assume parity in spending efficiency between China and Japan. We will assume x is 0.95 since, despite maintaining many qualitative advantages in its armed forces, the U.S. would have to operate with extended, external lines of communication in this scenario, thus putting the U.S. at an assumed 5 percent disadvantage in

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[50] SIPRI, Military Expenditures by Country, available online at http://portal.sipri.org/publications/pages/expenditures/country-search.

[51] Ibid.

translating spending power to military capability. Therefore, seeking to deny China its potential military objectives with an 80 percent chance of success and counting on help from Japan, the U.S. should have had a minimum defense budget of $ 101 billion. Naturally, this budget would need to emphasize providing military capabilities, which Japan would have difficulty providing for itself.

Pursuing a minimum U.S. defense budget of $ 101 billion in 2013 would have been far lower than the $ 640 billion it actually spent.[52] However, this would have also significantly changed the United States' defense strategy by assuming:

1. The U.S. would have to engage only one hostile regional power at a time.

2. The U.S. would merely seek to maintain the *status quo* and not seek a new state of international affairs.

3. Assumptions to hold variables $y = 1$, $w = 1$, $u = 0.95$, and $z = 0.8$ would be valid.

4. The mixture of military capabilities acquired to defeat Chinese aggression would have provided at least the minimum levels of capability needed to defeat other regional aggressors.

The extent to which each of these assumptions may be wrong increases the level of error to some degree.

The desire to maintain the international *status quo* is a more limited goal than U.S. national security strategy has outlined in the past. From the 1990s through 2012, the U.S. sought capability to simultaneously defeat two regional aggressors.[53] A desired capability implied with this strategy has been to remove the aggressors' regime in the process, as was considered for Iraq during the Gulf War, and actually done in 2003. This would necessitate changing the *status quo* by altering the existing world order, and procuring an offensive military capability beyond that of simply denying an aggressor its objectives. According to studies, a 3:1 advantage in capability would incur a 50 percent chance of success in offensive operations and a 6:1 advantage would yield an 80 percent chance of success.[54] The formula to secure defense spending necessary to reach an 80 percent level of confidence would then become:

$$6T - Awy \leq Gzx$$

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[52] Ibid.

[53] Daniel Goure, *The Measure of a Superpower: A Two Major Regional Contingency Military for the 21st Century*, Special Report No. 128 on National Security and Defense (Washington D.C: The Heritage Foundation, 25 January 2013), available online at http://www.heritage.org/research/reports/2013/01/the-measure-of-superpower-a-two-major-regional-contingency-military-for-21-century. See also the 1997 U.S. Quadrennial Defense Review (QDR), Section III: Defense Strategy, sub-section "Fighting and Winning Major Theater Wars."

[54] National Research Council, *Improved Operational Testing and Evaluation*, op. cit., 105–108. See note 5.

For the purpose of this analysis, let us consider a combination of the two easier potentially hostile powers of the four identified thus far, and use the U.S. as the global power to defeat them. Consequently, if prepared to conduct two simultaneous conflicts to defeat North Korea and Iran,[55] assuming only Japan and South Korea's assistance as allies against North Korea, a perfectly coordinated defense spending program between the U.S., Japan, and South Korea ($w=1$, $y=1$, $z=1$, and $u=1$), and no capability could be shared between the simultaneous conflicts, the U.S. would have had to have spent approximately $\$\,637$ billion in 2013 to yield an 80 percent chance of success in the event of conflict.[56] This is remarkably close to the $\$\,640$ billion the U.S. actually spent,[57] and should have yielded greater capability than the United States' 2012 stated strategy of simultaneously defeating one regional aggressor while merely denying the military objectives of a second.[58] Therefore, if the coefficients and assumptions held true, the U.S. probably spent more than it needed to achieve its national defense goals in 2013.

Consequently, if merely funding the minimum level of $\$\,101$ billion in 2013 as proposed here, and limiting the global power's goal to simply denying the military objectives of the strongest potentially hostile regional power, the U.S. would have reduced its defense budget to 84 percent and yielded savings of $\$\,536$ billion in 2013 alone. Simply by seeking the capability to maintain the international *status quo* and by depending on alliances to complement capability, rather than maintaining independent capability to alter the existing international order, the U.S. defense budget would have been considerably lower. This is not to suggest that the U.S. would be best served by limiting itself to this strategy. However, it serves as an example of establishing a minimum amount that ensures the defense spending of a global power is adequate to meet conventional challenges. The most significant disadvantage of this defense strategy would have been that the U.S. would forfeit the simultaneous capability to defeat two smaller regional aggressors. Then again, if the U.S. reduced spending to a minimum level to confront regional threats, it would free up more funds to combatting transnational terrorism which more directly affects U.S. national security interests.

In addition, an alliance between global powers could further diffuse the costs necessary for supporting regional alliances. In this case, the combined global powers would form an alliance that would replace the term G in the formulas above with $A_1 w_1$ where:

- A_1 is the combined defense spending of global allies opposing hostile power T, and
- w_1 is the global alliance's coefficient for spending efficiency compared to aggressor T.

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55 As suggested by Goure, "The Measure of a Superpower," op. cit.

56 Without accurate defense spending information for North Korea, the author assumed military capability to be 3 times that of South Korea and calculated the North's spending to be equivalent to $\$\,102$ billion in 2013.

57 SIPRI, Military Expenditures by Country, available online at http://portal.sipri.org/publications/pages/expenditures/country-search.

58 Goure, "The Measure of a Superpower," op. cit.

The formulas discussed so far are a useful tool to help gauge a nation's minimum defense spending. By manipulating the formula depending on an entity's goals and considering the desired chances of success, it can be used to derive the expected level of defense spending necessary to achieve its national objectives. The table below exhibits several hypothetical national defense objectives and indicates the minimum budgets an alliance would need to achieve its corresponding military objective (assuming $y=w=z=u=1$). To explore this theory further, we will examine the First World War and Cold War to see how defense spending and military capability played a role in each side's interest to either maintain or alter the *status quo*.

	Defeat 1	Defeat 2 (simultaneous)	Deny 1	Deny 2 (simultaneous)	2013 Spending Required [59] confidence	
					50%	80%
Alliance 1	--	--	Russia	--	30.25	60.5
Alliance 2	--	--	China	--	55.4	110.7
Alliance 3	North Korea	Iran	--	--	329.3	658.6
Alliance 4	Iran	--	North Korea	--	71.8	143.6
Alliance 5	--	--	Russia	China	85.7	171.4
Alliance 6	China	--	--	--	498.3	996.6
Alliance 7	--	--	United States	--	213.3	426.7

The Failed Balance of Power Preceding the First World War

The year 2014 marks the 100th anniversary of the start of the First World War, and it is *à propos* to extract the lessons of its causes and consequences in order to prevent similar catastrophes from happening in the future. The prelude to World War I is well documented. Intricate, and occasionally secret, alliances linked the powers of Europe together like a ball and chain. Once the ball fell off the cliff, the whole chain fell along with it. The main belligerents were divided into two equally strong sides called the Central Powers and the Triple Entente. However, by declaring war first, the Central Powers were the side that sought to force change on the *status quo*, while the Triple Entente sought to maintain the international order by defending the territorial integrity of its members. When a nation or alliance matches the military capability of an aggressor with enough of its own, it improves its chances to deny the aggressor its objectives and thereby preserve the *status quo*. The Triple Entente invested in its military capability well enough to keep their adversaries at bay over the course of the war, and the Central Powers failed to procure enough capability beforehand to force a change to the interna-

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[59] Figures in billions of U.S. dollars.

tional system against the combined strength of its adversaries. Despite the Central Powers' lack of capability to achieve its desired change to the international system, this example also shows that defenders possessing enough capability to deny an enemy its objectives may not be enough to deter potential aggressors from attacking.

In 1913, the alliance of the Central Powers was formally called the Triple Alliance, and consisted of Germany, Austria-Hungary, and Italy. On the other side, the Triple Entente featured the United Kingdom, France, and Russia. Austria-Hungary was the first nation to declare war in 1914, initiating action against Serbia. In response, Russia began to mobilize its forces in preparation to defend their Serb allies. This triggered Germany to declare war against Russia, and the United Kingdom and France followed suit in honoring their Triple Entente agreement. Careful of *carte blanche* commitments, the United Kingdom considered opting out of the conflict as it brewed, but with Germany's invasion of Belgium, the UK decided it was in its interest to intervene.[60] Since Italy only intended to participate in a defensive arrangement, it withdrew from the Triple Alliance but was replaced by the Ottoman Empire, which sought to regain territory previously lost to Russia as well as to maintain its ties with Germany. The great powers of Europe became embroiled in a massive war as their network of alliances pulled each nation into brutal conflict.

The combined defense spending of the Triple Alliance in 1913 was $972 million in 2014 U.S. dollars, while the combined defense spending of the Triple Entente was $1181 million.[61] Although the military capability of the Triple Entente should have been superior to the Triple Alliance, Germany believed it held advantages in its ability to quickly mobilize and maneuver its ground forces, particularly against Russia.[62] Germany and Austria-Hungary also felt that time was not on their side under the *status quo*.[63] Germany expected the changing continental balance of power would put them at even more of a disadvantage in the future and, therefore, agreed that Austria-Hungary should attempt a bold, quick move into Serbia to reverse momentum in its favor.[64] They miscalculated that the Triple Entente would not respond in time.[65] Eventually, Germany and Austria-Hungary might have expected the addition of other allies to tip the balance of power in its favor, such as when the Ottoman Empire committed to the Central Powers, but Italy's declaration of neutrality at the start of the war inflicted a greater loss to

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[60] David Fromkin, *Europe's Last Summer: Who Started the Great War of 1914?* (New York: Random House, 2005), 279-280.

[61] Erik Sass, "WWI Centennial: The Arms Race Shifts into High Gear," *MentalFloss.com*, 6 March 2013, available online at http://mentalfloss.com/article/49253/wwi-centennial-arms-race-shifts-high-gear.

[62] Germany estimated that France would require two weeks to mobilize and mount an attack against Germany, while Russia would require six. From Barbara Tuchman, *The Guns of August* (New York: Macmillan, 1962), 19.

[63] Fromkin, *Europe's Last Summer*, op. cit., 94–97, 158.

[64] Ibid.

[65] Ibid.

the alliance than the addition of the Ottomans provided. The Ottoman Empire's defense spending in 1913 was $ 73 million while Italy's was $ 193 million.[66]

The defense spending levels of each side was so close that each alliance held more than two-thirds of each other's defense spending. This ensured that each side could expect a better than an 80 percent chance of military success to deny their adversaries military objectives and protect the *status quo* from each other's possible attempt to force change. After years of fighting that resulted in stalemate with an appalling level of lives lost, military operations failed to yield a decisive result. However, the Triple Entente had essentially preserved the *status quo* on the continent. In fact, since the Triple Entente enjoyed about a 4:3 advantage in military spending over the combined spending of the Triple Alliance prior to the war,[67] the Triple Entente should have enjoyed a greater than 90 percent chance of denying the Central Powers their military objectives.[68]

Believing that they held tactical and operational advantages to defeat the opposing alliance, with time against them, the Central Powers were tempted to strike a devastating initial blow in order to quickly achieve victory. This served to encourage the Central Powers to initiate war, and failed to preserve deterrence between the great powers. Although deterrence failed, the military capabilities of each side ultimately ensured neither was able to impose its will on the other through military force. In terms of military outcomes, the relatively even levels of spending and capability resulted in no change to the military balance of power at war's end. However, since the Central Powers failed in their attempt to change the *status quo* through armed force, they had been defeated politically, and a new international order supplanted the old to their disadvantage.

One stark lesson of World War I is to be wary of overlapping alliances because, once committed to defend a partner, a partner's obligation to defend a third-party essentially pulls all three into the same potential conflict. In the absence of agreement between all parties, it is likely that one of the original two partners would seek to avoid conflict on behalf of the third-party it hadn't previously made an agreement with. NATO's North Atlantic Treaty Article 1, which states that members must "settle any international dispute […] in such a manner that international peace and security and justice are not endangered,"[69] in combination with Article 8 which states that each ally must not "enter into any international engagement in conflict with this treaty,"[70] addresses some of this concern for the contemporary European alliance. This reassures member nations that an aggressive ally would not pull the others into war, since that would violate portions of the treaty. However, it still does not preclude a member from dragging the rest of the alliance into war if one member is attacked in the course of defending a third-party that

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[66]   Ibid.

[67]   Ibid.

[68]   National Research Council, *Improved Operational Testing and Evaluation*, op. cit., 105–108. Cf. note 5.

[69]   Ibid.

[70]   North Atlantic Treaty Organization, "The North Atlantic Treaty" (Washington D.C., 4 April 1949), available online at http://www.nato.int/cps/en/natolive/official_texts_17120.htm.

is part to another conflict.[71] Japan harbors similar concerns over its treaty with the United States, namely that if U.S. forces stationed in Japan attacked a third-party, a successive counterattack against U.S. facilities in Japan could pull it into a war in which it has no interest. Consequently, Japan negotiated an agreement that requires the U.S. to consult Japan prior its use of bases to launch combat operations outside of Japan.[72] It would be prudent for alliances and global powers to make similar agreements with their partners as a hedge against being drawn into similar predicaments.

A continuing debate among historians and political scientists surrounds whether Europe's even balance of power prior to the First World War served to postpone an inevitable war or contributed to its start. Although some propose that international systems are more stable when military power is evenly balanced and others propose it is more stable when there is a clear superiority among powers,[73] World War I provides an example where the existence of evenly balanced alliances led to a disastrous outcome. The reality is that there is no firm guideline to assure long-term peace, regardless of whether there is a balance of power or if one side holds preponderance. The inevitability of unforeseen events makes the assurance of peace as unreliable as stock market forecasts.

The Success of Cold War Containment

The Cold War was a prolonged period of tension between the world's major powers, which led to an arms race similar to the years preceding the First World War. Fortunately, unlike the First World War, a war between the major powers never broke out. Neither side succumbed to the temptation to strike the other quickly in order to land an advantageous blow. Instead, the conflict was characterized by a series of small-scale conflicts, proxy wars, and attempts at subversion, even within each other's spheres of influence. The balance of power and levels of defense spending were relatively even between the United States and Soviet Union, as were their respective alliances in NATO and the Warsaw Pact. Both sides could deny the other their military objectives to change the *status quo*, neither side could effectively alter it, and the result was that neither side attempted a direct bold attack on the other.

During the years 1967-1989, U.S. defense spending averaged $232.6 billion per year and the Soviet Union averaged $232.7 billion.[74] It is striking how similar the two nation's defense spending was. From 1976-1986, the alliances of NATO and the Warsaw Pact averaged $322 billion and $280 billion per year, respectively.[75] NATO held a

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[71] Article 5 of the North Atlantic Treaty states that "an armed attack against one … in Europe or North America shall be considered an attack against them all," without qualifying which side initiates conflict and without barring third-party defense agreements.

[72] John K. Emmerson, "Japan: Eye on 1970," *Foreign Affairs* 47:2 (January 1969): IV/6.

[73] See Doru Tsaganea, "Tension reduction by military power equalization: The USA-USSR case," *Kybernetes* 40:5/6 (2011): 778–788.

[74] Ibid., 783. Figures expressed in terms of 1983 U.S. dollars. Average calculated by the author.

[75] Noel E. Firth and James H. Noren, *Soviet Defense Spending: A History of CIA Estimates, 1950-1990* (College Station, TX: Texas A&M University Press, 1998), 120. Figures expressed in terms of 1985 U.S. dollars. Average calculated by the author.

spending advantage, but the Warsaw Pact maintained a little more than 2:3 ratio in military spending, which, if directly translated into military capability, provided a greater than 80 percent probability of denying NATO its military objectives in the event of attack. Furthermore, the Soviet Union enjoyed significant advantages in interior lines of communication for virtually any hypothetical conflict with the United States, which increased its relative military capability. Additionally, the Warsaw Pact had a better-integrated military alliance because its systems and organizations were derivative of the Soviet military, whereas NATO countries often developed their own equipment and operating methods.[76] Taking this into account, the spending efficiency for the Warsaw Pact (variable y) was probably greater than NATO's, which likely translated into an even closer military capability.

The West's grand strategy—outlined in NSC-68 and borrowing from George Kennan's theory of containment—concluded that preserving the *status quo* would eventually lead to the collapse of the Eastern Bloc. The West was able to prevent dramatic change to the world order over the course of several decades and, by maintaining sufficient military capability making the outcome of potential Soviet military adventurism uncertain, the West deterred the East and shaped the conditions for it to stagnate and decay in isolation. Without having to defeat the East's military in battle, the West concluded a successful strategy by preserving the *status quo*.

Some postulated that, if the Soviet Union realized that the West would eventually prevail while the East would meet its demise, the Soviet Union would seek an opportune moment and gamble with an attempt at striking first in order to seize dominance. Fortunately, the Soviet Union calculated that it would better serve their interests to persevere while its alliance crumbled, rather than undertake the risk of global nuclear war. The world probably has Mikhail Gorbachev to thank for this decision. However, neither choice nor outcome was ever certain. There was no guarantee that the Soviet Union would choose eventual collapse over warfare.

Conclusion

A series of potentially hostile regional powers have grown stronger, aggressive, and intimidating in recent years. Russia, China, North Korea, and Iran have demonstrated willingness to use military force to expand their spheres of influence and claim territory not internationally recognized as theirs. However, by forming regional alliances, groups of threatened nations in each of these respective regions could invest in their collective defense to block aggressive powers at reasonable economic cost. Sharing military capability would pool the resources necessary and increase the potential military capability of several nations, dispersing the costs across them and, thus, enabling a group of smaller nations to gain confidence in defending against a more powerful one.

Defense spending can be used as a quick rule-of-thumb to determine a nation's military capability. This is a simplification, admittedly, that assumes equal levels in wisdom,

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[76] Congressional Budget Office, *Assessing the NATO/Warsaw Pact Military Balance* (Washington, D.C., December 1977), xii.

efficiency, and economies of scale in dollars spent, and also assumes that the additional security threats each side faces cancel the other's out. It assumes that a given regional alliance would merely seek to maintain the military *status quo* at the conclusion of armed conflict, and that the defender's required mixture of forces against greatest perceived threat also provides the minimum capabilities necessary to counter other lesser threats. Nevertheless, defense spending analysis provides a reasonable rough estimate to determine the necessary budget capability to counter a hostile regional power.

Conventional military thought supposes that a defending military force enjoys a natural advantage three times its combat power over that of attacking forces. Attacking forces generally require a 3:1 advantage in combat capability to attain a 50 percent chance in defeating the defending force. Since the nations threatened by hostile regional powers seek to preserve the *status quo*, they are inherently in a defensive position to protect their territory and interests. These nations can increase confidence in their ability to withstand military attacks by ensuring adequate defense spending. Exceeding the 1:3 ratio improves a military force's chances for strategic defense with a greater than 50/50 chance of success.[77] Increasing the defender's military capability to a ratio of 2:3 increases its chances of successfully denying its adversary's objectives to 80 %. By determining the formula:

$$R \geq T/(3yw)$$

Whereas:

- R is the combined expected defense spending of nations opposing hostile power T
- T is the expected defense spending of the hostile power
- y is the coefficient for friction in the loss of spending efficiencies within alliance R, and
- w is the alliance's coefficient for spending efficiency compared to hostile power T,

An alliance can determine the minimum amount of defense spending necessary—a floor—to procure the capability necessary to secure a 50/50 chance of successfully denying the hostile regional power's objectives of its military attack. Naturally, increasing defense spending above this level secures a stronger probability of success. Merely maintaining the capability is not enough, however. Threatened nations must demonstrate the willingness to use force to protect their interests. Maintaining adequate levels of military readiness demonstrates a level of resolve.

Global powers also play a role in countering regional aggressors in order to preserve the global order, as this is in their interests. Global powers should support regional

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[77] For further explanation on algorithmic equations to approximate military chances of success, see M.E. Tillman, "Optimizing Force Ratios to Develop a Course of Action," *Mathematical and Computer Modeling* 23:1/2 (1996): 55-63.

alliances at their inception, since hostile powers may seek to disrupt their formation. Global powers can contribute particular combat multipliers they uniquely possess due to their status, and at a comparatively lower cost than the smaller member nations of alliances. Also, by directly contributing resources to regional alliances, global powers can increase the alliance's probability of military success.

Global powers must prevent the formation of alliances between hostile regional powers, and undertake defense spending at a rate no less than two-thirds of its most significant potential adversary. This rate of defense spending ensures threatened nations can establish an alliance under the global power's protective umbrella. Global powers, as well as existing alliances subjected to changing security architectures that arise when new ones form, should review their treaty obligations to ensure that risks are shared appropriately across nations, and to mitigate the danger that a third-party could drag others into a much greater war.

Under circumstances where there is an even balance of power between alliances, some argue that the situation can be more stable. However, the example of the First World War shows devastating error to this reasoning. Ultimately, neither an even balance of power between sides, nor one side holding a preponderance of power ensures peace. The onset of war is as difficult to forecast as the stock market. However, the example of the Cold War shows us how preserving the *status quo* can be an effective national strategy. To change the global order through military force requires an offensive capability and entails significantly greater defense spending.

Economic Development in the Western Balkans: On the Road to Competitive Market Economies?

Valbona Zeneli [*]

Introduction

Today, more than ever, economic security is the main challenge facing the Western Balkans.[1] Poverty, unemployment and inequality threaten the everyday security of average citizens in the region. Indirectly affected by the world economic recession through trade and finance spillover channels and strong dependence linkages with European Union markets, this region became highly vulnerable, falling into a double dip recession.[2] The economic downturn has worsened socio-economic conditions, diminishing consumers' confidence in markets, socially dividing the societies in terms of income and wealth levels, declining living standards and shaking social foundations, and threatening the hopes of eventual convergence with advanced countries. To reverse the downhill slide, the Western Balkans need to change gears, revising the model of growth by accelerating socio-economic reforms and speeding up measures to develop its economy. In desperate need of modernization, institutional transformation and sustained economic growth, countries should rely on deeper regional cooperation and integration with the EU as the foremost option for positive development. The most important driver of growth will be the catch up with technologies and market-friendly institutions of the advanced countries.

State of Play in the Western Balkans

The rapid growth of a decade ago and the catching-up process of the Western Balkans' economies came to an abrupt end in 2009, with a GDP contraction of an average of 3.9 percent. Continuing to struggle with another recession in 2012, the GDP shrank again by 1.2 percent.[3] It appears the region exited the recession only in 2013, with anemic growth

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[1] The countries taken into consideration include Albania, Croatia, the Former Yugoslav Republic of Macedonia (FYROM), Bosnia & Herzegovina, Serbia, Montenegro, and Kosovo.

[2] World Bank, *South East Europe Regular Economic Report: From Double-Dip Recession to Accelerated Reforms*, No. 3 (18 December 2012), available at: http://www.worldbank.org/content/dam/Worldbank/document/SEERER_3_Report_FINAL_eng.pdf.

[3] "Serbia: A double-dip recession in the Western Balkans," *The Economist Intelligence Unit* (28 December 2012).

reflecting the prolonged recession in the Euro zone and particularly the weak economies of Greece and Italy. Also, the prospects ahead show weak growth rates and a sluggish recovery, as shown in Figure 1.

The lagging reaction of the Euro zone crisis still continues to burden the fragile transitioning economies of the Western Balkans, which are battling a sluggish recovery, weak economic output, unemployment and dangerous high public debts.

The main negative contagion channels have been the fall of foreign direct investment (FDI) in the Western Balkans, experiencing the sharpest decline of any emerging market in 2009 with a contraction of more than 30 percent on average;[4] the decline in exports and trade in general; and the fall of remittances from expatriate works. The ongoing credit crunch in the Western Balkans is perpetuated by foreign ownership of the banking system and the serious impact of the Greek economic crisis, the latter being a strategic investor in the region and one of the main trading partners.

Western Balkan economies lag behind the rest of Europe with very low incomes and living standards. The average income levels in the region are as low as 36 percent of the EU-27, varying from Kosovo, with only 22 percent of the EU 27 average, to 61 percent in Croatia.[5]
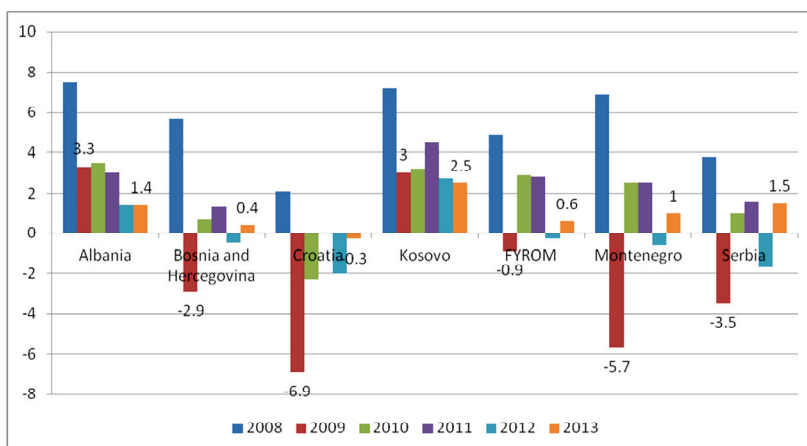

Source: IMF World Economic Outlook, April 2014.

Figure 1: GDP Growth Rates in the Western Balkans (2008-2013).

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[4]   Marios P. Efthymiopoulos and Valbona Zeneli, "From Transition to Opportunity: Security through Economic Development & Institutional Strengthening," *Research in the World Economy* 2:2 (Toronto, ON: Sciedu Press, September 2012), http://www.sciedu.ca/journal/index.php/rwe/article/view/1725.

[5]   Western Balkans Investment Framework, "Challenges to successful employment policy in the region: towards more jobs, quality labour force and greater competitiveness," Discussion paper (London, UK: The London School of Economics and Political Science, European Institute, November 2012), available at http://www.lse.ac.uk/europeanInstitute/research/LSEE/Events/PDF_Files/MASTERChallengestoSuccessfulEmploymentPolicy.pdf.
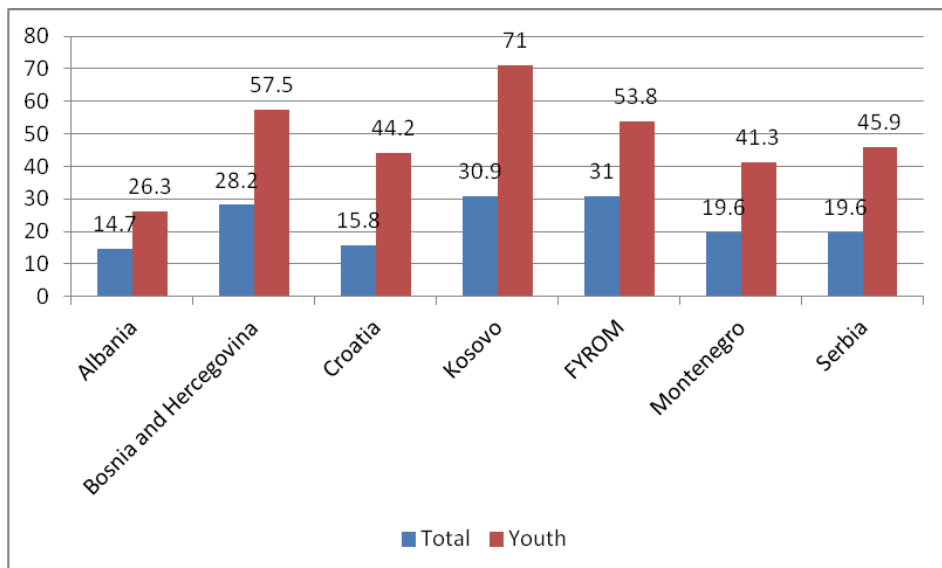
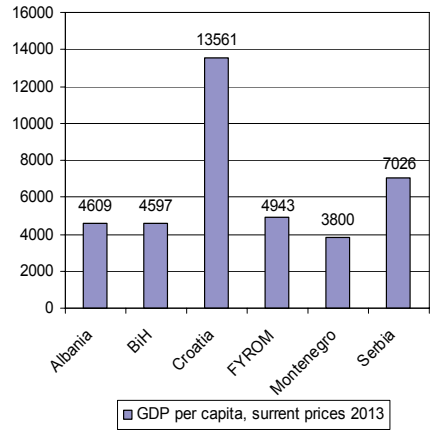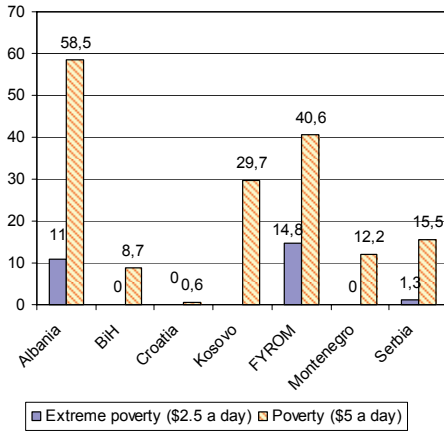Source: World Development Indicators, World Bank database

Figure 2: Unemployment in the Western Balkans 2012, % of population (total and youth).

At the same time, unemployment in the Western Balkans is the highest in Europe, with an average of 24 percent, twice the West European average. The economic crisis worsened this picture, with more plunging incomes, rising poverty and unemployment.

Although GDP per capita almost doubled in the last decade, unfortunately it was a jobless growth that did not translate into increased employment. Western Balkan countries suffer comparatively low participation rates and a lack of opportunities for young workers. Simultaneously, the incidence of informal unemployment continues to remain large in the still transitioning economies of the Balkans, with estimated levels to be between 30 and 40 percent.

The most devastating consequence of the high incidence of joblessness is poverty.[6] Levels of poverty are highly persistent in the neighboring region of Western Europe. The incidence of poverty is extremely high in Albania and FYROM with 58.5 percent and 40.6 percent, respectively, of the population living with less than $ 5 a day. The best performing economy in the region is Croatia, with only 0.6 % of the population living under the poverty line. However, on average, this situation has worsened across the

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[6]   World Development Indicators, available at http://povertydata.worldbank.org/poverty/region/
      ECA.

Source: World Development Indicators (Figure 3) and IMF World Economic Outlook, April 2014 (Figure 4)

Figure 3: Incidence of poverty in the Western
Balkans, Percentage of population (2013)

Figure 4: Gross Domestic Product, Current
prices (2013), Values in US $

Western Balkans, with about 60 percent of the people surveyed by EBRD reporting that
the crisis has affected them significantly, deteriorating their living standards.[7]

If data are read carefully, they also prominently portray very high levels of income
inequality in the region, as the countries of the Western Balkans mainly have similar
patterns of income per capita, but very different levels of poverty (cf. Figures 3 and 4).

Hopes of high growth rates and the eventual convergence of living standards with the
more prosperous West are put at risk. Economic convergence is fading. The stall of
GDP growth in the region is alarming for these weak, emerging economies. Little
growth spurts followed by stagnation simply lower the average growth and prolong the
process of catching up with the advanced economies.

Countries of the Western Balkans are middle-income economies.[8] Research shows
that when countries arrive at similar levels of growth, they usually enter "the middle-in-
come trap," while factors that have enabled them to catch up diminish and growth begins
to slow down. The explanation is that markets become structured and the industries that
drove growth in earlier periods become uncompetitive due to rising wages and the cost
of living.

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[7]   European Bank for Reconstruction and Development (EBRD), *Life in Transition: Impact of
the Global Economic Crisis* (EBRD, 2011), available at http://www.ebrd.com/downloads/
research/surveys/LiTS2eb.pdf.

[8]   According to the World Bank, countries are considered middle-income when GDP per capita
ranges from 5,000 to 10,000 US dollars.

Old Economic Model

The economic model in the Western Balkans is highly challenged. Former socialist countries began implementing the neoliberal transition model based on the postulations of the Washington consensus, with quick liberalization and deregulation of markets, prices and foreign trade, rapid privatization, and deregulation of economic flows. The hope was to replicate the successful model applied in many Central European countries with a quick transition phase into well-established market economies. Instead, the same model manifested many weaknesses in the Western Balkans. Neo-liberal reforms and privatization processes have not been effective, but have instead favored insiders and increased corruption.

Among other problems discussed later in this paper, the Western Balkan countries were encumbered by their unfavorable starting position – with low incomes and high unemployment in the early nineties. The situation further deteriorated due to military conflicts and regional disputes in the second half of the nineties, destroying the hardly-existent industrial capacity, disrupting trade among countries and worsening the economic situation. At the same time, governments were distracted from applying and implementing much-needed structural reforms.[9] Lagging behind other transitioning countries, the Western Balkans began deep economic reforms after the year 2000, striding in their transformation process and slowly catching up with other European economies.

However, development in the last decade was driven by the accumulation of physical and financial capital, which has fueled the sovereign debt of the countries over time. From a growth theory perspective, the relatively high growth was based on domestic, demand-led expansion, made possible by large capital inflows chiefly through the huge privatization process of state-owned companies, large credit growth and private transfers. One of the negative consequences of the large credit capital inflows was their misallocation towards consumption, not properly feeding productive investment activities. All of the above hindered the competitive upgrade of these economies.

Economic indicators show a significant performance lag in the improvement of the enterprise sector and creation of strong competitive markets. With very low productivity, growth so far has been based on increased efficiency,[10] and the competitiveness of the region is highly unsatisfactory. The Western Balkan countries also rank very poorly in the Global Competitiveness Report 2013-2014, particularly when it comes to innovation and business sophistication. With the exception of Croatia—which is a member of the group of the countries transitioning between efficiency and innovation-driven economies—all other countries have reached the second stage of economic development based on efficiency, according to World Economic Forum indicators. As figures 5 and 6 show, the lowest rank is held by Serbia in 101st place, and the highest is held by Montenegro in

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[9]   Valbona Zeneli, "Economic Security in Southeast Europe," *Per Concordiam: Journal of European Security and Defense Issues* 4:4 (2014): 10–16.

[10]   "The Pre-Accession Economies in the Global Crisis: From Exogenous to Endogenous Growth?" *Occasional Papers* (European Commission Directorate for Economic and Financial Affairs, 2012).
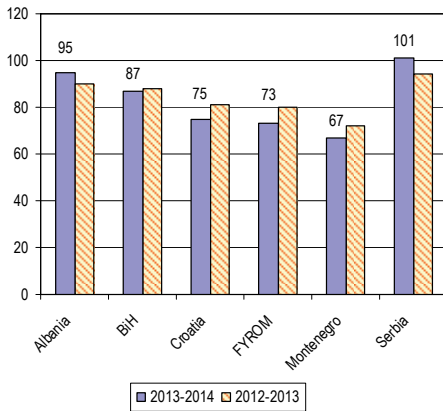
Source: Global Competitiveness Index, World Economic Forum database. Kosovo is not included in the data.

Figure 5: Competitiveness in the Western Balkans, Ranking based on 148 countries researched
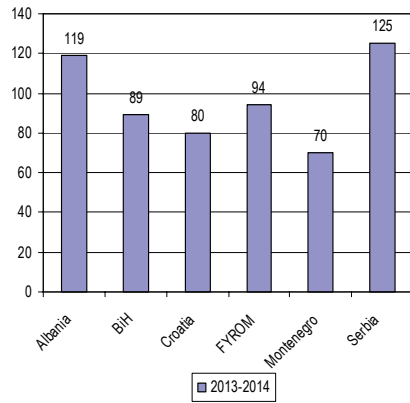
Figure 6: Innovation and Sophistication factors, Ranking based on 148 countries researched

67th place out of 148 countries taken into consideration.[11] The average rank for the region would be 99, whereas the EU 27's average score would rank at 35.

Combined with the unfriendly business environment characterized by weak institutions and rule of law, the extremely limited role of innovation in the economy is another big challenge. The region has the lowest levels of spending in R&D in Europe, significantly contributing to its low competitiveness. Because of weak domestic demand and small markets, domestic companies are unable to generate sufficient profits, furthering the weak interest in modernization and innovation. The ranking of some countries in the GCI with regard to innovation and sophistication factors is even worse (Figure 6), while total productivity can only increase through innovation and technological progress. However, innovation is costly and the poor economies of the Western Balkans do not have the financial and human capacities to invest in it. Technology and knowledge can be imported from advanced economies to the Western Balkans solely through trade and foreign direct investments. Fortunately, the region is within proximity to one of the biggest powerhouses of technology and research in the world, the European Union.

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[11] Klaus Schwab, ed., *The Global Competitiveness Report 2013–2014* (World Economic Forum, 2013), available at http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf.
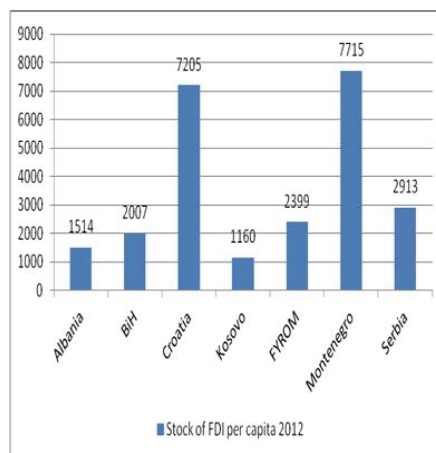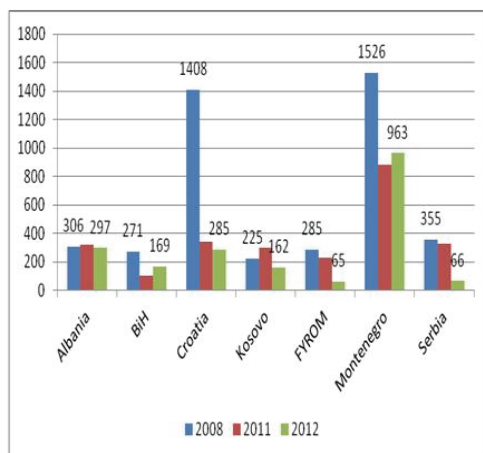
Source: UNCTAD database. For Kosovo, author's calculations based on World Bank data.

Figure 7: Inflows of FDI pc in the Western Balkans, Values in $

Figure 8: Stock of FDI pc in the Western Balkans, Values in $

The Western Balkans, offering unique opportunities in terms of strategic positioning, a proximity to western markets, natural resources, and relatively cheap labor costs, still attract very few investments. Montenegro had the highest level of FDI stock per capita in the region in 2012 with $ 7,715, while Albania and Kosovo had the lowest, at only $ 1,514 and around $ 1,160, respectively.[12] Throughout the region, with the exception of Albania and Kosovo, countries experienced the sharpest decline in FDI of any other emerging market after the beginning of the global economic crisis in 2009. This was followed by another decline in 2012, as is shown in Figures 7 and 8. The unique situation in Kosovo and Albania is related to the existing low number of investments and the privatization process.

Such a decreased level of FDI does not depend entirely on the lack of global financial resources, particularly considering that contraction in the Western Balkans in 2009 was almost 30 percent compared with only 8 percent globally. Rather, it is a crisis of confidence. No important investment will take place without solid knowledge of the political-social and economic environment of the host country.

Foreign investments in the region are mainly market seeking, related mostly to the privatization process, services and financial sectors, retail trade and, very rarely, export.

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[12] Data on FDI are taken from *UNCTAD (United Nations Conference on Trade and Development) Statistics*, p. 5, available at http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx?sRF_ActivePath=p,5&sRF_Expanded=. For Kosovo, the author's calculations are based on World Bank data, available at http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD.

The absence of Greenfield investments [13] and lack of investment in the manufacturing industry did not stimulate real industrial growth or development in the market through positive spillover effects.

Foreign investors are reluctant to commit seriously in the Western Balkans for various political and economic reasons, including economic structural problems, pervasive corruption and governance issues, political risks, inefficient rule of law, weak growth rates and skill deficiencies. Statistical research has proven that the quality and performance of the institutions and a business environment free of corruption are the main factors that foreign investors consider before entering this region.[14] In terms of attracting foreign investors and based on the VC/PE Country Attractiveness index 2013, of 118 countries taken in consideration, the most attractive country in the Western Balkans is Croatia, ranking 65th in the list, followed by Bosnia and Herzegovina in 73rd place, FYROM in 80th, Serbia 82nd, Montenegro in 86th, and finally Albania in 108th position.[15]

Few countries in Europe have higher levels of corruption than the Western Balkans, varying by country. Research has shown a direct negative relationship between high levels of corruption and income per capita, which is statistically confirmed in the region. According to the Transparency International's corruption perception index 2013, Albania ranks worst in 116th place out of 177 countries, followed by Kosovo in 110th position. The best performer in controlling corruption in the region is Croatia ranking 57th.[16] Red tape, overregulation, corruption, lack of transparency, the inability to create a business-friendly economic environment and weak institutions all hurt the competitiveness of the region.

Revising the Economic Model in the Western Balkans: The Economy of the Future

The Western Balkan countries are struggling to regain their economic stride despite facing the double challenge of structural changes under financial austerity pressure. The old extractive, import-led and financial-sector-driven growth model needs to be reevaluated. The current structure of the Balkans' economies, which accounts for more than 50 percent, is dominated by services, trade and real estate. The production of goods remains at the lower end of the value chain, based on cheap and unskilled labor. The com-

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[13] Greenfield investment involves establishing a new plant with its own production abroad. There are different definitions of FDI given by different scholars, in this case the definition of OECD is considered: FDI is generally defined as an investment by a firm from one (home) country in another (host) country, where the foreign investor owns at least 10 % of the company in which the investment is made (OECD 1996).

[14] Valbona Zeneli, *The Determinants for the Attraction of FDI in Southeast European Countries: The Role of Institutions*, Ph.D. dissertation (University of Bari, 2011).

[15] The Venture Capital and Private Equity Country Attractiveness Index 2013, available at http://blog.iese.edu/vcpeindex/files/2013/08/VCPE-Index-2013-Annual-HD.pdf.

[16] Ranking of the Western Balkan countries in the Corruption Perception Index 2013: Croatia 57th, Montenegro 67th, FYROM 67th, Serbia 72nd, Kosovo 111th and Albania 116th, cf. http://cpi.transparency.org/cpi2013/results/.

petitive advantage in the past has been the relatively cheap labor, which is not sustainable anymore with increased wages.

The present situation looks gloomy for the region, but longtime prospects have the potential to be bright, as the Western Balkans have plenty of catching up to do with the rest of Europe. To accomplish these hopes, there is a strong need to change the drivers of growth by shifting patterns toward a more export-oriented and foreign direct investment-driven growth, which would be more competitive and productive. The future economy of the Western Balkans should be envisioned as socially just, sustainable and innovation-based.

Growth needs to be driven by investment, productivity, competitiveness and economic integration. Attracting FDI will be crucial to accelerating the trend, while learning important lessons from the economic history of other Central European countries, which single out FDI as one of the main promoters of economic growth and successful integration into the EU.

FDI is even more important for the Western Balkans especially when considering the very low savings rates and the anemic domestic investment. Data shows that the Western Balkans are not very attractive to foreign investors. The starting point for each of the seven countries considered in this paper would necessitate the recognition that they are too small and weak to generate the sufficient scale and capacity to attract productive foreign investment. Each country lacks the required numbers of skilled workers, local financial capacity and the ability to sustain economic clusters. Remodeling the economies of the Western Balkans will not be possible without creating a favorable business environment while simultaneously exploring effective cross-border linkages.[17]

Regional Integrated Growth

Regional integrated growth is imperative. By strengthening regional trade and investment cooperation, regional economic integration would help to collectively achieve more on the international stage and bring a multitude of positive effects for each country.

Although there has been considerable progress in trade exchanges and the reduction of barriers, trade levels remain low, below 10 percent of total trade.[18] This low level of cross border activity cannot be explained by the lack of access to each other's markets. A good existing framework is already in place: the Central European Free Trade Agreement (CEFTA), which has substantially lowered the tariffs and eased administrative procedures. However, this framework is still very poorly implemented, with the

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[17]   Valbona Zeneli, "Growth and the Future of Southeast Europe," *Turkish Policy Quarterly* 2 (Summer 2013): 145-55, available at www.turkishpolicy.com/dosyalar/files/vol_12-no_2-zeneli.pdf.

[18]   Peter Sanfey and Simone Zeh, "Making sense of competitiveness indicators in South-eastern Europe," EBRD Working paper No. 145 (EBRD, 2012), http://www.ebrd.com/downloads/research/economics/workingpapers/wp0145.pdf.

most problematic issues lying in the non-tariff barriers: lengthy procedures, extensive corruption and absence of political will for cooperation.

First, regional economic integration through lower tariffs and, better still, complete trade liberalization, the removal of the non-tariff barriers, and the liberalization of trade in services, would increase intra-regional trade and enhance consumer choices in the Western Balkans. Producers would benefit from the increased market size and consumers would benefit from greater competition, receiving higher quality and better prices. It would mean new opportunities in terms of resource exploitation, new markets and new trade partners.

Second, exporting within an integrated region would serve as a first step towards an expansion of international exports, taking advantage of low tariffs within the region, building export capacity and achieving a competitive advantage in the long term. Countries can also build cross-border production chains by leveraging each other's comparative advantages and subsequently export the finished products outside the area.

Third, the EU integration agenda, which all countries have as a strategic objective, helps better regional cooperation through the harmonization of custom and trade regulations in the process of adapting to European standards. The idea of regional integration itself has been pushed and supported by the European Council, and aims to serve as a preparation step for the region before it joins the common market.

Fourth, it is necessary for the Western Balkans to collectively promote and develop a friendly environment for the attraction and targeting of "qualitative" FDI towards sectors that augment domestic investment, foster exports and lead to sustainable economic growth. Countries should cooperate with regard to a "pooled" competition for FDI.[19] Creating a regional strategy for investment promotion and developing a single capital market would help improve the region's global competitiveness. Regional links through FDI typically play a prominent role, just as they did in the 1990s when Central European countries became integrated in the European production chains. Increased foreign investment in the region along with the direct positive effects for economic growth, employment and higher incomes would be a source for economic modernization, improvement of skills and overall productivity.

Fifth, public and private capacity building should be one of the main priorities, including critical elements such as human resources and skill development, technology, know-how, infrastructure development and enterprise development. This task is also in line with the EU 2020 growth strategy, which discusses smart growth built on knowledge, education, and innovation.[20] With austerity continuing unabated, it is not an easy task. Future growth could be achieved only by operating regionally. Individually, no country has the potential to succeed.

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[19] Ibid., 18.

[20] *Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth* (European Commission, March 2010), available at http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20 BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf.

Finally, regional integration can help the countries strengthen economic and political institutions. Working with the EU in the integration process has been of crucial importance in building institutional capacity. In the future, however, the region should support itself and carry out reforms for its own sake without too much reliance on external actors.

International institutions frame the region poorly from a business environment perspective, with corruption being one of the main challenges to doing business. One key issue with regard to creating a favorable investment environment is the urgent need to strengthen political and economic institutions. Investment policies should ensure the fair treatment of foreign and domestic companies, a friendly business environment and institutional support for private competitiveness by supporting small and medium enterprises in particular. All countries rank very poorly in World Economic Forum indicators when it comes to the effectiveness of the anti-monopoly strategy, with Bosnia & Herzegovina ranking best in the region at 68th position out of 148 countries, and Serbia as the worst in 141st position.[21]

Real reforms and bold efforts devoted to the fight against corruption are imperative for creating a friendly business environment and carrying out growth strategies that can support productivity growth, increased competitiveness, job creation and facilitate income convergence. Implementing a more effective privatization strategy, and cutting bureaucratic red tape and bribery would unleash the creative destruction necessary for economic growth in the region.

Smart Growth

Many of the socio-economic problems affecting the western Balkans cannot be solved or alleviated unless robust economic growth returns to the region. In line with the SEE 2020[22] growth and development strategy following the European perspective of the region's future, the drivers of growth should be based on innovation, skills and trade integration.

Cheap labor, which has been a competitive advantage of the region in the recent two decades, is vanishing. Qualitative human capital based on a skilled labor force is the main source of productivity and innovation, and a factor for growth and job security in this century. The Western Balkans should promote an innovation- and knowledge-based economy.

The Word Bank's Knowledge Economy Index (KEI) 2012 measures the countries' potential to generate growth, taking into consideration four important pillars for development (economic incentives and institutional regimes, innovation and technology, education and training and ICT infrastructure).[23] The countries of the Western Balkans rank

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[21] "Effectiveness of Anti-monopoly Policy," in *The Global Competitiveness Report 2013-2014*, 472.

[22] *South East Europe 2020: Jobs and Prosperity in a European Perspective* (Regional Cooperation Council, August 2013).

[23] World Bank, Knowledge Economy Index (KEI) 2012 Rankings, available at http://siteresources.worldbank.org/INTUNIKAM/Resources/2012.pdf.

varyingly. Out of 146 countries researched, the best performer in the region was Croatia in 39th place, followed by Serbia at 49th, Macedonia at 57th, Bosnia and Herzegovina at 70th and Albania in the 82nd position.

Statistics show that knowledge-based development is possible only if there is qualitative human capital. The latter is grounded in modern education and solid skills.[24] International institutions raise issues about the lack of skills in the workforce in the region, which depend both on the quantity and quality of education. According to World Bank reports in 2012, tertiary education attainment rates were very low (although enrollment rates are much higher) – 15 percent on average in comparison to 36 percent of the EU countries.[25] On the other hand, when it comes to the quality of education and the local availability of specialized research and training services, the World Bank lists countries out of 148 as follows: Croatia in 74th, followed by Macedonia in 78th, Montenegro in 99th , Bosnia and Herzegovina in 100th, Albania in 113th and Serbia in 121st.[26]

Following the logic of the statistics, the task for the upcoming years is to increase the quality of education, particularly focusing on tertiary education.

Even in the regional perspective, infrastructural projects alone are not enough; regional cooperation needs to be placed in a much wider development context, aiming the advancement of human capital by strengthening regional value chains and supporting the creation of transnational clusters and business networks. A larger, more integrated market facilitates innovation. The promotion of linkages between academia, industry and policy makers is important for encouraging the free flow of talent throughout the region, stimulating brain gain, supporting private and public sector investment in R&D, and regionally coordinating policies that would enhance innovation and promote the knowledge economy.

In the global economy, even countries with a limited geographic area and inadequate resources can strengthen their economies and increase national strength by fully engaging in the international marketing. In this century, the choice is no longer between being a "big" or "small" state, but being a "smart" or "laggard" state. A "smart state," with inclusive institutions is capable of correcting problems, providing the right policy guidance, creating favorable conditions for successful private entrepreneurship and promoting innovation through greater inclusion of all talent in the society.

The international economy enables countries that are stable, secure and open to learn rapidly from those in vanguard of economic performance under two conditions: the host countries should invest in education and inclusive economic institutions.

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[24]   Ibid., 23.
[25]   Educational Data from World Development Indicators and UNICEF – TransMonEE, www.Transmonee.org.
[26]   *Global Competitiveness Report 2013–2014.*

Democratization's Vicious Circle or How Georgia Failed to Change

David Aprasidze [*]

Introduction

Georgia's first peaceful transition of power, through the parliamentary elections in 2012, has been celebrated as an important achievement in the democratization of the country. At the same time, the new government has initiated several high-profile criminal cases against representatives of the former government, including the president and the prime minister, creating solid bases for critical assessment of further prospects for the democratic consolidation of Georgia.[1] The new government has signed an Association Agreement with the EU – an important test to prove Georgia's pro-Western orientation and dismantle speculations about pro-Russian sentiments of the new ruling elite. Nevertheless, how the political change in leadership might impact the external relations of Georgia remains to be seen.

Needless to say, Georgia's first-ever peaceful change of government through elections is an achievement per se. However, did the Georgian change bring the country closer to consolidated democracy? In other words, how functional did the Georgian democracy become in terms of institutions and the environment? The Association Agreement is the relevant mechanism cementing Georgia's orientation towards the European community and thus, towards the free and open society; however, questions remain as to how the new government envisages reconciling the course on Western integration with the declared policy of rapprochement with Russia.

The answers offered in this article are neither euphoric nor pessimistic. The main reason for this is that Georgia did not change much. First, as a result of the cascade of elections from 2012 to 2014, a new dominant political player replaced the ruling party. Second, even though the new government of Georgia no longer implements tough language towards Russia, the new Georgian decision makers continue to pursue the pro-Western foreign policy projects of their predecessors and gradually realize the limits

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[1] Charles H. Fairbanks Jr. and Alexi Gugushvili, "A New Chance for Georgian Democracy," *Journal of Democracy* 24:1 (January 2013): 116-127; Charles H. Fairbanks Jr., "Georgian Democracy: Seizing or Losing the Chance?" *Journal of Democracy* 25:1 (January 2014): 154-165.

when attempting to balance between Russia and the West, especially under increasing regional security risks since the annexation of Crimea by Moscow. The news that Georgia has not changed significantly is not as bad as many proponents of democratic and European Georgia might assume. In positive terms, one could call the current situation *continuity* – the continuous modernization and democratization of the country. In the following sections, I will analyze the power transition in Georgia and try to understand the main reason for the limitations of its current stage of democracy. I will also argue that the foreign policy discourse of the new government might have changed, however this did not alter the strategic directions in decision making. Although this is not a primary objective of the article, I will apply the concept of "autonomy from citizens" in order to better depict the new dynamic in the Georgian polity, which, to a certain degree, relativizes the positive balance created by the peaceful transition of power.

New Rulers, Same System

One of the major structural predicaments for democracy consolidation in Georgia is the dominant party system.[2] The United National Movement (UNM) of Georgia was the dominant party of the country since the Rose Revolution of 2003. The party arose from the coalition of several oppositional groups, which managed to consolidate popular support and push president Shevardnadze and his government to resign, through peaceful demonstrations following the rigged parliamentary elections in 2003.[3] The UNM was uncontested ruler of the country for almost nine years. The party enjoyed an overwhelming majority in the national parliament as well as in local councils countrywide.

In 2012, the UNM lost parliamentary elections and had to move into opposition. The opposition coalition called Georgian Dream (GD) was formed around Georgian billionaire Bidzina Ivanishvili and won the elections, gained a majority in Parliament and was able to form a government. In 2013, a candidate of the GD defeated UNM in presidential elections. After the victory in the parliamentary elections, the outcome of the presidential elections was predictable. The local elections in 2014 completed the power transfer, where the GD again achieved a nationwide victory and established effective control over every local constituency in Georgia. With the parliamentary elections in 2012, the presidential elections in 2013 and local elections in 2014, the country has passed three tests of democracy by holding free and fair elections. The fact that there was a peaceful transfer of power for the first time since the country gained its independence in 1991

2　For an overview of the party system in Georgia see Ghia Nodia and Alvaro P. Scholtbach, eds., *The Political Landscape of Georgia. Political Parties: Achievements, Challenges and Prospects* (Delft, The Netherlands: Eburon, 2006).

3　For details of the Rose Revolution see Jonathan Wheatley, *Georgia from National Awakening to Rose Revolution: Delayed Transition in the Former Soviet Union* (Burlington: Ashgate, 2005).

also deserves to be acknowledged. Needless to say, Georgia has a unique position in terms of democratization, compared with other countries in the region.[4]

However, the three elections also illustrated the deep structural problems in Georgia's political landscape. Firstly, the Georgian political system remains under control of a single party, without strong opposition and each person in power tries to augment their influence but not that of the system.[5] The UNM had no serious competitor until 2012, enabling the party to control the national, regional and local governments uncontested. Since the victory in 2012, the GD has gradually been consolidating its power. Partly under pressure from the GD—which aimed to secure the two-thirds majority in parliament, necessary for constitutional amendments—thirteen Members of Parliament elected through the UNM have left the party fraction. Nevertheless, the UNM could preserve 51 MPs, just enough to keep veto power over new constitutional changes.[6] The outcome of the parliamentary elections also affected local authorities, although they were formally still controlled by the UNM as a result of the last local elections of 2010, where the UNM gained an overwhelming nationwide majority. Under pressure or voluntarily, representatives in local councils began leaving the UNM party ranks. In Tbilisi alone, the UNM lost twelve of its city councilors to the GD, which gained effective control over the city council one year before local elections. Therefore, an early transfer of power had been taking place since the parliamentary elections.[7]

At the national level, however, the political rivalries had been forced to attempt one year of cohabitation, starting with the parliamentary elections and ending with the presidential ones. The one-year period of cohabitation has shown that the way the institutional framework plays out in a specific political context is decisive. In spite of the polarized relations between the GD and the UNM, this shared leadership has not resulted in political paralysis. Unfortunately, the two parties neither acknowledge this as an achievement, nor did they consider it to be a chance for political cooperation to emerge and formalize.

On the contrary, the following presidential and local elections were accompanied by a policy dubbed "restoration of justice," under which the new government recognizes misconduct investigations of the previous government. This resulted in initiating several high profile criminal cases, mostly against former officials from the UNM camp. The most prominent cases were Ivane Merabishvili, former prime minister and secretary general of the UNM, who had been envisaged as the UNM's presidential candidate before he was arrested in May, 2013; Giorgi Ugulava – former directly elected mayor of Tbilisi, who was stripped of his powers and later, arrested, even though the government

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[4]   Despite this, Georgia still belongs to the group of partly free countries, according to the Freedom House. See http://www.freedomhouse.org/country/georgia#.U98akfmSw6g.

[5]   Fairbanks Jr., "Seizing or Losing the Chance."

[6]   The GD's pressure on MPs has weakened after the constitutional amendment approved in 2010 came into force in November 2013. Currently, the constitutional change requires the approval of 113 Members of Parliament.

[7]   Canan Atilgan and David Aprasidze, "End to an Era: Transfer of Power in Georgia," *KAS International Reports* 12 (2013): 69-88.

had declared a moratorium on the prosecution of political actors during the local campaign. The "restoration of justice" policy was intensified after the local elections and culminated in issuing the arrest warrant against ex-president Saakashvili in July, 2014. This policy has drawn broad international criticism. The international community demanded of the Georgian government that it issue a swift and objective investigation into the respective cases and set aside politically motivated retribution.[8]

The final step in consolidating power of the GD was the local elections held in June and July 2014. The local elections were mainly free and certainly ground breaking in many ways. Indeed, for the first time in Georgia's political history, in twenty-one local entities, including Tbilisi, a second round of runoffs had to be conducted in order to determine the winner. It is also worth mentioning that in these elections, people elected city mayors and heads of local administrations directly. Nevertheless, despite all the improvements and considerably improved administration of the process, the outcome of the local elections was not significantly different from previous elections in terms of power distribution. Every local council is now under firm control of the GD – the new dominant party in Georgia and oppositional groups—the UNM still leading force among them—may merely assume the role of critical observer. For instance, more than two-thirds of seats in the Tbilisi City Council are under GD control. In the end, three remarkable elections since 2012 changed the ruling party in Georgia but not the system.

Autonomy from Citizens – Problem of Informal Power

The new dominant party – Georgian Dream, as a coalition, is composed of groups representing diverse ideological spectrums. For instance, the liberals, like [9] Republican Party cohabit with Georgian conservatives, former bureaucrats and businesspeople from the Shevardnadze era. The major factor that unites these groups is Bidzina Ivanishvili. He has been the binding force since the parliamentary campaign and retains this function even after formally departing from politics in November 2013. Large sections of the population saw Ivanishvili as the new savior, a challenger to the charismatic president Saakashvili in 2012.

After one year in power, while leaving the post of prime minister, Ivanishvili spoke of his intention to control his government from within civil society. In an open letter to the Georgian people, Ivanishvili saw further education and the strengthening of civil society as his new objectives.[10] Since Ivanishvili had officially withdrawn from politics, he no longer had to account for his or governments actions to the Georgian electorate.

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[8]   Naftali Bendavid, "Georgia Charges Against Former President Put EU in Delicate Spot," *The Wall Street Journal*, 30 July 2014, http://blogs.wsj.com/brussels/2014/07/30/georgia-charges-against-former-president-put-eu-in-delicate-spot/?KEYWORDS=Georgia+country   (accessed 4 August 2014).

[9]   Another liberal party of the former Defense Minister Irakli Alasania left the coalition in November 2014.

[10]   Ivanishvili's open letter to the public is available in an unofficial translation: "PM on His Intended Pre-Term Resignation," *Civil Georgia*, 2 September 2013, http://civil.ge/eng/article.php?id=26408 (accessed 3 August 2014).

Without holding public office, he would not be subject to any formal restrictions and accounts. On the other hand, Ivanishvili has a free hand in keeping the government under his control by informal means. Thus, power is relocated to the informal sphere, outside institutional frameworks, which makes it difficult to oversee and control.

The concept of "autonomy from citizens" might be helpful to understand structural risks for Georgian democracy. This concept derives from the broader concept of *rentier state* and is mainly used to depict developmental problems of resource-rich countries.[11] Autonomy from citizens is a situation, where "the state apparatus, and the people who control it, have a 'guaranteed' source of income that makes them independent of their citizens (potential taxpayers)."[12] Under such system, the democratic control of citizens over state actions is not structurally embedded or guaranteed. The autonomous ruler can buy the necessary loyalty (politicians, intellectuals or security forces) from his autonomous revenue. Georgia is neither a resource-rich country nor is the state independent of its taxpayers. However, the Georgian case shows an interesting phenomenon, worth investigating further. In Georgia's current political system the major political actor enjoys financial autonomy, both from the state and the citizens. Ivanishvili's fortune, which was estimated at $5.2 billion in 2014, originates mostly from Russia, and therefore has never been linked to the Georgian state and Georgian taxpayers.[13] At the same time, it constitutes almost 30 percent of Georgia's GDP.[14] In other words, Ivanishvili is financially capable of building an "autonomous power" that is independent of the state and of the citizens of Georgia.

The relative degree of state autonomy as well as functional capabilities of the state to produce political outcomes is directly linked to the issue of democracy consolidation. On the one hand, an extremely autonomous state can ignore citizens and their demands. On the other hand, state dependence on dominant political interests may end up in their priorities prevailing.[15]

Therefore, in case of Georgia, the question remains: How can the horizontal and vertical separation of power and the transparency and accountability of those in power be institutionally guaranteed in a system, in which political power is controlled by one dominant actor?

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[11] See Mick Moore, "Revenues, State Formation, and the Quality of Governance in Developing Countries," *International Political Science Review* 25:3 (July 2004): 297-319; Andrew Rosser, "The Political Economy of the Resource Curse: A Literature Survey," Working paper No. 268 (Brighton: Institute of Developments Studies, April 2006).

[12] Moore, "Revenues," 306.

[13] "Bidzina Ivanishvili," The World's Billionaires, *Forbes*, 2014, http://forbes.com/profile/bidzina-ivanishvili (accessed 3 August 2014).

[14] Gross Domestic Product (GDP) of Georgia, National Statistics Office of Georgia, http://geostat.ge/index.php?action=page&p_id=119&lang=eng (accessed 4 August 2014).

[15] Evelyne Huber, Dietrich Rueschemeyer, and John D. Stephens, "The Paradoxes of Contemporary Democracy: Formal, Participatory, and Social Dimensions," *Comparative Politics* 29:3 (April 1997): 323-342.

Implications for Foreign Policy – Continuity by Doing

Last but not least, continuity in Georgian government is important to the county's foreign policy. Georgia's Western orientation is not solely the legacy of Saakashvili's government. Under President Shevardnadze, a Western course had already come to dominate Georgian foreign policy. Georgia participated in various regional economic projects, including the construction of oil and gas pipelines, with their geopolitical implications and Tbilisi officially announced its interest in European and Atlantic integration. Under the Saakashvili government, the western orientation became more established and was formalized in security and foreign policy concepts. Georgia made joining NATO one of its objectives and participated in peacekeeping operations lead by the alliance. Georgia's foreign policy was clearly defined and communicated to the internal and external audience with equal clarity.[16] At the same time, the Georgian government presented its Western foreign policy as incompatible with Russian interests in Georgia and the region.

Since taking office, the new GD government announced, that it would stay true to the course set by its predecessor governments and will seek further integration of Georgia both into the EU and NATO. In March 2013, parliament also adopted a bipartisan foreign policy resolution and confirmed Georgia's Euro-Atlantic course. According to the resolution, Georgia will not become a member of any regional organization whose members do not acknowledge its territorial integrity. Obviously, those organizations include the Russia-dominated CIS and the Eurasian Union.[17] Most notably, Georgia signed an Association Agreement with the EU in June 2014. This agreement is an important achievement of the government as well as a guarantee for Georgia's further democratization and European integration.

Alongside the European and Atlantic integration policy, the new government announced its policy of reestablishing relations with Russia.[18] Shortly after taking the office as prime minister, Ivanishvili appointed Mr. Zurab Abashidze as his special representative in negotiations with Russia. Abashidze was Georgia's former ambassador to Moscow under Shevardnadze's administration. Ivanishvili's new government was very careful when criticizing Russia and its president Putin. The new, reconciliatory rhetoric of the government is the major noticeable difference in comparison to harsh anti-Russian style of their predecessors.

However, structural limitations of the Russian-Georgian rapprochement became visible very soon. The government—through its semi-formal talks with Russian counterparts—was successful in persuading Russia to lift the 2006 embargo on wine and mineral water. Bilateral talks were mostly aimed at humanitarian concerns; however, at the

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[16] Atilgan and Aprasidze, "End to an Era."

[17] "Parliament Adopts Bipartisan Resolution on Foreign Policy," *Civil Georgia* (7 March 2013), http://civil.ge/eng/article.php?id= 25828 (accessed 3 August 2014).

[18] Russia and Georgia fought a five-day war over South Ossetia in 2008. Russia recognized the independence of two breakaway regions of Georgia: Abkhazia and South Ossetia. There have been no diplomatic relations between Russia and Georgia since the war.

same time Russia has caused further escalations. Russian troops controlling breakaway territories in Georgia have strengthened their presence and in South Ossetia they marked a de facto border with barbed wire, in several places, cutting right through Georgian villages. After Georgia had signed the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU, Moscow announced its plans to suspend the Free Trade Agreement with Georgia, which had been in force since 1994. With this decision, Russia has undermined the only achievement in Russian-Georgian relations since 2012 – lifting the embargo on Georgian commodities.

It is no secret that the Georgian government cannot influence the decision-making in the Kremlin. Nevertheless, the new government of Georgia needed time to fully realize this limitation. Similarly, it was naive to believe that improvement of Georgian-Russian relations was feasible without political concessions towards Moscow. Georgia's European and Euro-Atlantic aspirations are not conceivable alongside the country's normalization with Russia. Under current circumstances, these two vectors of foreign policy are mutually exclusive. The new Georgian government needs to recognize the failure of its Russian policy. There is a need for clear and direct communication to domestic and international audiences about foreign policy goals and objectives. This is especially important in light of the ongoing crisis in Ukraine, where the first signs of new geopolitical confrontation are visible.

Conclusions

With three subsequent elections from 2012 to 2014, an era of almost ten years since the Rose Revolution came to an end. Georgia passed a significant test of democracy by conducting free elections and especially passing power to opposition peacefully, for first time in its history. The international community has acknowledged this achievement but it should also take it into account in light of the Georgia's integration aspirations with European and Euro-Atlantic communities.

At the same time, it is important to acknowledge existing structural limitations for the democratic consolidation in Georgia and take on new challenges, which may affect the further trajectory of Georgian democracy. The dominant type of political landscape is one of the major problems for competition and cooperation to be developed and formalized in Georgian government. Peaceful transfer of power through elections enabled actors to exercise one year of cohabitation. Nevertheless, the government considered this period to be a predicament for its governance and never as a chance for political cooperation to emerge. At the same time, and particularly after local elections, the government intensified its "restoring of justice" policy, initiating criminal cases against representatives of the former government. After winning three elections, the new dominant party consolidated its power and is in effective control of national, regional as well as local policy making. The peaceful transfer of power did not lead to a division of power among major political actors but replaced one dominant player with another. Furthermore, the de facto leader's "financial autonomy" from the state and from the society may undermine the institutional guarantees of civic control and accountability.

Georgia remains an important and promising case of democratization and Europeanization in the region. Despite the fact that the new government initially caused certain confusions about foreign policy objectives, it later confirmed the country's commitment to the Western course. While there are still structural problems in its political system, important prerequisites for further democratic consolidation have endured. Most importantly, the peaceful transition of power has established a precedent, paving a path for further strengthening the party landscape and creating a culture of political cooperation.

GAO Report on Maritime Security:

Ongoing U.S. Counterpiracy Efforts Would Benefit From Agency Assessments [*]

Highlights

Why GAO Did This Study

Piracy and maritime crime continues to threaten ships off the Horn of Africa's east coast and in the Gulf of Guinea off Africa's west coast, putting seafarers in harm's way and costing governments and industry billions of dollars in ransom, insurance, and protective measures. The types and causes of piracy and maritime crime, as well as the African states' ability to address the problem in the two regions, differ. To help U.S. agencies coordinate efforts, the NSCS developed an interagency plan in 2008 to prevent, disrupt, and prosecute piracy off the Horn of Africa in collaboration with industry and international partners. GAO was asked to evaluate U.S. counterpiracy activities.

This report: (1) assesses how piracy off the Horn of Africa has changed since our 2010 review, and describes U.S. efforts to assess its counterpiracy actions, given any changing conditions; and (2) identifies trends in piracy and maritime crime in the Gulf of Guinea and U.S. efforts to address them, and evaluates the extent to which the United States has assessed its counterpiracy efforts in the Gulf of Guinea. GAO reviewed plans, activities, and data from 2007 through 2013 and interviewed officials from U.S. agencies, international partners, and industry, selected as a nongeneralizable sample for their involvement in counterpiracy activities.

What GAO Recommends

GAO recommends that the NSCS, with the Secretaries of Defense and State, collaborate with the involved agencies to assess their efforts and to determine whether additional actions are needed to guide efforts in the Gulf of Guinea. The NSCS did not concur or non-concur with GAO's recommendations but provided an update on its planning activities.

Main Findings

Piracy incidents off the Horn of Africa's east coast near Somalia have declined sharply since 2010, but U.S. agencies have not assessed their counterpiracy efforts as GAO recommended in 2010. Since 2010, the International Maritime Bureau (IMB) reports

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[*] The report under the title "Maritime Security: Ongoing U.S. Counterpiracy Efforts Would Benefit From Agency Assessments" (GAO-14-422) was presented to the relevant committees in the U.S. Congress by the United States Government Accountability Office in June 2014. The full text of the original report is available at www.gao.gov/products/GAO-14-422.

piracy incidents declined from 219 to 15 in 2013. Similarly, from 2010 to 2013 hostages taken by pirates declined from 1,016 to 34. Also, a World Bank report stated that total ransoms declined by 2012. Officials participating in counterpiracy activities from the Departments of Defense and State, among others, as well as shipping industry officials and international partners, attribute the decline to a combination of prevention, disruption, and prosecution activities. However, officials cautioned that this progress is tenuous, and discontinuing these efforts could allow piracy to resurge. Despite changing conditions, U.S. agencies have not systematically assessed the costs and benefits of their counterpiracy efforts. Agency officials stated that their decisions and actions are guided by discussions rather than formal assessments. GAO has previously noted that assessments of risk and effectiveness in an interagency environment can strengthen strategies and resource usage. As such, GAO's prior recommendations remain valid and could help U.S. agencies identify the most cost effective mix of efforts and prioritize activities as they respond to changing conditions and fiscal pressures while avoiding a resurgence in piracy.

Off the west coast of Africa, piracy and maritime crime has been a persistent problem in the Gulf of Guinea, as shown in the figure below. Although the United States has interagency and international efforts underway with African states to strengthen maritime security, it has not assessed its efforts or the need for a collective plan to address the evolving problem in the region. The U.S. role in addressing piracy in the Gulf of Guinea has focused on prevention, disruption, and prosecution, through training and assistance to African coastal states. However, according to U.S. agencies working in the region, the National Security Council Staff (NSCS) has not directed them to collectively assess their efforts to address piracy and maritime crime. An assessment of agencies' Gulf of Guinea efforts could strengthen their approach by informing the appropriate mix of activities to achieve the most effective use of limited resources, as well as help determine if additional actions are needed.

Reported Incidents of Piracy and Maritime Crime, 2008 through 2013.

Source: GAO analysis of International Maritime Bureau data. | GAO-14-422

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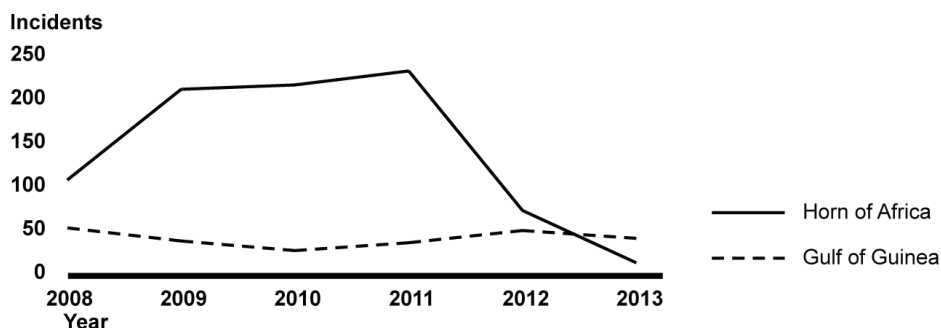
Abbreviations

AMLEP	African Maritime Law Enforcement Partnership
BMP	Best Management Practices for Protection against Somalia Based Piracy
CPCC	Counter-Piracy Coordination Center
CTF	Combined Task Force
DHS	Department of Homeland Security
DOD	Department of Defense
DOJ	Department of Justice
DOT	Department of Transportation
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EU	European Union
FBI	Federal Bureau of Investigation
G8	Group of Eight
IMB	International Maritime Bureau
INL	Bureau of International Narcotics and Law Enforcement
IRTC	Internationally Recommended Transit Corridor
MOTR	Maritime Operational Threat Response
MSCHOA	Maritime Security Centre – Horn of Africa
NATO	North Atlantic Treaty Organization
NSC	National Security Council
NSCS	National Security Council Staff
ONI	U.S. Office of Naval Intelligence
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea

Introduction

Piracy and maritime crime, including armed robbery, kidnapping, and hijackings, continues to threaten ships in the waters off the Horn of Africa and in the Gulf of Guinea, putting seafarers in harm's way and costing businesses and governments billions of dollars in ransoms, insurance, and protective measures. U.S. efforts to combat piracy and maritime crime involve multiple agencies from the Departments of Defense (DOD), Homeland Security (DHS), Justice (DOJ), State (State), Transportation (DOT), and the Treasury (Treasury) and are coordinated with international and industry partners. While maritime piracy is not a new threat, pirate attacks off the Horn of Africa started reaching unprecedented levels in 2008. At the same time, the persistence of attacks in West Africa's Gulf of Guinea—including the kidnapping of two Ameri-

cans from a vessel in October 2013—have evolved with pirates venturing farther from shore and using more violent tactics.[1] According to DOD and State officials, piracy off the Horn of Africa stems from an ungoverned Somalia and has generally focused on hijacking ships transiting through open waters, while piracy in the Gulf of Guinea has generally focused on armed robbery of ships in territorial waters of sovereign states and has displayed less regard for the health and safety of its victims.

In September 2010, we issued a report examining U.S. efforts to address piracy off the Horn of Africa and found that the U.S. government had taken steps to implement the National Security Council's (NSC) *Countering Piracy off the Horn of Africa: Partnership and Action Plan* (Action Plan) by, for example, working with partners to conduct naval patrols, update ship security plans, and provide judicial capacity building to African states.[2] However, we found that many agencies could benefit from greater specificity in assigning roles and responsibilities, and from identifying the costs, benefits, and measures of effectiveness of their counterpiracy efforts, among other things.[3] We recommended that the NSC collaborate with the agencies to reassess and update its Action Plan; identify metrics; assess the costs, benefits, and effectiveness of U.S. counterpiracy activities; and clarify agency roles and responsibilities. In March 2011, we testified that piracy off the Horn of Africa continued to be a problem as pirates shifted tactics, and we reiterated our recommendations on actions the government could undertake to improve U.S. efforts.[4] As of June 2014, these recommendations have not been implemented and are discussed later in this report.

As piracy and maritime crime continues to evolve off both African coasts and the U.S. government faces fiscal pressures, you asked that we examine whether opportunities exist to leverage the cooperative efforts and strategies used to counter piracy off the Horn of Africa in addressing the problem of piracy and maritime crime in the Gulf of Guinea. Specifically, this report:

- assesses how piracy off the Horn of Africa in the East has changed since our 2010 report and describes U.S. efforts to assess counterpiracy actions, given any changing conditions; and

- identifies trends in piracy and maritime crime in West Africa's Gulf of Guinea and U.S. efforts to address them, and evaluates the extent to which the United States has assessed its counterpiracy efforts in the Gulf of Guinea.

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[1] According to State officials, on October 23, 2013, the Captain and Chief Engineer on the C-Retriever, an American owned oil-supply vessel, were kidnapped in the Gulf of Guinea and released sometime in the 3 weeks following the event.

[2] National Security Council, *Countering Piracy off the Horn of Africa: Partnership and Action Plan* (Washington D.C., 2008).

[3] GAO, Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa, GAO-10-856 (Washington, D.C.: GAO, 24 September 2010).

[4] GAO, *Maritime Security: Updating U.S. Counterpiracy Action Plan Gains Urgency as Piracy Escalates off the Horn of Africa*, GAO-11-449T (Washington, D.C., 15 March 2011).

To assess how piracy off the Horn of Africa has changed since 2010, we analyzed data from the International Maritime Bureau (IMB) and the U.S. Office of Naval Intelligence (ONI) on reported piracy incidents, hostages taken, and ransom paid off the Horn of Africa from 2008 through 2013.[5] We discussed data collection methods, processes for data entry, and the steps taken to ensure reasonable accuracy of the data with both IMB and ONI. We determined the data to be sufficiently reliable for the purposes of this report. In addition, we met with DOD, DHS, DOJ, State, DOT, and Treasury officials; international partners; and representatives from insurance, shipping, and private security industry associations to discuss their involvement in counterpiracy activities such as developing best practices for protecting ships from pirate attack, working with the international Contact Group on Piracy off the Coast of Somalia, and participating in naval patrols off the Horn of Africa.[6] We met with officials from shipping industry associations that represent owners and operators from over 80 percent of the world's merchant fleet and describe themselves as providing a unified industry voice in the creation of industry policy and strategy; insurance industry associations whose members cover approximately 90 percent of the world's ocean-going tonnage; and a private security industry association that has over 180 members across 35 countries. While the statements of these industry officials cannot be generalized to the entire industries they represent, their perspectives provide valuable insight since each is actively involved in international collaborative efforts to combat piracy. To determine the extent to which the United States has assessed its counterpiracy actions as outlined in the 2008 Action Plan for countering piracy off the Horn of Africa, we reviewed the 2008 Action Plan, the 2005 *National Strategy for Maritime Security*, the 2007 *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea*, relevant U.S. policies and laws, and United Nations (UN) Security Council resolutions. We also reviewed program documents such as briefings and meeting summaries and interviewed officials from DOD, DHS, DOJ, State, DOT, and the Treasury, as well as components including U.S. Naval Forces Central Command, the U.S. Coast Guard, and the Federal Bureau of Investigation (FBI), to discuss implementation of the Action Plan and the status of implementing recommendations from our September 2010 report to improve the plan.[7]

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[5] IMB is a division of the International Chamber of Commerce established as a non-profit organization in 1981 to fight against all types of maritime crime and malpractice. IMB uses industry knowledge, experience, and access to contacts around the world to identify and investigate fraud, spot new criminal methods and trends, and highlight other threats to trade. ONI is the division of the U.S. Navy that provides U.S. military, intelligence, and policy stakeholders with maritime intelligence including the analysis, production and dissemination of scientific, technical, geopolitical and military intelligence information.

[6] Pursuant to UN Security Council Resolution 1851 (2008), which encouraged states and regional organizations fighting piracy and armed robbery at sea off the coast of Somalia to establish an international cooperation mechanism to act as a common point of contact, the Contact Group on Piracy off the Coast of Somalia was established on January 14, 2009, to facilitate the discussion and coordination of actions among states and organizations to suppress piracy off the coast of Somalia.

[7] GAO-10-856.

We selected these departments and agencies because the Action Plan states they shall contribute to, coordinate, and undertake initiatives in accordance with the plan and they are members of the Counter-Piracy Steering Group established to oversee the implementation of the plan.

To identify trends in piracy and maritime crime in the Gulf of Guinea, we analyzed IMB and ONI data on piracy incidents—hijackings, boardings, attempts, ships fired upon, and kidnappings—reported from 2007 through 2013. As with the Horn of Africa data, we discussed the accuracy and reliability of the data with IMB and ONI officials and determined the data to be sufficiently reliable for the purposes of this report.[8] To evaluate U.S. efforts to address piracy and maritime crime in the Gulf of Guinea, we reviewed program briefings and meeting summaries and interviewed officials from the previously described U.S. agencies, international military partners, and partners from the insurance, shipping, and private security industries. The agencies, international partners, and industry associations we interviewed were those that we identified as contributors to ongoing counterpiracy activities in the Gulf of Guinea or those representing or insuring vessel owners and operators in the region. While the statements of the industry officials cannot be generalized to the entire industries they represent, their perspectives provide valuable insight since each is actively involved in international collaborative efforts to combat piracy. We compared agency efforts and their coordination against recommended practices in the *National Maritime Domain Awareness Plan* and the *Strategy to Combat Transnational Organized Crime* which are used to guide the efforts and, in general, call for risk-based assessments. A full description of our objectives, scope, and methodology can be found in appendix I.

We conducted this performance audit from June 2013 to June 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Piracy Is a Recognized Global Issue

Under the 1958 Geneva Convention on the High Seas and the United Nations Convention on the Law of the Sea (UNCLOS), piracy consists of any of several acts, including

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[8] IMB data is based on self-reporting directly to IMB by vessels and companies operating in the area. According to ONI data—which is aggregated from multiple data sources, (e.g., open source data such as media reports, IMB information, and all-source intelligence) and corroborated with other U.S. agencies and information—the actual number of incidents in the Gulf of Guinea is greater than what is reported to IMB. According to ONI and IMB officials, reasons for the variation between the two sets of data, include differences in categorization of incidents, validation of sources, under reporting, and differences in geographic scope.

any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship and directed against another ship, aircraft, persons, or property onboard another ship on the high seas, or against a ship, aircraft, persons or property in a place outside the jurisdiction of any state.[9] According to both conventions, all states have the duty to cooperate to the fullest extent possible in the repression of piracy on the high seas or in any other place outside the jurisdiction of any state and are authorized to seize pirate ships or a ship under the control of pirates and arrest the persons and seize the property onboard on the high seas or in any other place outside the jurisdiction of any state.[10] When crimes that would constitute piracy are committed in the territorial waters of a coastal state, they are generally referred to as *maritime crime*. For the purposes of this report, we describe the criminal conduct in the Gulf of Guinea as *piracy and maritime crime* in order to include piracy on the high seas (i.e., outside the jurisdiction of any one sovereign state), as well as hijacking, armed robbery, kidnapping, and attempts at these crimes within the territorial waters of a state.

Piracy and maritime crime off the Horn of Africa and in the Gulf of Guinea affect countries around the globe. In 2013, over 42,000 vessels transited the waters off the Horn of Africa, which include some of the world's busiest shipping lanes. Within these waters, pirates target merchant vessels, fishing ships, and dhows.[11] Since 2008, the UN

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[9] In general, the degree to which a coastal state may exercise sovereignty and jurisdiction over its adjacent waters differs depending on its distance from the coast. Within a state's territorial sea (also referred to as its territorial waters), which extends not more than 12 nautical miles from its coast, is the area for which a state exercises sovereignty and jurisdiction. Within a state's contiguous zone—the area outside the territorial sea extending not further than 24 miles from a state's coast—the state may exercise control necessary to prevent infringement of laws and regulations within its territory or territorial sea. Further, within a state's exclusive economic zone—the area beyond and adjacent to the territorial sea, not extending beyond 200 nautical miles from the coastal baseline—the state has sovereign rights for the purpose of (and authority to exercise jurisdiction related to) exploring and exploiting, conserving and managing any natural resources, but through which all states generally enjoy the freedoms of navigation and overflight, among others. The "high seas" include all parts of the sea beyond national jurisdiction (i.e., beyond any states' exclusive economic zones). In this report, the term piracy refers to relevant acts committed in international waters—that is, anything beyond states' territorial seas—and maritime crime refers to such acts committed in a state's territorial sea.

[10] The conventions further provide that the courts of the state that carry out such seizures may decide upon the penalties to be imposed and may determine the action to be taken with regard to the ships, aircraft or property, subject to the rights of third parties acting in good faith.

[11] North Atlantic Treaty Organization (NATO) documents describe the term "dhow" as referring to a number of traditionally-constructed vessels used as the primary maritime commercial mode of transportation throughout the Red Sea, the Gulf of Aden, the Arabian Gulf, and the Indian Ocean. The structure and shape of dhows differentiate them from other types of merchant vessels and crew sizes vary between 5 and 30 individuals who, according to NATO's description, often do not have formalized seamanship or fishery training.

has adopted a number of United Nations Security Council resolutions related to countering piracy off the Horn of Africa.[12] Similarly, in 2011 and 2012, recognizing the Gulf of Guinea's critical shipping and global energy resources, the UN adopted resolutions that expressed deep concern about the threat that piracy and armed robbery at sea in the Gulf of Guinea pose to international navigation, security, and the economic development of states in the region.[13]

Piracy off the Horn of Africa Generally Differs from That in the Gulf of Guinea

The types of crime, vessel traffic, and coastal states' jurisdictional responses to address the piracy problem off the Horn of Africa and in the Gulf of Guinea generally differ, as does the U.S. response. DOD and State officials described the following as key differences:

- *Types of crime:* Piracy off the Horn of Africa is generally characterized by ransom-seeking, in which pirates attack ships for their crew, cargo, or the ship itself, which are often held hostage for months or years to obtain millions of dollars in ransom. In the Gulf of Guinea, piracy is generally characterized either as armed robbery—such as petroleum tanker hijackings to steal a ship's oil—or targeted kidnappings for ransom near or within the Niger Delta, according to DOD officials. Additionally, unlike the hostage-taking and high-dollar ransoms off the Horn of Africa that can result in months or years that a vessel and its crew are held, the kidnappings off the Niger Delta are for days or weeks, for thousands of dollars in ransom, and do not necessarily involve the hijacking of a vessel. In general, pirates hijack tankers and their crew only for the time it takes to offload the oil.[14]

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[12] For example, Resolution 1816, adopted in June 2008, authorized states to enter the territorial waters of Somalia for the purpose of repressing acts of piracy and armed robbery at sea. Resolution 2125, adopted in November 2013, renews the authorities and concerns raised in Resolution 1816 and other resolutions concerning piracy and armed robbery at sea with the backing of the Federal Government of Somalia that was formed in August 2012 following the end of the interim mandate of the Transitional Federal Government. Pursuant to Resolution 2125, international militaries and organizations may continue to operate in Somali territorial waters because the new government does not have the capability to protect its coastline.

[13] In October 2011 and in February 2012 the UN adopted Resolutions 2018 and 2039, respectively, urging Gulf of Guinea states to coordinate regionally and nationally, with help from international partners, to, among other things, develop and implement national maritime security strategies, including a legal framework for the prevention, and repression of piracy and armed robbery at sea, as well as for the prosecution of persons engaging in those crimes.

[14] According to DOD officials, as of September 2013, there is no linkage between the Gulf of Guinea piracy and violent extremist groups such as Boko Haram and oil and tanker theft is generally carried out by criminal organizations for financial gain.

- *Vessel traffic:* The nature of how vessels travel through the regions also differs. Sea traffic off the Horn of Africa is characterized by large, high-speed cargo vessels transiting through the Gulf of Aden and Indian Ocean. Piracy in this region generally involves pirates pursuing and boarding moving vessels. In contrast, in the Gulf of Guinea, commercial vessels generally are smaller and operate closer to shore, slowing down to make port calls and stopping at off-shore facilities in territorial waters or in the exclusive economic zones of coastal states. The slow speeds and stationary positions make these vessels vulnerable to piracy and maritime crime.

- *Jurisdiction and response:* U.S. efforts to combat piracy off the Horn of Africa and maritime crime in the Gulf of Guinea evolved in response to the particular characteristics of piracy and maritime crime in each region and the extent to which the United States has jurisdiction and coastal states have the capability to respond. For example, the UN authorized international militaries and organizations to enter Somali territorial waters and economic zones to conduct counterpiracy operations and patrols as though they were international waters. The transitional and new Somali governments have relied on the assistance of international militaries since they are building maritime security capacities. Conversely, in the Gulf of Guinea, maritime security in territorial waters is under the authority of the respective recognized national governments in the region.[15]

The figures in Appendix II show the number of attempted and successful pirate attacks off the Horn of Africa and in the Gulf of Guinea respectively from 2010 through 2013.

In addition to the types of crimes, vessel traffic, and jurisdiction, other characteristics such as the reporting of incidents by vessel owners and operators and the ability of pirates to use land based safe havens for operations, among others, create differences between piracy off the Horn of Africa and piracy and maritime crime in the Gulf of Guinea. These differences are summarized in Table 1.

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[15] In June 2013, the governments of Angola, Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Democratic Republic of Congo, Cote d'Ivoire, Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Equatorial Guinea, Liberia, Mali, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, and Togo signed the *Code of Conduct Concerning the Repression of Piracy, Armed Robbery Against Ships, and Illicit Maritime Activities* in West and Central Africa which calls for a regional framework to counter piracy and armed robbery at sea, including information-sharing and operational coordination mechanisms, among other things.

Table 1: Piracy and Maritime Crime Characteristics in the Horn of Africa and Gulf of Guinea

Piracy characteristic	Horn of Africa	Gulf of Guinea
Location of incidents	International waters	Territorial and international waters
States with jurisdiction	All states have jurisdiction within Somali coastal waters and in international waters	Gulf of Guinea coastal states have jurisdiction within 0-12 nautical miles and all states have jurisdiction in international waters
Quality of incident reporting [a]	Good reporting of incidents	Underreporting of incidents
Nature of ship traffic	Transit the area at higher speeds and can avoid Somali coast	Make port calls to coastal states and are often slow moving or stationary
Pirate actors	Homogeneous actors (predominantly from five Somali clans)	Diverse set of actors (former militants, criminals, transnational criminal organizations)
Type of piracy business model	Hijacking vessels and crews	Mixed – hijacking, robbery, cargo theft, kidnapping for ransom
Violence to crews/ hostages	Infrequent isolated incidents	Frequent incidents of violence throughout the event
Vessels targeted	Targets of opportunity, in particular ships that are "low and slow"	Intelligence-driven targets (i.e., pirates targeting vessels known to be carrying specific cargo such as oil) and some targets of opportunity
Pirate response to armed security teams	Pirates avoid engaging armed security teams	Pirates willing to engage armed security teams
Presence of safe havens	Safe havens off Somali coast serve as bases for operations	Limited safe havens to serve as bases for operations
Type of naval security forces in the region	International security forces provide naval patrols	Gulf of Guinea coastal states provide limited naval patrols

Source: GAO analysis of DOD, State, and UN information. | GAO-14-422

[a] According to DOD officials, the quality of incident reporting is their assessment based on the number of incidents they are aware of compared to the number that is reported.

The Response to Piracy off the Horn of Africa Involves Combined Efforts from U.S. and International Partners

Since 2008, the international community has taken steps to respond to piracy off the Horn of Africa, including patrols by the United States, NATO, the European Union (EU), and others in waters near Somalia; the establishment of international naval task forces with specific mandates to conduct counterpiracy operations; and the formation of a voluntary multilateral Contact Group to coordinate international counterpiracy efforts such as the development of industry practices and coordination of international law enforcement efforts. Recognizing that vibrant maritime commerce underpins global economic security and is a vital national security issue, the United States has also developed policies and plans to collaborate with its international partners and to mobilize a U.S. interagency response. In December 2008, the NSC published the Action Plan, which discusses countering piracy emanating from Somalia. The Action Plan directed the Secretary of State and Secretary of Defense to establish a high-level interagency task force—the Counter-Piracy Steering Group—to coordinate, implement, and monitor the actions contained in the plan. In addition, the NSC directed that DOD, DHS, DOJ, State, DOT, the Treasury, and the Office of the Director of National Intelligence undertake coordinated initiatives in accordance with the plan, subject to available resources.[16]

Various Efforts Have Reduced Piracy off the Horn of Africa Since 2010, but the United States Has Not Updated Its Action Plan
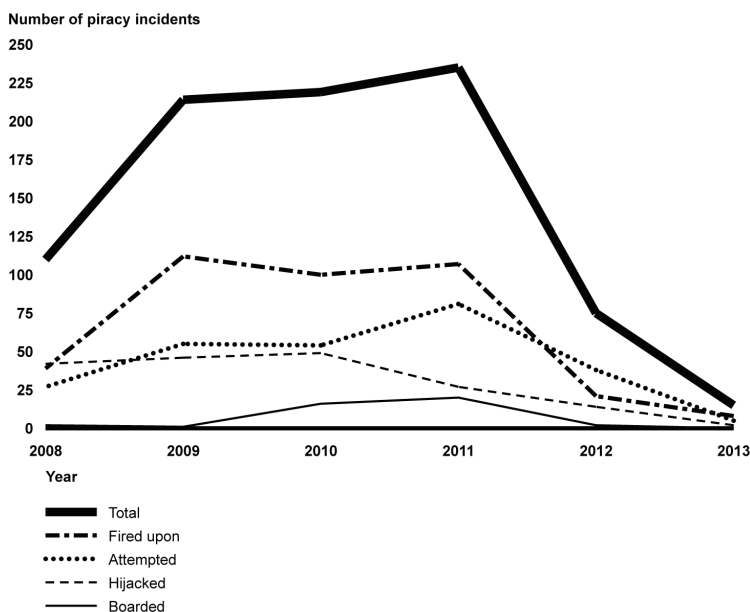
Piracy Incidents Off of the Horn of Africa Have Declined Since 2010

Piracy activity off of the Horn of Africa has declined as indicated by the number of incidents reported, the number of hostages taken, and the amount of money paid in ransoms in 2013 as compared with recent years. In September 2010, we reported that successful and attempted piracy attacks off the Horn of Africa had risen from 30 in 2007 to 218 in 2009.[17] Our analysis of data provided by the IMB, which collects reported incidents from ship owners and operators, shows that the number of piracy incidents continued to rise to 235 in 2011, but declined thereafter to 15 total incidents in 2013, as shown in Figure 3.[18]

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[16] A list of U.S. agencies, international partners, and industry partners involved in the response to piracy off the Horn of Africa as of September 2010 can be found in GAO-10-856, p. 11 and 15.

[17] GAO-10-856.

[18] Reported incidents of piracy can vary based on the type of activity recorded and may include: (1) ships boarded, (2) ships hijacked, (3) attempted boardings of ships and (4) ships fired upon.

Number of piracy incidents

Figure 3: Piracy Incidents Reported off the Horn of Africa, 2008 through 2013.

At the same time, the number of hostages taken during pirate attacks rose from 815 in 2008 to 1,016 in 2010, but declined to 34 in 2013, as shown in Figure 4.

As the number of hostages taken during piracy incidents rose, the amount of ransom money collected by pirates also increased. According to the UN Office on Drugs and Crime and the World Bank, low estimates of the total dollar amount of ransoms paid to free hostages rose from $2.4 million in 2007 to $151.1 million in 2011 but declined to $36.4 million in 2012.[19] While ransoms paid were an estimated average of $1.2 million in 2007, the estimated average amount rose to $4 million in 2012, as shown in Figure 5. According to State Department officials, as of the end of 2013, there were at least 49 hostages from 11 countries held by Somali pirates.

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[19] *Pirate Trails: Tracking the Illicit Financial Flows from Pirate Activities off the Horn of Africa*, A World Bank Study (Washington, D.C.: World Bank, 2013), doi:10.1596/978-0-8213-9963-7.

2008	815
2009	857
2010	1016
2011	464
2012	233
2013	34
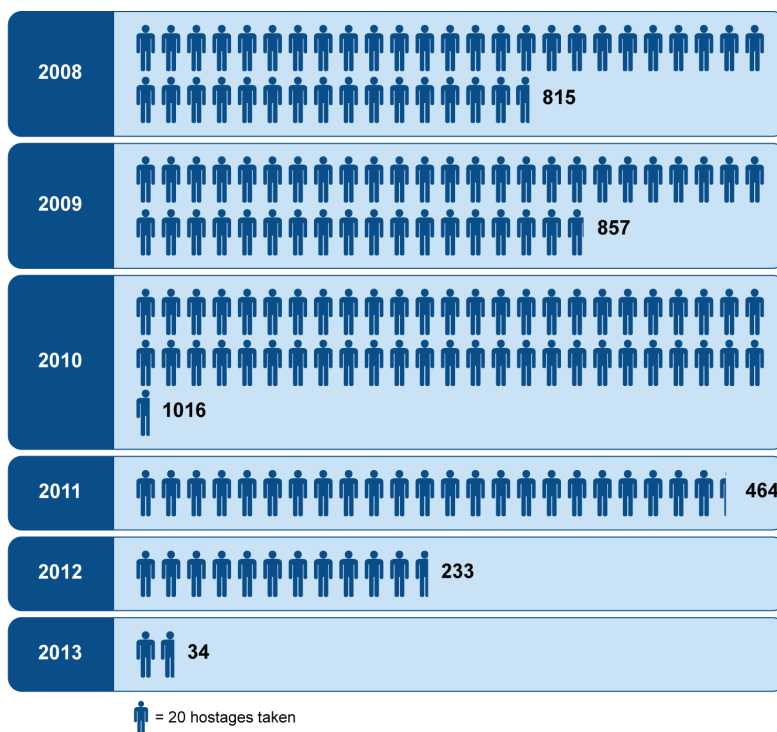
= 20 hostages taken

Source: GAO analysis of International Maritime Bureau data. | GAO-14-422

Note: Hostages taken include victims abducted from dhows, fishing ships, and merchant vessels. However, no hostages were taken from merchant vessels in 2013.

Figure 4: Hostages Taken in Horn of Africa Piracy Incidents, 2008 through 2013.

Officials Attribute the Decline in Horn of Africa Piracy to a Combination of Efforts to Prevent, Disrupt, and Prosecute

The Action Plan establishes the U.S. role in countering piracy as a collaborative one, seeking to involve all countries and shipping-industry partners with an interest in maritime security. DOD, DHS, DOJ, State, DOT, and the Treasury, in collaboration with their international and industry partners, have implemented steps in the Horn of Africa across the three lines of action established in the Action Plan, which are to: (1) prevent piracy attacks by reducing the vulnerability of the maritime domain, (2) disrupt acts of piracy in ways consistent with international law and the rights and responsibilities of coastal and flag states, and (3) ensure that those who commit acts of piracy are held accountable for their actions by facilitating the prosecution of suspected pirates.[20]

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[20] The flag state is the country in which the vessel is registered. In general, flag states have the authority to enforce their own as well as international regulations, such as those relating to security standards, with respect to such vessels.

Ransom paid (dollars in millions)
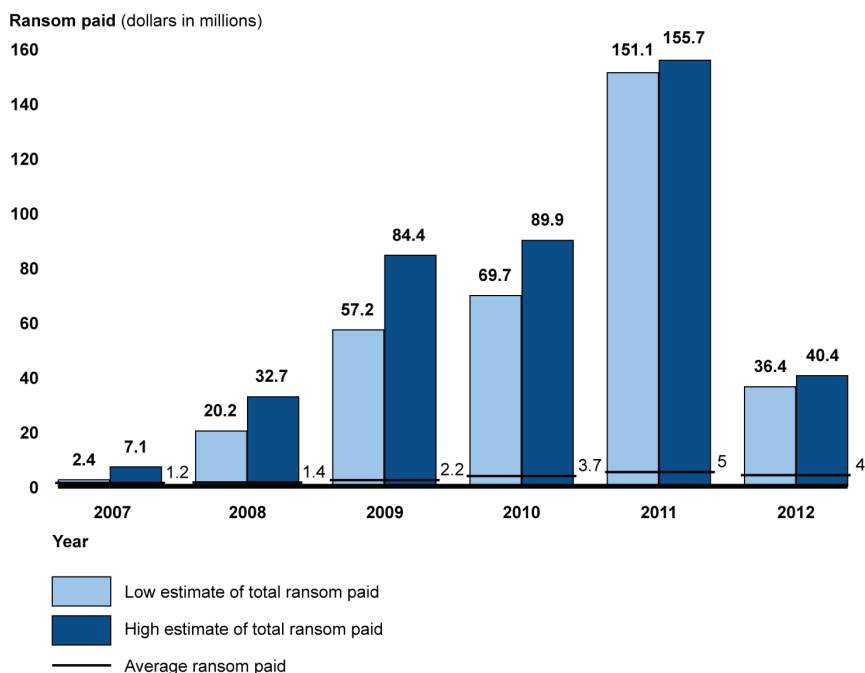
Source: World Bank 2013. | GAO-14-422

Figure 5: Estimated Total and Average Ransoms Paid in Piracy Incidents off the Horn of Africa, 2007 through 2012.

U.S. Efforts to Prevent Acts of Piracy

U.S. agencies, in collaboration with their international and industry partners, have taken several steps to deter pirates and reduce the vulnerability of ships transiting off the Horn of Africa. DOD and State officials and representatives from each of eight shipping industry associations we met with emphasized that these prevention efforts work together and described the following as examples of key prevention efforts.

- *Working with Industry*: U.S. agencies have worked with industry partners to develop guidance and requirements for implementing counterpiracy efforts. For example, the Coast Guard issued Maritime Security (MARSEC) Directives that provide guidance to owners and operators of U.S. vessels on how to respond to emerging security threats.[21] These directives include practices that help to prevent pirate attacks and require that vessels operating in high risk waters update their vessel security plans to include security protocols for ter-

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[21] Port Security Advisory (2-09) (Rev. 3) Maritime Security (MARSEC) Directive 104-6 (series), *Guidelines for U.S. Vessels Operating in High Risk Waters*, January 07, 2011.

rorism, piracy, and armed robbery against ships in high risk waters. Among other things, these plans cover the need for enhanced deterrence, surveillance and detection equipment; crew responses if a potential attack is detected or is underway; and coordination with counterpiracy organizations that could be of assistance. The practices are mandated for U.S. flag vessels operating in high risk waters and are also recommended for foreign flag vessels in the Coast Guard's Port Security Advisories and in the International Maritime Organization's (IMO) Maritime Safety Committee circulars.[22]

Additionally, the Coast Guard and DOT's Maritime Administration (MARAD) co-chaired Working Group 3 of the Contact Group on Piracy off the Coast of Somalia which focused on industry awareness. Through this working group, practices were developed and enhanced through the *Best Management Practices for Protection against Somalia Based Piracy* (BMP), developed by the working group's maritime industry representatives to deter, prevent, and deny incidents of piracy off the Horn of Africa. The BMP was introduced in 2008 as a joint industry strategy and has been updated based on lessons learned from investigated piracy incidents throughout the region. Version 4 of the BMP was issued in August 2011 and recommends 14 specific actions shipping companies can take to mitigate pirate activity while transiting high risk waters off the Horn of Africa. Examples of these ship protection measures include providing additional lookouts during watch periods, enhancing the ship's physical barrier, and establishing a safe point or secure citadel on the ship to ensure the safety of the crew and vessel during a pirate boarding. Use of the BMP is not mandatory; rather, officials from each of the eight shipping industry associations we interviewed describe the BMP as a tool kit of practices the ship's master can tailor to the situation and risks that the ship faces. Officials from an insurance industry association we met with stated that its members encourage and consider the implementation of the practices when pricing products based on steps that vessel owners have taken to mitigate risks.

Of the various implemented practices, officials from the six U.S. agencies engaged in counterpiracy activities and the eight shipping industry associations we interviewed describe the use of privately contracted armed security personnel on ships as a key factor in reducing the number of piracy incidents off the Horn of Africa. However, each of the eight shipping industry associations we interviewed stated that they do not want armed security teams to become a standard long term practice, primarily because of the hazards involved with the use of force and weapons aboard ships as well as the expense, with an average cost of about $ 5,000 per day for a four person security team.

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[22]   As a specialized agency of the UN, IMO is the global standard-setting authority for the safety, security and environmental performance of international shipping. Its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and universally implemented. The Maritime Safety Committee is a technical body with representatives from each of the IMO member states which, among other things, considers and submits recommendations and guidelines on safety for possible adoption by the IMO Assembly.

These officials added that, in comparison, requiring crew to continuously lookout for suspicious activity is a relatively low-cost measure when compared to deploying armed security personnel with a vessel – the burden of which could be too costly for smaller shipping companies. As security costs become a concern and the threat of piracy declines, DOD, EU, and NATO officials expressed concern that some in the shipping industry may seek to reduce the size and qualifications of the security teams as well as the hours they are deployed to protect the ship.

- *Strategic communication*: According to officials from DOD's AFRICOM, strategic communication from Somali radio stations is also an effective method of preventing piracy. These officials stated that the United States and its international partners have supported a partnership with Somali radio stations to bring awareness to the Somali public about the dangers of piracy and acts of abuse that hostages may endure.

U.S. Efforts to Disrupt Acts of Piracy

U.S. efforts to disrupt acts of piracy involve working with international partners to position resources to interdict pirates at sea and prevent the financing of pirates on land. The following were described by DOD, State, Treasury, EU, and NATO as examples of U.S. efforts that are intended to prevent acts of piracy.

- *Maritime coalition operations*: DOD, State, industry, EU, and NATO officials cited the presence of international navies in the region as a key factor in interdicting and disrupting pirate activity. Three multinational maritime coalition operations—the Combined Task Force (CTF) 151, EU Naval Forces (EU NAVFOR) Operation Atalanta, and NATO's Operation Ocean Shield [23]— along with independent deployments from countries outside of NATO and the EU such as China, India, Japan, and South Korea have worked to protect the waters off the Horn of Africa and the Internationally Recommended Transit Corridor (IRTC).[24] U.S. involvement in these activities is primarily through participation in CTF 151 and NATO's Operation Ocean Shield. DOD and State officials stated that these operations are effective in establishing a protective force in a region that is growing its own capabilities and has allowed the United States to build new partnerships with navies from around the world.

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[23] CTF 151 is a multinational naval task force, set up in 2009 with a specific mandate to respond to piracy attacks in the Gulf of Aden and off the eastern coast of Somalia. The EU NAVFOR maintains a counterpiracy presence in the region with its Operation Atalanta CTF 465. NATO maintains its counterpiracy presence in the region with its Operation Ocean Shield CTF 508.

[24] The IRTC is a defined geographic area in which ships are protected by transiting in groups at a common speed or in a planned convoy accompanied by a military vessel.
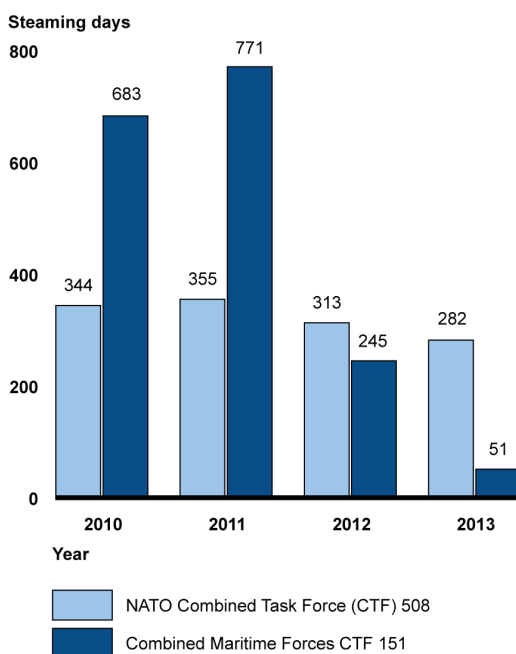
Steaming days

Source: GAO analysis of Department of Defense data. | GAO-14-422

Note: Steaming days are the days in which a naval vessel is actively patrolling the waters.

Figure 6: U.S. Naval Vessel Steaming Days in Horn of Africa Task Forces, 2010 through 2013.

- *U.S. presence*: According to Navy officials, while as of 2013 the United States no longer regularly dedicates naval vessels to CTF 151, the U.S. presence plays an important role in fostering the participation of other countries in the task force. Additionally, the Navy may task ships from other missions, such as counternarcotics or counterterrorism, into the task force on a given day or for short periods to respond in an emergency if they are the closest or most appropriate – consistent with the overarching goal of preserving safety of life at sea. The Unites States has regularly provided, from 2010 through 2014, at least one ship in support of NATO's Operation Ocean Shield counterpiracy mission. As incidents of piracy have declined off the Horn of Africa, the number of steaming days has also declined, as shown in Figure 6.

- *Disrupting pirate financing*: To help disrupt pirate revenue, the U.S. Treasury is authorized to block financial transactions of known pirate actors through the application of Executive Order 13536 when there is a nexus to U.S. inter-

ests.[25] Under this authority, Treasury may impose sanctions on individuals providing funds to known pirate actors and can block the transaction if it involves a U.S. financial institution. Officials from an insurance industry association we met with stated that ship owners can carry insurance policies that reimburse companies for ransom paid as a result of pirate attacks. According to Treasury officials, members of the U.S. and international shipping industry initially expressed concerns that the ransom paid and reimbursed by their policies could be prohibited by the executive order. Treasury officials also stated that the order has specific application, is applied on a case-by-case basis, and, as of March 2014, had not been formally applied in response to a potential ransom payment.

U.S. Efforts to Facilitate Prosecutions of Suspected Pirates

The Action Plan aims to ensure that those who commit acts of piracy are held accountable for their actions by facilitating the prosecution of suspected pirates, and in appropriate cases prosecuting pirates in the United States. Officials from DOD, State, and DOJ described several examples of how the United States plays a role in making sure pirates are brought to justice.

- *Building law enforcement capabilities*: The United States helps expand law enforcement capabilities within the region through two key efforts. The Naval Criminal Investigative Service conducts investigations and has developed a manual that provides recommendations to law enforcement agencies investigating acts of piracy at sea. Last, the United States has contributed to a piracy database administered by INTERPOL that allows law enforcement agencies to access evidence connected to piracy incidents, although U.S. investigations are primarily focused on piracy incidents with a nexus to U.S. interests.[26]

- *Judicial capacity building*: U.S. agencies have also provided piracy related judicial capacity-building assistance to countries in the region, such as Kenya and the Seychelles, for law enforcement and prosecutions. These activities have included establishing regional courts and building prisons in Somalia. Additionally, DOD, DOJ, and State have worked with international partners to ensure that pirates are tried and held accountable for their crimes by facilitating prosecution agreements. As of November 2013, among 22 nations, 1,130 Somali pirates had been detained for trial, were on trial, or had been convicted.

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[25] See Exec. Order No. 13,536, *Blocking Property of Certain Persons Contributing to the Conflict in Somalia*, 75 Fed. Reg. 19,869 (15 April 2010).

[26] INTERPOL is an intergovernmental organization made up of 190 member countries that facilitates international police cooperation. Members work together to provide targeted training, expert investigative support, relevant data and secure communications channels, among other services.

- *U.S. prosecutions*: The United States has jurisdiction to prosecute anyone who commits the crime of piracy as defined by the law of nations on the high seas and is later brought to or found in the United States.[27] U.S. government prosecutions have resulted in the conviction of at least 28 Somali pirates since 2010. In 2010, five men from Somalia were convicted of piracy and related offenses by a federal jury in what, according to DOJ officials, is believed to be the first piracy trial conviction in the United States since 1820 and is seen as the first in a series of government prosecutions aimed at slowing the spread of piracy off of Africa. In February 2013, a federal jury found five Somalis guilty of engaging in piracy and other offenses in connection with the attack on the Navy ship the USS Ashland. Additionally, in November 2013, a Somali pirate involved in the shooting of four Americans aboard a yacht off the coast of Somalia during a failed kidnapping attempt was sentenced to 21 life sentences for his role in their deaths.[28] Also, DOD, State, and DOJ officials stated that these prosecutions send a message that piracy carries serious consequences and may serve as a deterrent to others involved in piracy. However, DOJ and State officials told us that, especially in cases where the hijacked vessel or crew has little or no connection to the United States, a more appropriate role for the United States would be to provide technical assistance to other countries in prosecuting pirates.

Appendix III provides a summary of the three lines of action and specific activities in the Action Plan. DOD, State, U.S. Coast Guard, DOJ, DOT, and the Treasury attribute the decline in piracy attacks to the collective implementation of these actions. Officials from these agencies noted that the efforts of governments and the industry practices work together to reduce vulnerabilities and prevent attacks. DOD, State, EU, and NATO naval officials as well as officials from the eight shipping industry associations we interviewed cautioned that discontinuing counterpiracy efforts could provide opportunities for piracy to resurge off the Horn of Africa. They stated that piracy off the Horn of Africa is a crime of opportunity driven by economic conditions in Somalia that have not been addressed. They noted that the practices in place have reduced the likelihood of a successful pirate attack by increasing the risk but the capability and motivation of pirates have not changed.

The U.S. Action Plan Has Not Been Updated as We Recommended in 2010

The Action Plan was published in December 2008 when piracy off the Horn of Africa was on the rise but has not been updated, as we recommended in 2010, to reflect changing dynamics in piracy, such as industry's use of armed security teams or the sharp decline in piracy incidents, or to implement recommendations we previously made to include elements of a strategic approach. The Action Plan was developed to

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[27] See 18 U.S.C. § 1651.

[28] In total, this prosecution resulted in the conviction of three pirates and guilty pleas from 11 others, all resulting in sentences of at least life imprisonment.

identify and implement measures to suppress pirate activity off the Horn of Africa. Its intent was to respond to the growing threat and be mutually supportive of longer-term initiatives aimed at establishing governance, rule of law, security, and economic development in Somalia. In September 2010, we reviewed the Action Plan, which implements the *National Strategy for Maritime Security*[29] and the *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea*[30] as applied to piracy off the Horn of Africa. At that time, we found that the Action Plan had not been revised to reflect adapted piracy tactics and did not designate which agencies should lead or carry out most activities.[31] Additionally, we found that the National Security Council Staff (NSCS) did not fully include characteristics of a strategic approach in the Action Plan, such as measures to evaluate the effectiveness of U.S. resources applied to counterpiracy, the identification of roles and responsibilities, or the cost of U.S. activities relative to the benefits they achieved.[32]

As a result, in September 2010 we recommended that the NSCS, in collaboration with the Secretaries of Defense, State, Homeland Security, Transportation, and the Treasury, as well as the Attorney General: (1) reassess and revise the Action Plan to better address evolving conditions off the Horn of Africa and their effect on priorities and plans; (2) identify measures of effectiveness to use in evaluating U.S. counterpiracy efforts; (3) direct the Counter-Piracy Steering Group to identify the costs of U.S. counterpiracy efforts including operational, support, and personnel costs; and assess the benefits, and effectiveness of U.S. counterpiracy activities; and (4) clarify agency roles and responsibilities and develop joint guidance, information-sharing mechanisms, and other means to operate across agency boundaries for implementing key efforts such as strategic communication, disrupting pirate revenue, and facilitating prosecu-

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[29] The *National Strategy for Maritime Security* was created pursuant to National Security Presidential Directive NSPD-41/Homeland Security Presidential Directive HSPD-13 (21 December 2004) and identified piracy as a threat the strategy intended to address.

[30] The *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea* states that it is the policy of the United States to repress piracy through, among other actions, "continu[ing] to lead and support international efforts to repress piracy and urge other states to take decisive action both individually and through international efforts."

[31] An assessment of progress made in implementing the Action Plan as of September 2010 can be found in GAO-10-856, p. 19.

[32] We developed the characteristics of a strategic approach after our research examining legislative and executive mandates, including the Government Performance and Results Act of 1993; general literature on strategic planning and performance; and guidance from the Office of Management and Budget on the President's Management Agenda, found that there were no legislative or executive mandates identifying a uniform set of required or desirable characteristics for national strategies. Some of these characteristics include 1) a statement of purpose, scope, and methodology, 2) problem definition, 3) goals, priorities and performance measures, 4) costs and risk management, 5) roles, responsibilities, and coordination mechanisms, and 6) integration with other strategies. For a more detailed discussion, see *Combating Terrorism: Evaluation of Selected Characteristics in National Strategies Related to Terrorism*, GAO-04-408T (Washington, D.C: GAO, 3 February 2004).

tion.[33] Since we issued our report in 2010, conditions have continued to change off the Horn of Africa in many ways since the Action Plan was developed in 2008. However, as of June 2014 the NSCS had not fully implemented the four recommendations from our September 2010 report as summarized in Table 2.

- In commenting on a draft of this report, an NSCS official stated that the Action Plan is being updated through a global action plan, with a separate annex focusing on the Horn of Africa, but did not indicate whether the plan would include all of the elements in our recommendations. We continue to believe our recommendations have merit and should be implemented. While conditions affecting piracy have continued to evolve in the Horn of Africa since 2010, the 2008 Action Plan continues to guide U.S. efforts. Officials from each of the six agencies engaged in counterpiracy activities noted that current efforts are suppressing piracy off the Horn of Africa, but the results are tenuous and piracy could resurge without addressing its root causes. The Action Plan was developed at a time when U.S. policy focused on addressing problems in the absence of a functioning government in Somalia and without involving a U.S. presence in the country. With U.S. agencies and industry both having limited resources available for counterpiracy activities, we continue to believe that implementing our recommendations would be of value in understanding the costs and benefits and measuring the effectiveness of U.S. counterpiracy efforts. DOD, Coast Guard, DOJ, and State officials, as well as shipping industry officials, noted that the suppression of piracy has been based on a combination of government and industry counterpiracy activities, particularly the use of armed security teams on private vessels and the presence of naval patrols. However, U.S. agencies do not assess how industry practices and government resources could potentially offset each other's roles and associated costs.[34] As we concluded in September 2010, in an environment where government resource decisions directly affect costs incurred by the shipping industry and international partners, balancing risk reduction and benefits with costs should be emphasized.

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[33] Our recommendations were made to the National Security Staff which changed its name to the National Security Council Staff pursuant to Executive Order 13657, dated February 10, 2014.

[34] See appendix IV for a description of DOD counterpiracy costs, 2010 through 2013.

Table 2: Update on Recommendation Implementation since September 2010

2010 Recommendation	Update since 2010
Reassess and revise the Action Plan to better address evolving conditions off the Horn of Africa and their effect on priorities and plans	Action Plan not updated. In September 2010, we recommended that the NSCS update the Action Plan because piracy was increasing and pirate tactics were changing. Since that time, conditions have continued to evolve off the Horn of Africa. Industry has made frequent use of embarked armed security teams. An internationally-recognized Somali federal government was established in August 2012 and responsibility for strategic communication was transferred to it. Piracy declined sharply in 2012 and 2013. EU NAVFOR and NATO counterpiracy operations off the Horn of Africa are set to expire by the end of 2016. State officials recognize that an updated Action Plan is needed and have provided input to the NSCS, but as of March 2014 they had not received guidance from the NSCS regarding any changes to counterpiracy plans or efforts. In commenting on a draft of this report, an NSCS official stated that a global action plan is being developed, with a separate annex focusing on the Horn of Africa and was expected to be issued in the summer of 2014.
Identify measures of effectiveness to use in evaluating U.S. counterpiracy efforts	Measures not established to assess counter piracy efforts. In September 2010, we recommended that the NSCS include measures of effectiveness in the Action Plan to provide direction for counterpiracy activities and information that could be used in strategic and resource-based decisions. During the course of this review, State officials told us the key measures are the number of hostages and ships hijacked, but they have not established formal measures and their decisions are generally guided by discussions rather than formal assessments. However, this information does not provide insight into which efforts are having the greatest effect in suppressing piracy.
Direct the Counter-Piracy Steering Group to identify the costs of U.S. counterpiracy efforts including operational, support, and personnel costs; and assess the benefits, and effectiveness of U.S. counterpiracy activities	U.S. counterpiracy costs and benefits not fully tracked. In September 2010, we reported that the United States is not collecting information to determine the most cost-effective mix of counterpiracy activities. During the course of this review, we obtained information from agencies identifying some costs related to their counterpiracy efforts. For example, the costs of counterpiracy efforts incurred by DOD peaked in 2011 at approximately $ 275 million but have declined to approximately $ 70 million in 2013.[a] State tracks funds used to operate its counterpiracy and maritime security functions, as

	well as foreign assistance provided to African countries. However, most agencies do not systematically track the costs of counterpiracy efforts or activities because these efforts and activities typically fall under a broader maritime security category. Further, the Counter-Piracy Steering Group has not identified the benefits of the various counterpiracy activities relative to their costs and resources.
Clarify agency roles and responsibilities and develop joint guidance, information-sharing mechanisms, and other means to operate across agency boundaries for implementing key efforts such as strategic communication, disrupting pirate revenue, and facilitating prosecution	Agency roles and responsibilities defined for some tasks. In September 2010, we reported that agencies had made less progress in implementing action items in the Action Plan that involved multiple agencies than those that were the responsibility of one specific agency. Since that time, U.S. agencies have defined roles and responsibilities for applying the Maritime Operational Threat Response (MOTR) process to piracy incidents involving U.S. interests.[b] DOJ officials stated that the NSCS has also identified roles and responsibilities for transporting pirate suspects for prosecution. However, the NSCS has not established roles and responsibilities across all activities outlined in the Action Plan.

Source: GAO analysis of DOD, DHS, DOJ, State, Treasury, and NSCS information. | GAO-14-422

[a] The costs include naval and air patrols, as well as contracted linguists.

[b] The MOTR is a separate presidentially approved Plan to achieve a coordinated U.S. Government response to threats against the United States and its interests in the maritime domain. The MOTR Plan contains operational coordination requirements to ensure quick and decisive action to counter maritime threats.

U.S. Efforts Aim to Address Piracy and Maritime Security in the Gulf of Guinea, but an Assessment Would Help Inform Efforts and Determine the Need for Additional Actions

Piracy and Maritime Crime in the Gulf of Guinea is an Ongoing Problem, although Recent Incidents May Indicate Evolving Tactics and Capabilities

Piracy and maritime crime, primarily armed robbery at sea, oil theft, and kidnapping, is a persistent problem that continues to contribute to instability in the Gulf of Guinea. According to ONI data, incidents of piracy and maritime crime in the Gulf of Guinea rose from nearly 60 in 2010 to over 100 in 2011, and totaled more than 110 in 2013, as shown in figure 7. According to this data, incidents in 2013 included 11 vessel hijackings and 32 kidnappings. According to officials from AFRICOM, ONI, State, and the IMO, this recent rise in piracy and maritime crime in the Gulf of Guinea is part of a long-standing, persistent problem in the region. For example, according to DOD officials, the Gulf of Guinea was the most active region in the world for piracy in 2007, prior to the rise in pirate activity off the Horn of Africa. According to the IMB, the number of vessel reported incidents in the Gulf of Guinea from 2007 through 2009 is

similar to that of 2011 through 2013.[35] IMO officials added that, while the reported incidents indicate an ongoing, persistent problem, the number and frequency of incidents do not yet rise to the epidemic proportions that were seen off the Horn of Africa.
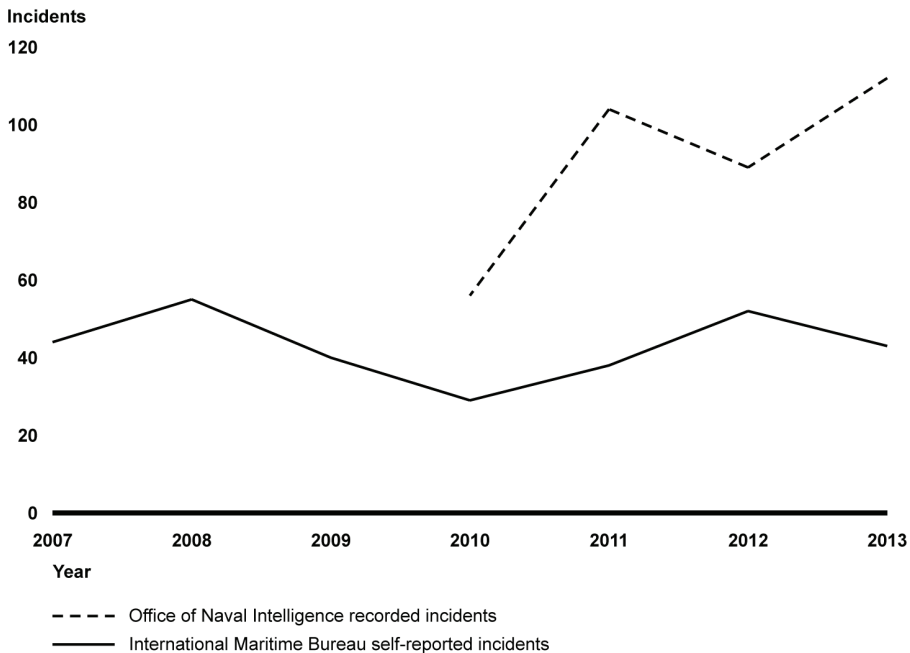
Source: GAO analysis of International Maritime Bureau and Office of Naval Intelligence data. | GAO-14-422

Notes: ONI data is aggregated from multiple data sources (e.g., open source data such as media reports, IMB information, and all-source intelligence) and corroborated with other U.S. agencies and information. However, according to ONI officials, similar ONI data prior to 2010 is not available. IMB data is based on self-reporting by vessels and companies operating in the area made directly to IMB. According to DOD, State, industry, and IMB officials, there are several reasons for the variation between the two sets of data, including differences in categorization of incidents, validation of sources, under reporting, and differences in geographic scope. A discussion of the data used in this report can be found in appendix I.

Figure 7: Incidents of Piracy and Maritime Crime in the Gulf of Guinea, 2007 through 2013.

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[35] As shown in Figure 7, IMB reports a dip in incidents in the Gulf of Guinea in 2010. The United Nations Office on Drugs and Crime and the U.S. Energy Information Administration reported that a contributing factor to this decline was the 2009 amnesty and subsequent ceasefire between the Nigerian government and Niger Delta militants who had previously been responsible for attacks on the oil industry, to include kidnappings, acts of piracy, and attacks on pipelines and other oil facilities. However, according to the Energy Information Administration as well as State officials, delayed progress in implementing some of the conditions of the amnesty has in turn contributed to increased oil theft and other attacks in recent years.

According to the U.S. Strategy to Combat Transnational Organized Crime and information from the U.S. Energy Information Administration, as well as the UN Security Council, piracy and maritime crime pose a threat to regional commerce and stability in the Gulf of Guinea. For example, according to the U.S. Energy Information Administration, while Nigeria has the second largest amount of proven crude oil reserves in Africa, as of December 2013, exploration activity there was at its lowest levels in a decade as a result of rising security problems related to oil theft, onshore pipeline sabotage, and piracy and maritime crime in the Gulf of Guinea, as well as other investment and government uncertainties.

Moreover, incident data since 2010 shows that piracy is moving farther off shore, prompting concerns that these trends may continue. According to officials from AFRICOM, ONI, and State, and according to IMB data as shown in Figure 2 of this report, Gulf of Guinea piracy and maritime crime prior to 2011 have generally occurred in the coastal areas near Lagos or off the Niger Delta. However, recent attacks have taken place farther away from the waters off Nigeria, demonstrating a broader reach of pirates, as well as increasing the number of coastal states involved. For example, since 2011, several tanker hijackings were reported farther west than previously observed, off Togo and Cote d'Ivoire, according to ONI officials. Further, a July 2013 tanker hijacking off the coast of Gabon, and a similar incident off Angola in January 2014 represent, as of March 2014, the southernmost occurrences in which vessels were hijacked and sailed to Nigeria to offload the stolen oil cargo. According to AFRICOM officials, the ability to conduct such hijackings, which involve difficult maneuvering of large vessels across swaths of open water while conducting oil bunkering operations, illustrates that these maritime criminals may be increasingly capable of complex and long-range operations.[36]

The types of piracy and maritime crime in the Gulf of Guinea fluctuate from theft of petroleum products and other cargo to include a greater proportion of kidnappings for ransom. According to ONI and AFRICOM officials, while the total number of incidents has remained relatively constant since 2011, they have observed a recent increase in the proportion of kidnappings. Specifically, incidents of kidnapping increased from 14 incidents (or 16 percent of attacks) in 2012, to 32 incidents (or 29 percent of attacks in 2013), as shown in Figure 8.[37] Further, combined with the higher levels of violence

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[36] Oil bunkering is the process of offloading oil from one vessel onto another vessel.

[37] In the context of this report and data reported by ONI and IMB, kidnappings refer to those that have occurred, or were reported to have occurred. According to ONI and AFRICOM officials, such incidents would include scenarios in which oil industry personnel or others were kidnapped from offshore supply vessels or platforms and held for ransom, such as the case of the two U.S. oil industry personnel taken from the *C-Retriever* in October 2013 off the coast of Nigeria. However, according to AFRICOM and Naval Forces – Africa officials, kidnappings conducted against the oil industry, including those perpetrated by Nigerian militants over the last decade, also include onshore kidnappings, or kidnappings within the inland waters and river ways of the Niger Delta. Onshore or inland kidnappings are generally not included in this data, and ONI officials said they take steps to validate the data they

seen in the Gulf of Guinea as compared to the Horn of Africa, MARAD, State, and all eight of the shipping industry association officials we interviewed expressed that the increasing prevalence of kidnappings is a cause for concern.
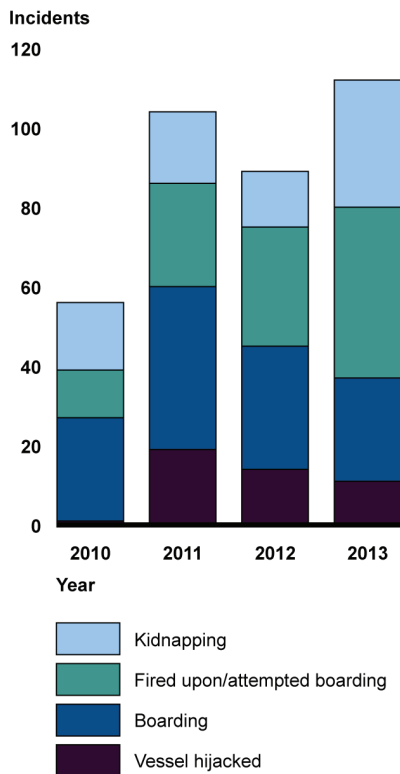
Incidents

Source: GAO analysis of Office of Naval Intelligence data. | GAO-14-422

Figure 8: Types of Piracy and Maritime Crime Incidents in the Gulf of Guinea, 2010 through 2013.

report. However, ONI officials told us that some selfreported or other data may unintention-ally include such incidents.

The United States Has Ongoing Efforts to Strengthen Maritime Security in the Gulf of Guinea

According to AFRICOM officials, the objective of building partner capacity in the Gulf of Guinea, including strengthening maritime security, has long been part of U.S. military and diplomatic efforts in the region, even though the United States and international partners do not generally conduct naval patrols such as those conducted off the Horn of Africa.[38] For example, AFRICOM has conducted training and other efforts to strengthen regional security, including combating piracy and maritime crime, since its creation in 2008. According to AFRICOM, State, and U.S. Coast Guard Officials, while U.S. efforts in the Gulf of Guinea are informed by the region's specific geopolitical context, they also include efforts aimed to improve the prevention, disruption, and prosecution of piracy and maritime crime.

U.S. Efforts to Prevent Acts of Piracy and Maritime Crime

According to State and DOD officials, providing a permanent U.S. or international interdiction presence in the region is impractical because foreign nations do not have the authority to conduct military operations in another sovereign nation's territory and the need for limited naval resources to address other strategic priorities. However, as in the Horn of Africa, a variety of U.S. efforts are underway to help prevent acts of piracy and maritime crime in the Gulf of Guinea, including in the following areas:

- *Coordination of international activities and assistance*: According to DOD and State officials, facilitating collaboration and avoiding duplication is important to U.S. and international partners. To help achieve this, and in recognition of increasing concern in the region, an ad hoc Group of Eight (G8) group called the G8++ Friends of the Gulf of Guinea was established to conduct high-level coordination and discussion of international assistance efforts.[39] Further, State and AFRICOM officials said that as part of their planning process, AFRICOM holds planning conferences to solicit input from international partners, coordinate activities, and leverage resources. All U.S. officials we spoke with agreed that while the establishment of the Contact Group for the Horn of Africa was helpful in the absence of a functioning Somali government, in the case of the Gulf of Guinea, solutions must emerge from the region itself, and the role of the international community is to support and promote African-led initiatives. For example, the U.S., through DOD and State, has supported and facilitated the efforts of the two relevant African

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[38] Maritime security activities in the Gulf of Guinea are primarily conducted by DOD and State, while others such as U.S. Coast Guard and MARAD also play a role.

[39] Since 1997, the G8 has been a forum for the governments of eight of the world's largest national economies – Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States. In March 2014 it was announced that Russia would no longer take part in the international group; however, it is unknown how this will effect G8-related organizations.

economic communities—the Economic Community of West African States (ECOWAS), and the Economic Community of Central African States (ECCAS)—to develop and lead efforts to prevent and suppress piracy. For example, according to AFRICOM and State officials, AFRICOM and respective U.S. embassies supported the recent development of a code of conduct concerning the prevention of piracy, armed robbery, and other maritime crime, which was signed in June 2013 by leaders of the Gulf of Guinea coastal states.

- *Security advisories for U.S. vessels and ship protection measures*: MARAD provides security advisories to alert U.S. vessel operators transiting all over the world, and in August 2008, MARAD issued a maritime advisory warning of piracy and criminal activity against oil industry and other vessels by Niger Delta militants in Nigerian territorial waters. Additionally, in August 2010, MARAD warned that vessels operating near oil platforms in Nigerian waters were at high risk of armed attacks and hostage taking, and advised vessels to act in accordance with Coast Guard directives on security plans and risk assessments. Further, in March 2012, shipping industry organizations in coordination with NATO issued interim guidelines for protection against piracy in the Gulf of Guinea as a companion to their August 2011 BMP version 4 for the Horn of Africa region. Most recently, in July 2013, the U.S. Coast Guard directed U.S. vessels to revise their ship security plans and protective measures in response to continued attacks and lessons learned from investigations of recent incidents, including hijacking tankers for oil theft, acts of robbery, and kidnapping for ransom of vessel masters and officers from offshore oil exploration support vessels.

U.S. Efforts to Disrupt Acts of Piracy and Maritime Crime

Unlike off the coast of Somalia, where agreements authorize international forces, including the United States, to disrupt pirate attacks in territorial waters and dismantle pirate bases ashore, every Gulf of Guinea country possesses the sovereign rights to control its maritime and land borders. Accordingly, the U.S. role and the majority of its efforts pertain to training, security assistance, and coordination, including the following activities:

- *Bilateral equipment and training assistance to navies and coast guards*: According to IMO, DOD, and State officials, the development of regional countries' naval capabilities is critical to successfully fighting piracy and maritime crime in the Gulf of Guinea. Further, DOD officials told us that regional navies have either nascent or insufficient national maritime forces to independently combat the crime that occurs off their coasts, let alone that which may occur farther out to sea. To increase capabilities for regional maritime forces, State, in coordination with DOD, provides bilateral assistance and training to countries in the region. This includes approximately $ 8.5 million since 2010 in equipment and related training (e.g., vessels, engines, and maintenance training and parts) provided to countries in the greater Gulf of Guinea region

to help build their maritime forces, according to State officials.[40] Additionally, according to State budget documents, since 2010, State has used its Africa Maritime Security Initiative to provide regional maritime security training and support through the DOD's Africa Partnership Station and requested $2 million for this effort in fiscal years 2013 and 2014.[41]

- *Training exercises to strengthen regional response capabilities*: In addition to equipment and training to build countries' maritime forces, AFRICOM and its naval component, U.S. Naval Forces – Africa provide multilateral training to improve regional maritime security operations capability, such as navy-to-navy exercises focused on maritime interdiction operations and response. For example, the annual Obangame Express exercise is a multi-country, multi-fleet exercise that implements various scenarios over several days. Begun as a proof of concept in 2010 with limited countries and vessels involved, the objectives of Obangame Express conducted in February 2013, according to AFRICOM, were focused on information sharing and interoperability among 10 Gulf of Guinea countries, the ECCAS Combined Maritime Center, ECOWAS, as well as the United States and 4 international partners. The exercises involve combating and responding to various scenarios including oil bunkering, trafficking illegal cargo, illegal fishing, and piracy, and AFRICOM officials stated that future exercises already have commitments of expanded international and regional participation.

U.S. Efforts to Support Prosecution of Suspected Pirates and Maritime Criminals

According to the Action Plan, facilitating the prosecution and detention of pirates off the Horn of Africa is a central element of U.S. efforts to combat piracy in the region. However, as previously noted, the majority of Gulf of Guinea maritime crimes occur

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[40] According to State officials, this amount includes completed assistance programs with appropriated funding from fiscal years 2010 through 2013; it does not include funding requests for fiscal year 2014 or activities with 2010 through 2013 funding that have not been fully executed. Additionally, State and AFRICOM officials said that their relevant Gulf of Guinea regional maritime security efforts, such as those provided through Africa Partnership Station, include West Africa countries not technically within the Gulf of Guinea.

[41] Africa Partnership Station, directed by AFRICOM and administered through U.S. Naval Forces – Africa, is the platform through which U.S. maritime security assistance—including that through State and Coast Guard—is provided to Africa. According to Naval Forces–Africa program documents, the fundamental purpose is to foster safety and security at sea to help promote prosperity and development ashore, and its broad areas of effort include combating trafficking in North and West Africa, securing energy infrastructure and maritime transportation in the Gulf of Guinea, and countering Somalia-based piracy. AFRICOM officials stated this effort has grown from an individual U.S. training effort to a coordinated, international set of activities. For example, according to Naval Forces – Africa, in 2013 all ship contributions for Africa Partnership Station activities were from partner nations.

within the territorial waters of one or more country and as a result are under their legal jurisdiction. As such, the U.S. role in prosecuting suspected criminals, like its role in prevention and disruption of attacks, is one of support and capacity building, such as the following efforts:

- *Maritime law enforcement training and prosecution*: According to DOD, State, and U.S. Coast Guard officials, much of the training the United States provides to maritime law enforcement in the Gulf of Guinea is similar to that provided in the Horn of Africa, and is used to combat a variety of crimes, such as narcotics trafficking, arms smuggling, human trafficking, and illegal fishing, as well as piracy. For instance, in West Africa, AFRICOM and the Coast Guard provide training including visit, board, search, and seizure skills and mentorship through the African Maritime Law Enforcement Partnership (AMLEP) program, which aims to strengthen countries' abilities to enforce their maritime laws. AMLEP targets illicit trafficking in drugs, arms, and humans, as well as counterpiracy issues and illegal fishing, and the program has resulted in the successful seizure and prosecution of illegal fishermen by African law enforcement officers in African waters, according to AFRICOM officials.

- *Judicial capacity building*: State's Bureau of International Narcotics and Law Enforcement (INL) has conducted a series of regional maritime criminal justice seminars. Specifically, INL and the Africa Center for Strategic Studies have hosted a series of Trans-Atlantic Maritime Criminal Justice Workshops, which provide an opportunity for regional law enforcement agencies to learn about maritime crime and related gaps in their judicial systems. This series of conferences included a June 2013 session for ECOWAS countries in Ghana, with the other conferences held in February 2013 in Cape Verde and February 2014 in Benin. Additionally, according to State officials, in 2013 the agency began discussions with the G8++ Friends of Gulf of Guinea to develop possible future U.S. programs to strengthen regional countries' capacity to investigate and prosecute cases of armed robbery at sea and piracy.[42]

The United States Has Not Assessed Piracy and Maritime Crime in the Gulf of Guinea

According to DOD and State officials, U.S. efforts to combat piracy and maritime crime in the Gulf of Guinea are guided by the same over-arching U.S. policies and security goals as the efforts to combat piracy off of the Horn of Africa. These policies include the 2007 *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea*, the 2011 *Strategy to Combat Transnational Organized Crime*, the 2012

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[42] The United States also engages in a variety of judicial sector reform and bilateral governance programs intended to strengthen national judicial systems in Nigeria and other countries in the region, which includes but is not specifically aimed toward maritime law enforcement and prosecution capabilities, according to State officials.

Strategy toward Sub-Saharan Africa, the 2012 *National Strategy for Maritime Security*, and the 2013 *National Maritime Domain Awareness Plan*. For example, the Strategy to Combat Transnational Organized Crime outlines East and West African maritime security as regional priorities, specifically noting incidents of Somali piracy and oil theft and kidnapping of oil workers in the Gulf of Guinea. DOD and State officials emphasized that U.S. efforts are then developed in consideration of the particular contexts of each region. In the case of Somalia, the surge and intensity of the rising piracy problem, the specific nature of the crime, and the absence of a functioning government presented a crisis that warranted collective international action, as well as a U.S. plan to guide its contribution to this response. Alternatively, State, DOD, and Coast Guard officials we spoke with explained that because the context of maritime crime in the Gulf of Guinea, and thereby the U.S. efforts there, encompass a broader set of geopolitical issues and maritime crimes, creating a piracy-focused plan similar to the Action Plan in the Horn of Africa may not be appropriate.

While there is not a whole-of-government plan to guide maritime security efforts in the Gulf of Guinea, DOD, State, Coast Guard, and others continue to expand and coordinate their maritime security activities there, which range from individual boarding team trainings to broad judicial sector reform. DOD and State officials told us that as the United States and international partners look to expand efforts in the Gulf of Guinea, coordinating activities to achieve the most effective mix and efficient use of resources is increasingly important. For example, officials from U.S. Naval Forces – Africa stated that occasional duplication of training activities can happen, particularly as international partners increase their attention to the region. However, according to officials from the U.S. government agencies working in the region, the NSCS has not directed them to conduct a collective assessment of efforts to combat piracy and maritime crime that weighs the U.S. security interests, goals, and resources in the region against the various types of agency and international activities underway. Moreover, while individual agencies have conducted analysis regarding the incidents of piracy and maritime crime such as armed robbery and kidnapping in the region, there has not been a coordinated interagency appraisal of how the variety of existing and planned activities address U.S. policy objectives in the context of such a broad set of maritime crimes, from illegal fishing and oil theft, to arms trafficking and kidnapping of U.S. citizens from offshore supply vessels.

The *National Maritime Domain Awareness Plan* cites the importance of understanding new and emerging maritime challenges in the maritime domain, the development of solutions to address those challenges, and continuous reassessment using risk management principles. Further, the *Strategy to Combat Transnational Organized Crime* outlines a specific set of U.S. priority actions to combat transnational criminal threats such as piracy and maritime crime, one of which is to increase research, data collection, and analysis to assess the scope and impact of such crime and the most effective means to combat it.

Individual agencies may include some assessment information into their planning and evaluation processes but this information is specific to agencies and programs rather than the overall U.S. effort. For example, according to AFRICOM officials, it

uses available information to assess the operating environment, such as demographic surveys, to develop indicators to help measure program effectiveness, or it may conduct an assessment of a partner country's naval capabilities to inform program design. However, the chief of the AFRICOM assessments directorate said this assessment process is relatively new for the command, and there are no known interagency efforts to leverage this information into a broader assessment of U.S. maritime security or counterpiracy efforts. Additionally, according to State officials from the Political-Military Affairs Bureau, while individual programs such as State's foreign military financing or other security assistance activities may conduct evaluations of their programs, it is not part of a broader assessment of State's regional maritime security activities.

Program guidance for other multi-agency international collaborative efforts—such as providing counternarcotics assistance to countries to disrupt drug production and trafficking—has also shown that assessing agencies' progress in meeting established goals can provide better information for decision making. Guidance for these efforts demonstrates how incorporating elements of a strategic approach such as evaluating performance measures and setting performance targets can provide oversight and guide management decisions about the allotment of program resources.[43] If a multi-agency collaborative plan, such as the Action Plan, was developed for the efforts that address piracy and maritime crime in the Gulf of Guinea, including elements of a strategic approach could help determine the best use of resources to meet its objectives.[44]

An assessment that identifies the various U.S. and international efforts underway to strengthen maritime security, examines the relationship of these efforts with the nature and scope of the problem in the region, and considers the geopolitical environment and other regional factors could help strengthen ongoing efforts to combat maritime crime, as well as inform the appropriate mix of activities in order to use resources most effectively. Further, such an assessment could help determine whether additional actions, such as developing an action plan or other guidance, is needed to align U.S. interagency efforts to better achieve national security goals. In commenting on a draft of this report, an NSCS official stated that a global action plan is being developed, with a separate annex focusing on the Gulf of Guinea, but did not indicate the extent to which the plan was based on an assessment of ongoing activities or would include elements of a strategic approach.

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[43] GAO, *Counternarcotics Assistance: U.S. Agencies Have Allotted Billions in Andean Countries, but DOD Should Improve Its Reporting of Results*, GAO-12-824 (Washington, D.C.: GAO, 10 July 2012).

[44] GAO-10-856. Elements of a strategic approach that could benefit such a plan include those previously recommended for the Action Plan to combat piracy off the Horn of Africa including defined agency roles and responsibilities; measurable goals and objectives linked to agency activities; a mechanism to assess the collective effectiveness, costs, and benefits of U.S. interagency activities; and a process to revise the plan as necessary to address evolving conditions, assessments of U.S. efforts, and priorities.

Conclusions

Since our September 2010 report on piracy off the Horn of Africa, the U.S. Government—as part of an international partnership—has continued to take steps outlined in the Action Plan to counter piracy. In 2013, piracy steeply declined off the Horn of Africa, but the gains are tenuous and piracy could easily resurge if the international coalition becomes complacent. Whether piracy incidents are rising or declining, it is important for the Action Plan to be updated to account for current circumstances. In addition, our current work indicates that the U.S. Government has not implemented additional steps we recommended to identify measures of effectiveness, identify costs and benefits, and clarify agency roles and responsibilities. We are not making any new recommendations regarding the Action Plan for the Horn of Africa, but we continue to believe that our 2010 recommendations remain relevant to the changing conditions, and acting on these recommendations would assist the NSCS—and DOD and State as the co-chairs of the Counter-Piracy Steering Group—in better assessing, planning, and implementing actions to counter piracy as it continues to evolve, and would help ensure that recent progress is sustained.

Meanwhile, piracy and maritime crime in the Gulf of Guinea has escalated and in 2013 surpassed the Horn of Africa in terms of incidents. The variety of U.S. efforts by multiple government agencies to combat piracy in the region highlights the importance of having coordinated activities that combine the most effective mix of resources. Without a collective assessment of the scope and nature of the problem of piracy and maritime crime, particularly in the Gulf of Guinea where no such collective assessment has occurred, the U.S. may not be coordinating its efforts in the most effective or cost efficient manner. An assessment of the various U.S. and international efforts, as well as of the geopolitical environment and other regional factors could help determine what additional actions are needed to align all of the efforts underway. Furthermore, an assessment of whether and to what extent such actions, such as developing an action plan that would include elements of a strategic approach, is needed can guide decision making to address the evolving threat, coordinate resources and efforts, and prioritize maritime security activities in the Gulf of Guinea.

Recommendations for Executive Action

To help ensure that efforts to counter piracy and maritime crime are coordinated and prioritized to effectively address the evolving threat, we recommend that the Assistant to the President for National Security Affairs, in collaboration with the Secretaries of Defense and State, work through the Counter-Piracy Steering Group or otherwise collaborate with the Secretaries of Homeland Security, Transportation, and the Treasury, and the Attorney General to

- conduct an assessment of U.S. efforts to address piracy and maritime crime in the Gulf of Guinea to inform these efforts and

- determine whether additional actions to address counterpiracy and maritime security, such as developing an action plan that includes elements of a strategic approach, are needed to guide and coordinate activities.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD, DHS, DOJ, State, DOT, Treasury and the NSCS for review and comment. DHS, DOJ, DOT, and Treasury did not provide official comments on our draft report and DOD and State deferred to the NSCS for comments on the recommendations. In an email from the NSCS dated June 12, 2014, the NSCS did not concur or non-concur with our recommendations, but provided information related to its current counterpiracy efforts.

Specifically, the NSCS stated that it is coordinating with departments and agencies through the interagency process to develop a global action plan for countering piracy, with separate annexes focusing on the Horn of Africa and the Gulf of Guinea. The updated plan will provide guidance to the federal government focusing on three core areas including: prevention of attacks, response to acts of maritime crime, and enhancing maritime security and governance. The plan will be forthcoming in the summer of 2014 and the Executive Branch will continue to evaluate maritime crime around the world and develop or refine guidance to account for evolving conditions in specific regions.

We are encouraged by the steps being taken by the NSCS in providing the federal agencies responsible for counterpiracy activities with an updated plan, but it is not clear to what extent the plan will include previously recommended elements of a strategic approach. The description of the plan appears to provide a needed update to the Action Plan given the changes in conditions off of the Horn of Africa. The updated plan also appears to be responsive to part of our recommendation to consider additional actions such as developing a similar plan for the Gulf of Guinea. However, the description of the plan does not address the extent to which it will include elements such as an assessment of costs and benefits, measures of effectiveness to evaluate counterpiracy efforts, and defined roles and responsibilities for the agencies involved in carrying out counterpiracy activities. Further, the description does not address the extent to which the updated plan is based on an assessment of ongoing counterpiracy activities in the Gulf of Guinea. We will monitor the situation and review the updated plan once it is released and will continue to monitor the NSCS's progress in planning and providing guidance for counterpiracy activities as well as DOD and State's progress in implementing the plan as co-chairs of the Counter Piracy Steering Group.

DOD, DHS, and DOJ provided technical comments on a draft of this report which have been incorporated as appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies of this report to the Assistant to the President for National Security Affairs; the Attorney General; the Secretaries of Defense, Homeland Security, State,

Transportation, and the Treasury; and other interested parties. In addition, the report will be made available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have any questions about this report, please contact either Stephen L. Caldwell at (202) 512-9610 or CaldwellS@gao.gov or Chris P. Currie at (404) 679-1875 or CurrieC@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are found in Appendix V.

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Director, Homeland Security and Justice

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Appendix I: Objectives, Scope, and Methodology

This report assesses how piracy off the Horn of Africa has changed since 2010 and describes U.S. efforts to assess its counterpiracy actions, given any changing conditions, and identifies trends in piracy and maritime crime in the Gulf of Guinea and U.S. efforts to address them and evaluates the extent to which the United States has assessed its counterpiracy efforts in the Gulf of Guinea.

To assess how piracy off the Horn of Africa has changed since 2010, we analyzed data from the International Chamber of Commerce's International Maritime Bureau (IMB) and the U.S. Office of Naval intelligence (ONI) on reported piracy incidents, hostages taken, and ransoms paid off the Horn of Africa from 2008 through 2013.[45] We discussed data-collection methods, processes for data entry, and the steps taken to ensure the reliability of the data with both IMB and ONI officials. We collected information from both IMB and ONI on their processes for quality control, data verification, and how potential errors are identified and corrected. We also discussed variation between IMB and ONI data with officials from ONI and other Department of Defense (DOD) organizations, the Department of State (State), and IMB, who attributed differences in categorization of incidents, validation of sources, and geographic scope to the variation.[46] Officials stated that while values between ONI and IMB data may differ, IMB is a generally accepted data source for tracking global piracy incidents and suitably reflects general historical trends.[47] We determined the data to be sufficiently reliable for the purposes of describing the context, trends, and scope of pirate attacks off the Horn of Africa in this report. In addition, we met with U.S. agency officials, international partners, and representatives from insurance, shipping, and private security industry associations to discuss their involvement in counterpiracy activities such as developing best practices for protecting ships from pirate attack, working with the international Contact Group on Piracy off the Coast of Somalia, and participating in naval

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[45]   The IMB collects its data on piracy incidents through its Piracy Reporting Centre. According to the IMB, the primary functions of the center are: to be a single point of contact for ship masters anywhere in the world who are under piratical or armed robbery attack; to immediately relay information received to local law enforcement agencies requesting assistance; and to immediately broadcast the information to all vessels in the region in order to increase overall domain awareness.

[46]   We reviewed unclassified ONI data that is aggregated from multiple information sources (e.g., all-source data such as company- or vessel-provided information, media reports, and IMB data, as well as other U.S. and international partner entities such as MARAD, NATO, and the United Kingdom Maritime Trade Organization) and corroborated with other U.S. Government entities. IMB data is based on self-reporting of actual and attempted incidents by vessels and companies directly to IMB's Piracy Reporting Centre.

[47]   IMB officials told us there is the potential for underreporting with their data because they rely on ship officials to provide the information, and the extent to which individuals are willing to report incidents can vary.

patrols off the Horn of Africa.[48] We met with officials from shipping industry associations that represent owners and operators from over 80 percent of the world's merchant fleet and provide a unified industry voice in the creation of industry policy and strategy; insurance industry associations whose members cover approximately 90 percent of the world's ocean-going tonnage; and a private security industry association that has over 180 members across 35 countries. While the statements of these industry officials cannot be generalized to the entire industries they represent, their perspectives provide valuable insight since each is actively involved in international collaborative efforts to combat piracy. To determine the extent to which the U.S. has assessed its counterpiracy actions as outlined in the 2008 *Countering Piracy off the Horn of Africa: Partnership and Action Plan* (Action Plan), we reviewed the Action Plan, the 2005 *National Strategy for Maritime Security*, the 2007 *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea*, relevant U.S. policies and laws, and United Nations Security Council resolutions. We also reviewed program documents including briefings and meeting summaries and interviewed officials from DOD, State, and the Departments of Homeland Security (DHS), Justice (DOJ), Transportation (DOT), and the Treasury, including components such as U.S. Naval Forces – Central Command, the U.S. Coast Guard, and the Federal Bureau of Investigation (FBI), to discuss implementation of the Action Plan and the status of our 2010 recommendations to improve the plan.[49] We selected these departments and agencies because the Action Plan states they shall contribute to, coordinate, and undertake initiatives in accordance with the plan.

To identify trends in piracy and maritime crime in the Gulf of Guinea we analyzed IMB data on actual and attempted piracy incidents from 2007 through 2013, and ONI data from 2010 through 2013. As with the IMB and ONI data pertaining to the Horn of Africa, we collected information on the quality control, verification, and safeguards from error and discussed the reliability of the data with officials from IMB, ONI, and State officials involved in maritime security initiatives in the Gulf of Guinea and determined the data to be sufficiently reliable for the purposes of this report. Because ONI data on the Gulf of Guinea is unavailable prior to 2010 we chose to present the IMB data from 2007 through 2013 alongside the ONI data to show trends over a broader period. In addition to data, we reviewed publicly available reports and documents regarding maritime security and piracy in the Gulf of Guinea from the United Nations Office on Drugs and Crime, the EU, and other multilateral and nongovern-

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[48] Pursuant to UN Security Council Resolution 1851 (2008), which encouraged states and regional organizations fighting piracy and armed robbery at sea off the coast of Somalia to establish an international cooperation mechanism to act as a common point of contact, the Contact Group on Piracy off the Coast of Somalia was established on January 14, 2009, to facilitate the discussion and coordination of actions among states and organizations to suppress piracy off the coast of Somalia.

[49] GAO, *Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa*, GAO-10-856 (Washington, D.C.: GAO, 24 September 2010).

mental organizations. To evaluate U.S. efforts to address piracy and maritime crime in the Gulf of Guinea, as well as the extent to which the U.S. has assessed the need for a strategic approach for the region, we reviewed relevant U.S. and international policies and laws, such as the 2005 *National Strategy for Maritime Security*, 2007 *Policy for the Repression of Piracy and other Criminal Acts of Violence at Sea*, the 2008 *Action Plan*, the 2012 *Strategy toward Sub-Saharan Africa*, and United Nations Security Council resolutions pertaining to the Gulf of Guinea. We also compared agency efforts with U.S. policy priorities and requirements for conducting assessments outlined in the 2011 *Strategy to Combat Transnational Organized Crime* and the 2013 *National Maritime Domain Awareness Plan*, documents that guide U.S. maritime security efforts, including in the Gulf of Guinea.

For both of our objectives, we interviewed officials and, where appropriate, obtained documentation related to their activities off the Horn of Africa or in the Gulf of Guinea such as fact sheets, briefings, and meeting summaries from the following U.S. government agencies and offices, international entities, and U.S. and international industry and nongovernmental organizations:

- Department of Defense
- Department of State
- Department of Homeland Security
- Department of Justice
- Department of Transportation
- Department of the Treasury
- International Government and Multilateral Organizations include: International Maritime Organization (United Kingdom), European Union Naval Forces (United Kingdom), Combined Maritime Forces (Bahrain), etc.
- Industry Partners and Nongovernmental Organizations include: Baltic and International Maritime Council (BIMCO), Center for Strategic and International Studies, Chamber of Shipping of America, International Association of Dry Cargo Shipowners (INTERCARGO), etc.

We conducted this performance audit from June 2013 to June 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Attempted and Successful Pirate Attacks off the Horn of Africa and in the Gulf of Guinea, 2010 through 2013
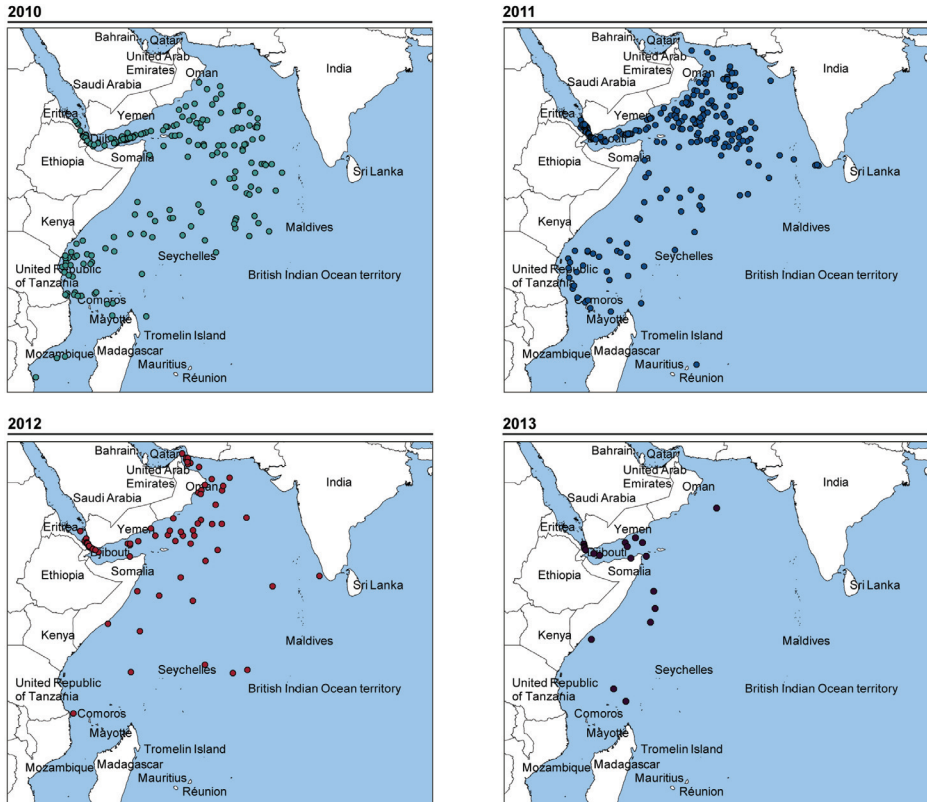
Source: GAO analysis of International Maritime Bureau data (data); MapInfo (map). | GAO-14-422

Figure 9: Attempted and Successful Pirate Attacks off the Horn of Africa, 2010 through 2013.
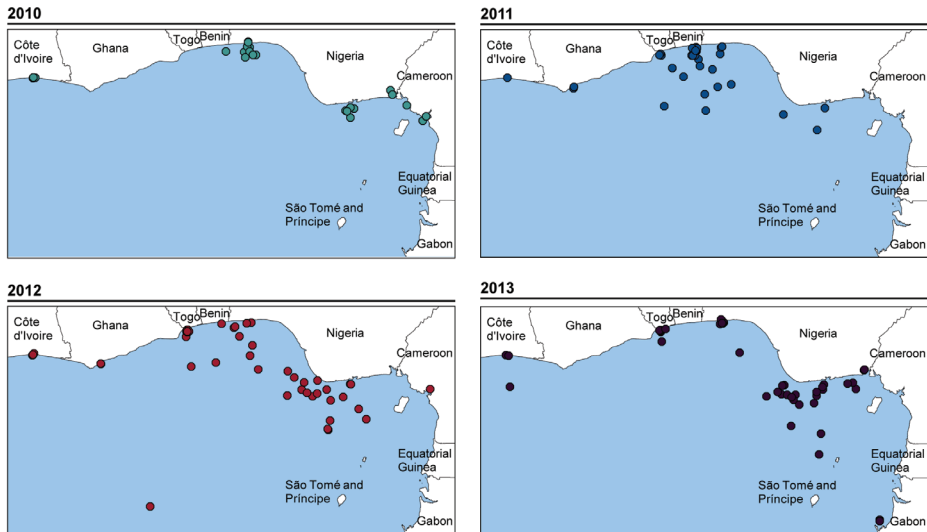
Source: GAO analysis of International Maritime Bureau data (data); MapInfo (map). | GAO-14-422

Figure 10: Attempted and Successful Pirate Attacks in the Gulf of Guinea, 2010 through 2013.

Appendix III: Interagency Progress in Implementing the Lines of Action in the National Security Council's 2008 *Countering Piracy off the Horn of Africa: Partnership and Action Plan*

In September 2010, we assessed the counterpiracy efforts of the United States government against the lines of action identified in the *Countering Piracy off the Horn of Africa: Partnership and Action Plan* (Action Plan).[50] These lines of action continue to guide the United States' efforts off the Horn of Africa. Table 3 summarizes our assessments from our September 2010 report and also provides updated information for each action since that time.[51]

Table 3:   Interagency Progress in Implementing the Lines of Action in the National Security Council's (NSC) 2008 Action Plan.

Tasks within each Line of Action	Status as of March 2014
Line of Action 1: Prevent pirate attacks by reducing the vulnerability of the maritime domain to piracy	
Establish and maintain a Contact Group	We assessed that the United States had made substantial progress on this action in 2010 by helping establish the Contact Group on Piracy off the Coast of Somalia, pursuant to UN Security Council Resolution 1851. Chaired by the United States in 2013, the voluntary group of over 80 countries, organizations, and industry groups facilitate the discussion and coordination of actions among states and organizations to suppress piracy off the coast of Somalia. The 2014 chair is the European Union.
Strengthen and encourage the use of the Maritime Security Patrol Area	We assessed that the United States had made substantial progress in this area in 2010 by working with international and industry partners. Since that time, the U.S. has continued to strengthen patrols by providing surface and air support. The U.S. has also actively encouraged practices such as registering with the regional coordination center and traveling in convoys. However, the United States has limited influence with ships that are not U.S. flagged.

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[50]   GAO, *Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa*, GAO-10-856 (Washington, D.C.: GAO, 24 September 2010).

[51]   In our September 2010 report, we assessed the efforts of U.S. agencies using three levels of progress: (1) substantial progress, (2) some progress, and (3) little or no progress.

Updating ships' security plans	We assessed that the Coast Guard had made substantial progress in this area in 2010 by approving piracy annexes to ship security plans for 100 percent of U.S.-flagged vessels identified as transiting high-risk waters, including those in the Horn of Africa. The Coast Guard has also issued Maritime Security (MARSEC) Directives that provide direction to owners and operators of U.S. vessels on how to respond to emerging security threats. The industry updated the Best Management Practices by releasing BMP4 in August 2011 to include recommended risk assessments and planning practices.
Strategic communication	The U.S. government made some progress on this in 2010 by issuing counterpiracy statements and supporting international efforts. Since 2010, the United States began periodic anti-piracy radio programming in Somalia in coordination with local organizations, NATO, and the United Nations (UN). In November 2013, the Somali Government took over the responsibility for strategic communication.
Line of Action 2: Disrupt acts of piracy consistent with international law and the rights and responsibilities of coastal and flag states	
Support a regionally based Counter-Piracy Coordination Center (CPCC)	We assessed that this action was not applicable in 2010 because there were already reporting and monitoring functions being performed by other organizations. While the United States has not directly established a regional counterpiracy coordination center, the United States provides assistance to other centers. For example, the United Kingdom has established the Regional Fusion and Law Enforcement Center for Safety and Security at Sea in partnership with the Seychelles. State and DOJ have worked with the center to improve information sharing and coordination with INTERPOL. EU NAVFOR has also established the Maritime Security Centre – Horn of Africa (MSCHOA) to provide 24-hour manned monitoring of vessels transiting through the Gulf of Aden. While the United States supports the mission of these centers, State officials stated that it would be duplicative to establish one of its own and have no plans to do so.

Seize and destroy pirate vessels and related equipment and deliver suspected pirates to prosecuting states	We assessed that the U.S. government had made some progress in this area in 2010. Since that time, the United States and international forces have delivered over 1,000 piracy suspects for prosecution. The United States and international forces have also continued to seize vessels and equipment used for piracy.
Provide interdiction-capable presence	The U.S. Navy and Coast Guard had made substantial progress on this in 2010 and continue to contribute assets (such as ship and air patrols), leadership, and other support to coalition forces patrolling off the Horn of Africa. As piracy has decreased the United States has contributed fewer Naval patrols, but air patrols and other contributions have been more consistent.
Support shiprider[a] programs and other agreements	The U.S. government had made some progress on this in 2010 and continues to support other bilateral and regional arrangements to bolster regional capabilities to counter piracy. These include collecting and analyzing incident information, as well as facilitating assistance and a coordinated and effective information flow among partners. DOJ officials stated that U.S. agencies have not established shiprider programs and have no plans to do so because the U.N. has designated Somalia's territorial waters as international waters for the purpose of fighting piracy. Therefore they question the benefits of shiprider programs to facilitating prosecutions in this context.
Disrupt and dismantle pirate bases ashore	While the U.S. government had taken little or no action on this in 2010, the EU has since taken military action against pirate bases on the Somali coast. As a result, pirate bases have been largely dismantled or moved inland where DOD officials reported that they are a less effective threat.
Disrupt pirate revenue	The U.S. government had made some progress on this in 2010 as the President signed an executive order blocking assets of certain designated individuals, including two pirate financiers.[b] However, U.S. efforts to track financial assets or transactions are hampered because there are not financial institutions in Somalia.

Line of Action 3: Facilitate the prosecution of suspected pirates by flag, victim, and coastal states, and, in appropriate cases, the United States to ensure that those who commit acts of piracy are held accountable for their actions	
Conclude prosecution agreements	In 2010, we noted that the U.S. government had made some progress in this area. Since that time a prosecution agreement with Kenya has become less effective because Kenya's judicial system has become saturated with piracy suspects, according to State and Justice officials. The United States has a prosecution agreement with the Seychelles.
Support the exercise of jurisdiction under the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation	In 2010, we noted that the U.S. government had made some progress in this area. The United States continues to exercise jurisdiction under the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation to prosecute pirates in the United States.
Support the use of other applicable international conventions and laws	Having made some progress in 2010, the United States has continued to exercise jurisdiction and prosecute, pursuant to 18 U.S.C. § 1651, 11 suspected pirates for attacks on the USS *Nicholas* and USS *Ashland*, as well as 15 suspected pirates tied to the hijacking of the S/V Quest which resulted in the murder of four Americans.
Enhance regional states' capacity to prosecute	While having made some progress on this in 2010, U.S. agencies continue to provide assistance to countries in the region for law enforcement and judicial capacity building and reform, which can include assistance related to maritime law enforcement and piracy. For example, the State Department has provided some foreign assistance funding to countries such as Kenya and the Seychelles, to help improve their judicial infrastructures. The United States also supports investigations and prosecutions, such as conducting Naval Criminal Investigative Service investigations aboard pirated vessels, and having U.S. Navy personnel provide testimony in foreign trials.

Source: GAO summary of the NSC Countering Piracy off the Horn of Africa: Partnership and Action Plan. | GAO-14-422

[a] Shiprider programs involve embarking law enforcement officials from one country onto a ship of another country. The law enforcement official (shiprider) would be able to authorize the ship to pursue and apprehend a criminal suspect in the territorial waters of that official's country.

[b] Executive Order 13536, issued April 12, 2010, blocks all property and property interests within U.S. jurisdiction of persons listed in the Annex to the order and provides the authority for the Secretary of the Treasury, in consultation with the Secretary of State, to designate additional persons that threaten the peace, security, or stability of Somalia, which includes those who support or engage in acts of piracy off

the coast of Somalia. See 75 Fed. Reg. 19,869 (Apr. 15, 2014). Property and property interests within U.S. jurisdiction include property in the possession or control of any United States person in the United States or overseas. United States person is defined as "any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States."

Appendix IV: Department of Defense Counterpiracy Costs, 2010 through 2013

During the course of our review, the Department of Defense provided information on the costs of its counterpiracy efforts as shown in table 4.

Table 4: Department of Defense Counterpiracy Costs Incurred from Calendar Years 2010-2013 (dollars in millions)

Counterpiracy effort	2010	2011	2012	2013
CTF 151 Surface	$161.1	$184.9	$53.5	$10.9
CTF 151 Air	$17.9	$23.9	$33.5	$16.0
CTF 508 Surface	$61.7	$63.2	$52.7	$40.0
Other [a]	$2.5	$2.5	$2.5	$2.5
Total	**$243.2**	**$274.5**	**$142.2**	**$69.4**

Source: GAO analysis of Department of Defense data. | GAO-14-422

[a] The "other" category reflects the costs of contract linguists used in counterpiracy operations. Dollar values are fully-burdened costs incurred in a specific year.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contacts

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In addition to the contacts above, Dawn Hoff, Assistant Director; Suzanne Wren, Assistant Director; Jason Bair; Charles Bausell; Jennifer Cheung; Toni Gillich; Eric Hauswirth; Kevin Heinz; Stan Kostyla; Landis Lindsey; Tom Lombardi; John Mingus; Jessica Orr; Matt Spiers; and Sally Williamson made key contributions to this report.

Related GAO Products

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