

# 'SMART DEFENSE' AND 'INTEROPERABILITY': THE FUTURE OF DEFENSE POLICY IN EUROPE

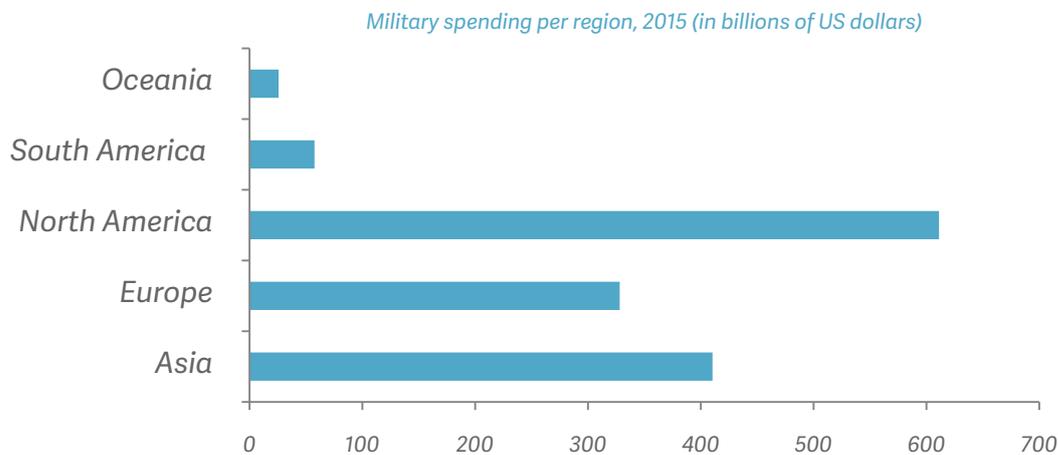


In the 25 years following the end of the Cold War, European countries benefited from a peace dividend, by significantly decreasing defense spending. Recently, this trend has started to reverse as EU member states reconsider military and defense budgets in the face of unprecedented security challenges.

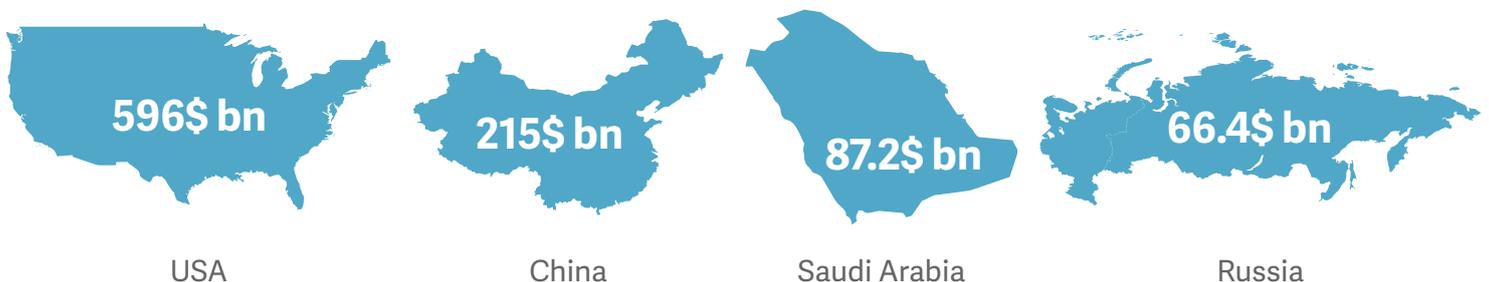
Concepts like "smart defense" and "interoperability" are gaining recognition as the future of defense policy.

In 2012, Asia overtook Europe as the world's second biggest regional defense spender after North America. 3 years later, Asia outspent Europe by 36.4%.

## EU defense capabilities on a global scale



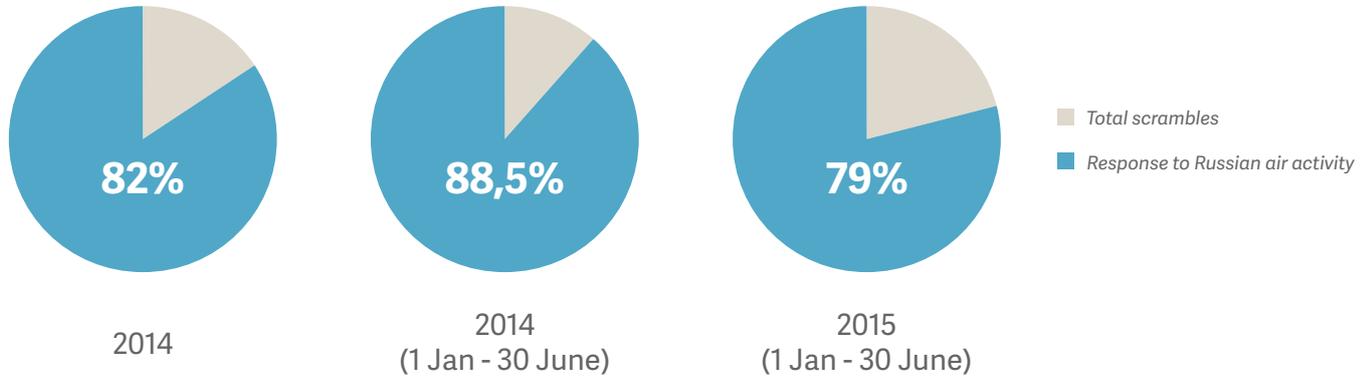
The top four countries with the highest defense expenditures are non-EU countries. Only the UK, France, Germany and Italy are on the list of the top 15 highest military budgets in 2015.



In recent years, an increasing number of refugees, a growing network of terrorist organisations, the deployment of advanced offensive tactical ballistic missiles by major European powers, and the invasion of Ukraine have all posed challenges to the EU's capacity to deal with security threats.

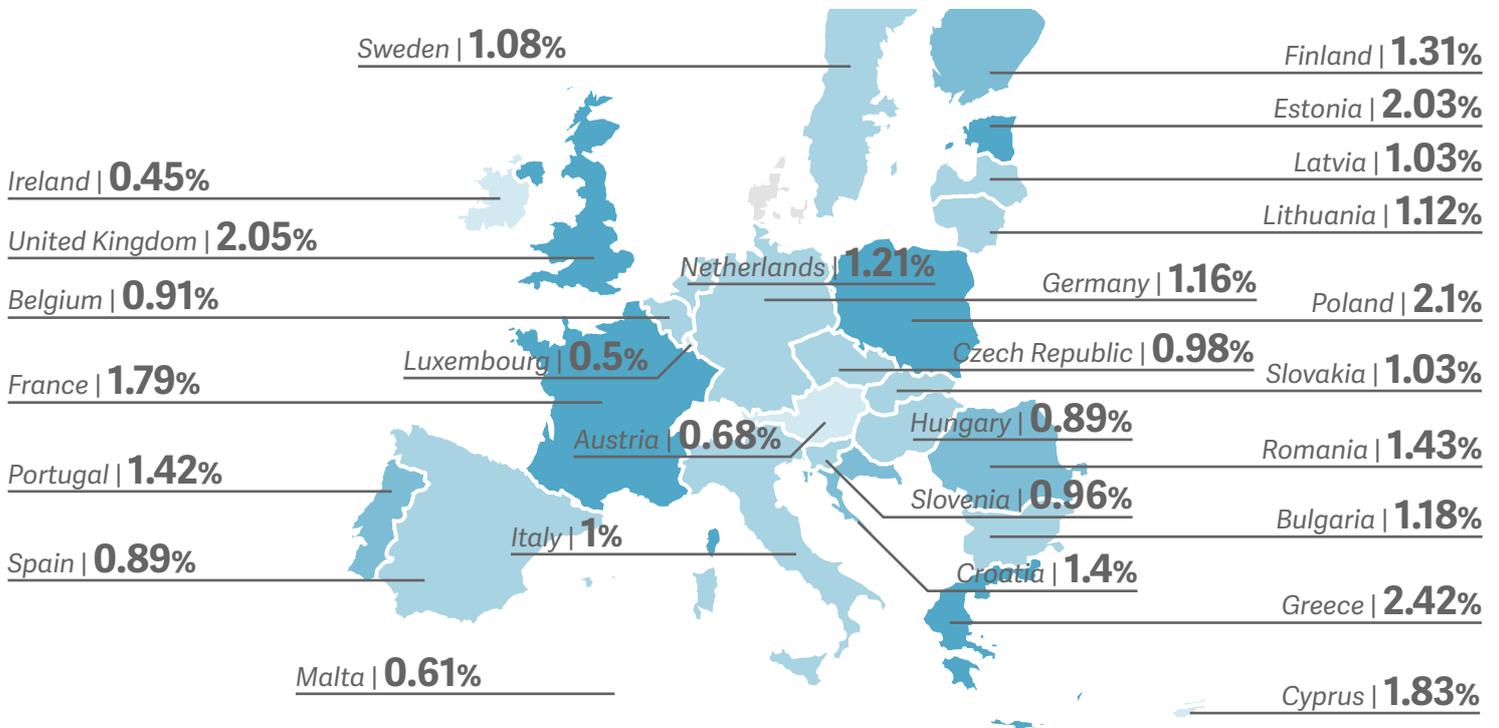
At the same time, non-state actors such as Hamas, Hezbollah, the Houthis and ISIS have demonstrated their ability to acquire and use ballistic missiles. Member states are therefore rethinking their military spending strategy.

Approximate number of scrambles by NATO air forces, 2014-2015



In 2014, NATO allies pledged to dedicate 2% of their GDP on defense by 2024. In Europe, member states including the UK and Poland increased defense expenditures between 2014 and 2015 by 9% and 29% respectively. Most countries focus spending on personnel with only limited expenditure on defense equipment procurement and R&D.

Defense expenditure as % of GDP, 2015



Cooperation among EU member states is key to achieving an efficient defense that counters current security threats. Fragmentation across national borders, protectionist national policies and budgetary constraints can lead to inefficiency and unnecessary duplication of resources.



### Prioritisation:

*transparent, cooperative and cost-effective approach to meet essential capability requirements.*



### Specialisation:

*NATO should encourage specialisation 'by design', with members focusing on national strengths when shaping equipment plans.*

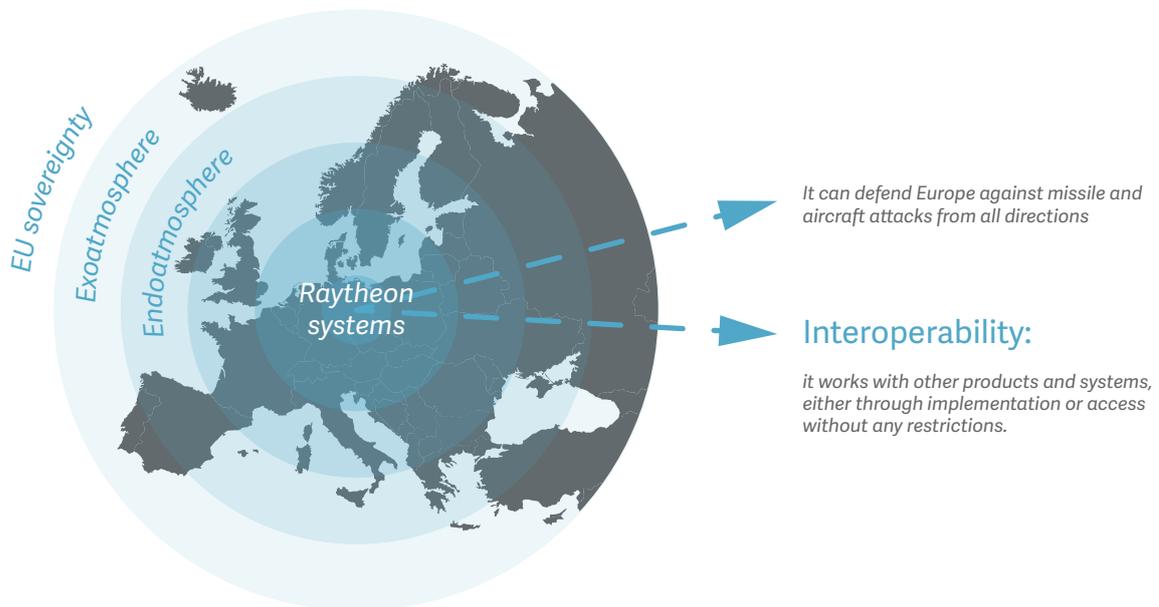


### Cooperation:

*acting together, cooperative nations can develop expanded capabilities beyond what a single nation could afford.*

With continued security challenges, European countries should invest in proven systems --- like the Patriot and SM-3--- which have been developed, tested and deployed to defeat existing and emerging threats. There isn't enough time or financial resources to invest in the development of completely new, unproven systems that may take 10 to 15 years to become operational. European countries should prioritise interoperability, choosing systems that plug into existing networks for ease of shared intelligence and decision-making.

## 'Interoperability' with Raytheon Systems It defends Europe from all directions



European countries must spend wisely, investing in companies with not only decades of experience with the most advanced technologies but a proven commitment to creating meaningful partnership opportunities.

With the support of:

Sources: Raytheon, EUISS, Statista, European Parliament, Stockholm International Peace Research Institute, NATO, Avascent, European Defense Agency.

