

# Investing in Defense: how much is enough?

*An interview with Colonel THW ten Haaf (RNLAf)*

*Wouter Beemsterboer, Melvin Disco, Ronald Groen & Sjoerd Rog*

NL-ARMS, 2007, xx-xx

## Introduction

*The Dutch Minister of Defense, Eimert van Middelkoop, aims to maintain investments at a high level. But, how much should be invested in the Armed Forces? And ... how should the available money be allocated?*

*The Dutch armed forces operate under difficult and ever-changing circumstances. Therefore, making the right investment decision is a complex process. Due to changing circumstances the need for certain weapon systems might change. It is not unlikely that weapons just bought, might not be of much use in five years time. The following interview with Colonel ten Haaf, tries to shed some light onto the above mentioned questions.*

## What makes you the best candidate for our interview?

“I am working for the Chief of Defense (CHOD) at the Central Staff. Among other things, the CHOD as the NL defense corporate planner is responsible for directing NL defense planning (e.g. allocating budgets and setting priorities for investment programs) and it is my job to provide him with propositions about the allocation of investment money for the navy, the army, the air force, the marechaussee and the supporting defense organizations DMO and CDC. The final decisions on where and when to invest are made by our political leadership within the political council. I think, considering the fact that trying to find the correct balance of investment possibilities is my daily work, I am well suited to answer your questions. I am not claiming to be the best candidate; I am one of the candidates that has knowledge of the matter.”

For years the policy has been: quality over quantity. This has resulted in a large reduction of materiel and personnel. Over the past years, has quality in the armed forces actually increased or decreased?

“These challenges are solved in a dynamic manner. We stand for quality, instead for

quantity. For example, we used to have 30 Apache helicopters. The upcoming renewal program would be too expensive to upgrade all Apache helicopters. Therefore, we downsized our Apache force to 24 helicopters. This way, we still kept a decent amount of helicopters and we can apply the necessary upgrade programs to all of them. As a result of the focus on quality instead of quantity we were able to allocate enough investment funds to allow for the purchase of much needed new equipment that is now entering the NL armed forces (e.g. new infantry fighting vehicles and new NIMCIS C2 system for the NL Marines). We also strengthened our expeditionary and logistic capabilities with systems like the second LPD and new trucks that can drop-off and pick-up loads (*wissel-laadsysteem – in Dutch*). All in all the quality of our armed forces has increased and this process is ongoing.”

**The Dutch government has decided to participate in the Joint Strike Fighter (JSF) project. If the plans pass, this will require an enormous sum of money to invest in Defense. However, technology is improving rapidly. It can be expected that unmanned aircraft, already in the air, will have great capabilities in the future. According to you, why should we keep on investing in ‘old’ technology?**

“At this moment, we are flying F-16 fighter planes. If we keep using these planes, it will cost us a lot of money in the future to maintain, because planes are getting obsolete and technology is becoming outdated. So we have to replace them.

The advantages of unmanned aircraft are:

- They can fly over a much longer period of time than manned aircraft;
- They are already being used in Afghanistan and have proved to be a success in their reconnaissance and surveillance role.

It is a misconception to think that flying those unmanned planes is a lot cheaper than manned ones. We will still need as much personnel as a normal squadron, like operators, maintenance workers and people processing the information that a UAV provides. Another disadvantage is that there is still not a UAV that can carry the amount of sensors, weaponry and self defense equipment that a manned system is capable of. The development of these so called Unmanned Combat Air Vehicles (UCAV’s) is still in its infancy and a credible operational UCAV capability is still far away in the future.

The relative effectiveness of UCAV’s has to be decided by considering the alternative. The advantages of the JSF are:

- It is an air vehicle with stealth characteristics that can carry a whole array of sensors and weaponry;
- It has more capabilities in the air to air and air to ground role;
- The fighter pilot can, when confronted with a fluid battlefield and quick changes in

the tactical environment, make more rational and effective decisions ('the man in the loop').

I think weighing pros and cons, the JSF at the moment is still the best project of those two, because the advantages of the unmanned aircraft are less than the advantages of the JSF. Probably, the next generation of unmanned combat aircraft will turn the scales but that is still a long way ahead."

**How do you determine the necessary investments knowing armed forces have to operate in a dynamic environment?**

"Planning for future capabilities is not easy, for several reasons. Firstly, if you need certain weapon systems you have to start planning 10 to 15 years ahead, due to design and construction time. Therefore, our investment plans go years into the future. Secondly, the future capabilities needed may change because we might be operating in theatres not foreseen or are confronted with new types of threat. Thirdly, the amount of money available for investments in the future is not a fixed amount. A new political coalition might agree on different defense priorities and a different defense budget. Consequently funds allocated for defense expenditures will change and this will affect the investments in weapons too. Finally, for large investments, like in a new type of frigates or fighter aircraft, political arguments decide where and when to invest. Considering all those uncertainties, plans are changing constantly. But I think we are able to cope with these uncertainties quite well. We have set a baseline of having an investment quote of minimal 20% within the defense budget."

**It's important that the armed forces have the capability to react fast in a changing environment. Wouldn't it be easier to buy 'of-the-shelf' products?**

"We buy "of the shelf" if that offers value for money in providing the required defense capability. But we have to ask ourselves also if there is extra value if we participate in the development of military capabilities. The best example of participation is of course the JSF. I think it is essential to participate in the development of that aircraft. It is good for the armed forces because it gives us a certain amount of influence regarding the development of the aircraft and it enables us to build up experience and knowledge of such a complex weapon system and all its subsystems. This will certainly facilitate the operational introduction of the aircraft. It is also good for the Netherlands because it stimulates the Dutch aerospace and high technology industry and the extra work is good for employment in our country. The same reasoning can be found in the successful

cooperation of our Navy with the NL ship industry.

We should realize, however, that early participation in development projects has a lot of benefits but also comes at a price. Since early participation is not only beneficial for the armed forces but also for Dutch industry, we should expect the Dutch industry to pay for the additional costs of early participation as well.”

**The Dutch armed forces have a wide array of weapons that can be used throughout the whole spectrum of violence. Should we not specialize ourselves and limit the amount of tasks we can do?**

“No, we aim at providing overall quality whether it is in the high end or in the low end of the spectrum. Focusing on one or a few segments of the armed forces will cause other areas to be neglected and this will be damaging to the overall capabilities of the output of the armed forces. Furthermore recent operations in Iraq and Afghanistan clearly show that there is no strict division along spectrum lines anymore. Within the same theatre troops are confronted with an environment that ranges from humanitarian operations to the highest levels of violence often at the same time (‘three block war’). They must have the proper capabilities to be able to operate effectively in such a fluid and wide changing environment. Otherwise it affects their credibility.”

**Certain political parties intend to additionally cut the budget of the Ministry of Defense. NATO wants member states to follow the guideline of spending at least 2% of the national income. The Dutch are already contributing less. If additional budget cuts are made, will we become the laughing stock of our allies?**

“No, I don’t agree. I recognize the strain on the NL defense budget, but despite the budget cuts in recent years our country has been able to participate in the top of the NATO members. Although we are below the 2% NATO benchmark we are still in the top ‘8’ of NATO countries with an investment quote of 20% or more. Also we are smart investors by investing not in ‘in place forces’ but in expeditionary forces and capabilities. Capabilities the NATO is in desperate need of. Straining our budget has no effect on how we are perceived in NATO.”

It’s the output that counts. In the recent NATO Multilateral Examinations we were complimented for our contribution to NATO operations and the quality of our Defense Plan.”

**Our Leopard 2 tanks have seen actual action maybe once during their life. Since they are not being used, what's the point of having them and keeping them up to date?**

“It's important for our armed forces to be diverse and flexible. Embarking on a major land operation in some cases would be unthinkable without the maneuver capability and firepower of tanks. Having little use for materiel now does not mean we will not need it in future operations. A clear example of this is the role of artillery. The role of these assets was often questioned in recent years. Now we see the value of employing the Panzerhaubitze in Afghanistan. Simply stated, we are not discussing the value of having a fire brigade although it remains most of the time in the fire station.”

## **Conclusion**

The amount of money the Dutch armed forces receive for investment depends on the support of the public and political choices that are made. If the public thinks that the armed forces are important and the politicians see the added value in employing NL armed forces to reach political goals then there is the best chance of getting an increased budget for Defense. Nevertheless the amount of money defense gets is depending on political priorities. Instead of hoping for more funds we need to make optimal use of the funds available now. This implies that choices have to be made. Do we choose to sell 6 Apaches to fund the renewal program for the other 24 or do we keep them with the consequence of having to provide for additional Apache investments? Do we have to invest in the JSF or in a new large program of unmanned aircraft? With a constant budget selling hardware to lessen the strain on the budget and to provide for the required operational capabilities is inevitable. For example, by selling our M-frigates to Chili and Belgium, the Royal Netherlands Navy freed funds for buying a logistic support ship and operational patrol vessels with which it will be better suited for its role in supporting land and coastal operations (brown water operations). We conclude that the question ‘How much investment is enough?’ is not a question of simply looking at figures. Looking at figures alone does not cover the real question when it comes to making the proper investment choices for our armed forces. The real question is: How much do I invest and in which capabilities in order to be able to deliver the requested defense output at the correct time? The answer to that question is not simple. It requires an analysis of future developments and threats, a clear strategic vision and an in depth look at the whole chain of required essential operational capabilities. The output of this has to be matched with given budgets. Given all this there is still the need for flexibility in planning given the fact that there always will be uncertainties while looking in the future.