**Introduction**

The Belgian armed forces are approaching a crossroads. As a result of their age pyramid, their overall number is set to drop precipitously in the years ahead. By 2025 more than half of the current personnel will have retired. In the same timeframe, several of the major platforms currently in use – most notably the F-16 fighter fleet – will face the end of their service lives. Major investments that produced impressive returns are thus set to be unwound. If the peace dividend of the 1990s were to keep flowing, these trends would not be overly disturbing. But as thunderclouds gather over Europe’s neighbourhood and the United States rebalances to the Asia-Pacific region, this is no longer the case. To take the relative security in Europe for granted would be a disservice to the next generation. The Belgian armed forces therefore face an existential question: to silently accept past trends and wither away, or to actively prepare for the future by investing in a nimble force structure and make the case for its continued relevance in the 21st century.

This Policy Brief argues that Belgium must enter yet another round of defence reforms. As this transformation will be the most fundamental one since the Charlier plans and the suspension of conscription, it will touch on matters as diverse as finances, multinational cooperation and future capability requirements. But at heart, this analysis builds on a strategic vision of how to connect the national defence posture to the safeguarding of all Belgian citizens and their shared political ambitions. This vision is premised on two core ideas. Firstly, continued investment in defence is warranted even in times of austerity. This is no ‘guns versus butter’ argument, but rather a future-oriented call for intergenerational solidarity. Secondly, any defence reform must strive towards delivering the next government(s) with the broadest range of policy options. This implies that further specialisation – in particular in non-combat capabilities – must be resisted.

Defence reforms cannot occur in a political vacuum. On the basis of in-depth interviews with defence experts of all political families, this analysis will proceed from a consensus view on the four key political objectives of Belgian defence efforts. Firstly, Belgium will remain an enthusiastic supporter of European defence integration. A resolution recently adopted by the Belgian Parliament provides ample evidence in this regard (Belgische Kamer van Volksvertegenwoordigers 2013). Secondly, Belgium...
must maintain a minimally credible contribution to the Atlantic Alliance. While this follows from multiple treaty commitments, the deep justification is that any hypothetical choice to do otherwise would represent a complete and costly reversal of Belgium’s international orientation since the Second World War. Thirdly, any Belgian government will be interested in a versatile military instrument in support of its foreign policy. This typically entails the ability to participate in crisis response operations and to provide military assistance to African partner countries. Fourthly and finally, the armed forces also have a latent function as security insurance provider to the Belgian population. For addressing any major incident on Belgian territory, or in Belgian territorial waters, airspace and perhaps even cyberspace, the armed forces represent the ultimate responder.

The typical structure of a defence planning exercise is to start with an analysis of the strategic environment, then to distil an overview of the capabilities required for the assigned mission, and finally to request the financial resources required. Yet given the prevalent uncertainty of the future international environment and the past failures to honour defence resourcing commitments, this analysis turns this structure upside down. In what follows, we first analyse the budgetary framework and its consequences. Secondly we discuss how multinational cooperation can help mitigate the financial challenges the armed forces confront. Thirdly we zoom in on the debate about investment priorities.

Why embrace such transparency, one might ask. Belgian defence reforms have traditionally been conducted in relative secrecy. Yet the ensuing plans have often generated considerable public controversy, as military installations had to be closed and employment opportunities evaporated. In addition, the lack of meaningful debate about military affairs has not shielded the armed forces from being hollowed out. This Policy Brief therefore seeks to illuminate a sometimes technical and arcane debate that is nonetheless at the foundation of the Rechtsstaat as we know it.

The Budgetary Framework and Its Consequences

The downward trend of Belgian defence expenditure has been the main force driving the transformation of the armed forces. For multiple decades, the defence budget has been shrinking in purchasing power as well as relative to the size of the Belgian economy, dropping from 3.35% of GDP in 1980 to approximately 1% at present (IISS 1980/2014). This budgetary trend has consistently outpaced reform programmes. As a result, the share of personnel costs has risen while investment space has decreased (Struys 2014, p. 14). Relative to its neighbouring countries, the budgetary situation in which the Belgian military finds itself is extremely serious. Some critics go as far as calling it ‘an unusually well-armed pension fund’ (Rachman 2013). The principal problem is the lack of investment space to prepare for an uncertain future.

This has entailed the gradual downsizing of the force structure and a corresponding loss in potential output level. Even after the suspension of conscription, the size of the professional force has been steadily falling from 47,200 in 1995 to 30,700 at present. Under present recruitment and retirement parameters it is forecast to continue falling to approximately 25,000 or below. The same can be said about the equipment platforms in use: the number of ships, aircraft and vehicles has been falling precipitously. While it is intellectually appealing to believe that fewer professional forces of higher quality are to be preferred to a larger but less useable force, it bears emphasising that Belgium is dropping under qualitative thresholds as well. As one NATO defence planner with long memories explains: ‘In 1985 we knew that a Belgian brigade was the qualitative equivalent of a German or a U.S. brigade. But with the partial exception of the Belgian air force, this is no longer the case: the means are simply no longer there!’ The past decision to scrap battle tanks and heavy artillery has de facto incapacitated the Belgian land forces in the combined arms arena.

<table>
<thead>
<tr>
<th>Defence expenditure as % of government spending (including pensions)</th>
<th>Belgium</th>
<th>France</th>
<th>Germany</th>
<th>Netherlands</th>
</tr>
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<tbody>
<tr>
<td>Personnel expenditure as % of defence total</td>
<td>77.3</td>
<td>49.1</td>
<td>46.4</td>
<td>56.9</td>
</tr>
<tr>
<td>Investment expenditure as % of defence total</td>
<td>4.1</td>
<td>30.6</td>
<td>19.7</td>
<td>14.3</td>
</tr>
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Figure 1: Belgian defence data in perspective (based on EDA 2014)
A country’s operational level of ambition always fluctuates in function of its geopolitical environment. Yet what Belgium faces is no longer a merely quantitative recalibration of its defence posture. It is the potential loss of its qualitative ability to think beyond token contributions and hence to be part of the international community’s strategic brains. In addition, these macro-budgetary trends have dire internal consequences. The Belgian armed forces are struggling hard to keep up morale in the face of endless cuts. Not unlike the situation in many other European countries (see e.g. AFMP 2013), military confidence in the political direction of the department is nearing the point of collapse. Moreover, the constrained investment space is triggering ever more serious rivalry amongst the different armed services. Keeping in with Belgian political culture, this also has a linguistic dimension, as it becomes increasingly difficult to satisfy the desire to spread bases symmetrically across north and south (cf. Wagener 2011). In sum, the budgetary trend has sown the seeds for a brewing civil-military crisis. The resignation of the former Chief of Defence General Charles-Henri Delcour bears witness to this.

In order to put this into a broader perspective, it is of critical importance to understand that defence spending is not a waste but in fact produces a significant economic return on investment (cf. Flamant 2014). It goes without saying that the principal military bases act as major employment poles throughout the periphery of the Belgian territory. In addition, the armed forces provide a range of services to the nation – one only needs to think of foreign intelligence, bomb disposal and search and rescue tasks. Even more important is the issue of economic offsets negotiated for major procurement contracts. It has been argued, for instance, that the Belgian aeronautical industry would in all likelihood no longer have existed without the co-production and maintenance obligations contained in the Belgian F-16 purchases in 1975 and 1983 (FOD Economie 2008, p. 83). In total, the economic return of the F-16 programme is estimated to amount to approximately 4.17 billion EUR in Belgian added value (data obtained from FOD Economie). Similar arguments can be made about other types of equipment of course, albeit on a more modest scale. In total, the members of the Belgian Security and Defence Industry association employ approximately 15,000 men and women, many in highly skilled jobs. This generates an overwhelmingly export-driven annual turnover of 1.5 billion EUR.

As such, there exists no contradiction in spending on defence in times of austerity: it constitutes the prototypical example of countercyclical economic stimulus. It is no coincidence that the U.S. Defense Advanced Research Projects Agency has been labelled a critical force of innovation (Mazzucato 2013, p. 133). The internet, GPS, artificial intelligence – in other words, everything that makes a smartphone ‘smart’ – have all been driven by defence research, development and technology. While industrial policy is best coordinated on a European level, this can only be successful if all member states commit themselves to sufficient purchase orders.

The deeper function of defence spending is of course not to subsidise Belgian industry or to reduce unemployment figures. The defence budget can perhaps best be conceptualised as a strategic insurance policy. Not only does it enable a state to contribute to the stability of the international system through deterrence and crisis response operations, it also forms the ultimate stopgap solution for any unexpected disaster that may befall the population. One can of course not plan for the truly unexpected, yet the basic idea remains that the armed forces offer any government the means to enforce a state monopoly over the legitimate use of force. In addition, they provide a reservoir of manpower, technological know-how and logistical skills for confronting whatever danger lurking behind the corner of the unknown. As with any insurance premium, the society that pays for it can opt for different levels of coverage, but it must ultimately pay for insurance or risk disaster. This is why the defence budget merits a public debate about costs, risks and benefits.

At present, the Belgian armed forces are financed on the basis of an envelope budget. This means that within its annual budget, the ministry has a relatively free hand on how to apportion its expenses, with the exception that investment contracts require governmental approval. This has led some to criticise the level of transparency in defence expenditure. In particular, the Belgian Court of Audit has repeatedly voiced complaints about the unclear financial implications of operational engagements (see e.g. Rekenhof 2010, p. 20). While it is clear that this reputation for budgetary wizardry makes some ministerial cabinets highly suspicious of what the defence staff proposes, the key problem is that the quasi-permanent shrinking of the envelope makes long-term defence planning impossible. Given that investment dossiers require governmental approval anyway, one option would be to split the defence budget into an annual envelope covering personnel and working expenses and a multi-annual investment budget supporting different capability programmes. Such a system would be somewhat akin to the French Loi de programmation militaire and provide planners with a long-term framework within which competing capability requirements can be balanced. Given the strategic returns, the auctioning of long-term ‘defence bonds’ may help finance such a multi-annual investment budget.
The Siren Song of Multinational Cooperation

Multinational cooperation has long been touted as the answer to the budgetary woes of European military establishments (see e.g. Dickow et al. 2012, Giegerich and Nicoll 2012). At the same time, it is clear that the idea of European defence cooperation has all too often been used as a smokescreen masking the dramatic reduction of capabilities. The former Director-General of the EU Military Staff, Lt.-Gen. Ton van Osch, famously noted that the balance between past defence cuts and the financial gains realised through European pooling and sharing corresponded to 100 to 1. In other words, European forces are not being enhanced at all: they are falling off a cliff! In addition, multinational defence collaboration entails important implications in terms of national sovereignty (cf. AIV 2012). While Belgium may feel comfortable with the idea of shared European sovereignty, this is not the case for most of our European partners. More and more countries contemplate the renationalisation of defence: the recent French Livre Blanc (2013, p. 61) goes as far as calling the option of an integrated European defence ‘illusory’. So where does this leave us?

Multinational cooperation is instrumental in squeezing the maximum output from available resources. The example of the European Air Transport Command is illustrative: the flexible integration of French, German, Spanish and Benelux air transport assets has reportedly delivered a 15% productivity gain (Gros-Verheyde 2013). This is by no means a sudden discovery: the community of European Participating Air Forces have long benefitted from the common configuration and maintenance of their F-16 fighter fleets. In keeping with its particular geopolitical position on the European continent, Belgium has built a reputation of being at the avant-garde of multinational defence initiatives (cf. Parrein and Sauer 2013). The integration of the Belgian and Dutch navies serves as one of the most far-reaching examples of deep cooperation: only the effective opening of fire necessitates recourse to national command authorities.

At the same time, it is clear that European cooperation does not absolve its member states from the responsibility to share the burden in financial commitments as well as in operational risk. As the president of the European Parliament’s security and defence subcommittee pointed out: ‘ce n’est certainement pas en abdiquant au niveau national qu’on entraînera et construira au niveau européen.’ Furthermore, intra-European disagreements about defence questions suggest that for the foreseeable future the scope of the EU’s Common Security and Defence Policy will be limited to the soft end of the crisis management spectrum and a limited degree of defence industrial regulation. Even in slow-motion crises such as the one in the Sahel region, the EU manifestly fell short of its own ambitions of acting preventively, ultimately leading France to act under a national flag. And if European defence industrial cooperation is to materialise, the same logic applies: the return is reserved for those willing to invest.

The issue of burden-sharing is also a major pre-occupation of the NATO defence planning community. The decision of the U.S. to shoulder no more than 50% of NATO capability targets resulted in important shortfalls for meeting potential collective defence scenarios. Quite apart from leading to extreme nervousness amongst the Eastern European Allies, this also increases the Alliance’s reliance on nuclear deterrence. Recent events in Ukraine indicate that these worries are not merely hypothetical and suggest an impending shift in acquisition priorities. Even if the methodology for measuring burden-sharing may be revised, it is clear that Alliance commitments entail an obligation to maintain a broad mix of forces, including combat, combat support and combat service support elements. Yet the NATO defence planning community expresses strong doubts as to how Belgium will be able to sustain a balanced force structure without a significant increase in capital investment to replace its major combat platforms.

What are the implications of the above for any future Belgian government? The dynamics of multinational cooperation favour those countries able to bring real capabilities to the negotiating table. From this perspective, Belgium must retain its own assets wherever possible (i.e. core capabilities for all services) and invest in shares of those assets it cannot acquire nationally (e.g. space-based capabilities, joint ISR etc). In addition, it is of paramount importance that as much of the equipment that the Belgian armed forces use is fully interoperable with that of like-minded partner countries. While the number of platforms in use may be limited in comparison to larger partners, long-term multinational cooperation also entails a commitment to proportional budgetary convergence. If Belgium continues to undershoot defence investment targets, it will eventually be disconnected from the European train, operationally as well as industrially. The Dutch navy is now already advancing technologically at a significantly higher tempo than the Belgian one. Unless halted, this leads to an ever-higher level of dependency and a subsequent loss of decision-making influence.

Investing in Future Capabilities

Given that resources are always finite and that multinational cooperation is no panacea, what future capabilities should the
Belgian armed forces prioritise? Both the air force and the navy will confront major re-equipment challenges in the medium term. At the same time, it is of critical importance that these investment needs do not crowd out the funding required for maintaining agile and versatile land forces and for acquiring future capabilities without a clear institutional home. Cyber and intelligence capabilities loom particularly large in the latter category. Given long procurement timelines and the fact that investments will have to be spread over many years, it is imperative to approach this exercise with a horizon stretching at least to 2030, if not beyond. This section provides an overview of the key challenges for designing a new Belgian force structure.

Military equipment has no meaning without well-trained and motivated personnel. Balancing the demographical structure of the force therefore constitutes the principal challenge for the next decade. This is not to say that an even greater share of the budget should be spent on personnel: it simply means that a clear minimum target size must be set and that further downward revisions are resisted at all costs. Determining this bounce-back level is clearly a political decision: the size of the toolbox essentially reflects different levels of strategic insurance coverage. In order to maintain a reasonably broad spectrum of core capabilities and live up to widely shared political ambitions, a force structure of at least 25,000 men and women must be maintained. At the same time, a maximum effort must be undertaken to increase recruitment numbers and the retention of qualified personnel. A broad geographical distribution of bases, more flexible human resources policies and greater use of civilian contracts can play a role in meeting this challenge. Such a lean personnel structure also necessitates a significant compression of corporate overhead and may bolster the need for reinvigorating the reserve. Taken together, these choices keep the door open to regenerating a larger force again, should keeping the door open to regenerating a larger force again, should the security environment deteriorate in the decades ahead. In other words, this is the most elementary prudence that any government must exercise with the intergenerational well-being of its citizens in mind.

Land forces constitute the backbone of any armed force. Land power provides the only means to physically secure and control the territory on which people live. This makes it of critical importance for both expeditionary operations and for coping with worst-case scenarios at home. As the total size of the force continues to shrink, the Belgian land component will be hit hard. It is nonetheless imperative that the land component retains the expertise to command brigade units and prepare land packages for combined arms operations. Renouncing the brigade level de facto means giving up the skill-set to think meaningfully about the land domain and the ability to assume the lead of an EU Battlegroup. Whether Belgium will ever actually deploy a brigade by itself is irrelevant: it is the ability to plug into multinational command frameworks that counts (cf. King 2011). In addition, the land component can be redesigned in terms of modular, company-sized building blocks grouped into graduated readiness pools. The land forces could then be built around three clusters: a paracommando-based capacity for immediate reaction, inaccessible terrain and supporting special operations; a flexible light motorised capacity based on Dingo vehicles; and a heavy capacity based on Piranha vehicles with meaningful direct fire capacity. In turn, the Special Forces Group warrants expansion and supporting air assets. Although most of the equipment of this future land component has already been purchased, this materiel will require regular modernisation to remain technologically up-to-date and digitally networked. What is perhaps needed most is a flexible mindset for exploring the national attractiveness and international added value that Belgian land forces can offer.

The Belgian navy has been structurally integrated into the Royal Netherlands Navy. The Admiral Benelux combined naval staff effectively constitutes one of the most far-reaching examples of multinational defence cooperation. The logical corollary is that Belgium has only limited room for purely national decision-making. The Belgian naval component has de facto specialised in ocean-going escort and mine-countermeasure functions (built around two Karel Doorman-class frigates and six Tripartite-class mine hunters). As these vessels will eventually require replacements, the key challenge is to maintain a sizeable fleet able to contribute to the security of the lines of communication on which Belgian trade depends. One possible avenue to explore is to opt for modular sloops-of-war modelled on the British Royal Navy’s Black Swan concept (DCDC 2012). Such a group system would be able to carry different capability packages – manned and unmanned – depending on the mission at hand. As such, it would lend itself to continued multinational cooperation with the Dutch and other navies while retaining multiple functionalities and – most important – a critical threshold of combat ships sailing under Belgian flag. Exploring such options necessitates significant exploratory research and innovative ship design in a multinational framework with a view to procurement close to 2030.

The Belgian air force presents the most significant challenge over the medium term. At present, it is primarily built around a multirole F-16 fighter capability and a tactical air transport capability. The C-130 transport fleet will be replaced in the coming years by a smaller number of significantly larger Airbus A400M
The replacement of the F-16 platform will require a major reinvestment in military hardware over an extended period. At the same time, not making this investment would have grave consequences, ranging from a dramatic loss of diplomatic influence and a major blow to the aeronautical industry to the abandoning of Belgium’s most potent defence system and the undermining of national security over a generational time horizon. It is therefore fair to argue that Belgium must meet this challenge and plan for a successor system with a gradual platform switch foreseen in the mid-2020s. The next government must as soon as possible explore all possible options for deep multinational cooperation to ensure maximum cost-efficiency and launch discussions on industrial return without preference for any specific aircraft. Furthermore, not only the F-16 fleet will require replacement: the Alpha training jets and B-Hunter unmanned aircraft require successor systems as well. As a result, variable geometry solutions in international cooperation become possible. Last but not least, the Belgian helicopter fleet – and the new NH90 system in particular – needs to be well integrated into a flexible defence posture. One attractive option is, for example, to transform the troop transport version of the NH90 into an enabling capability for the Special Forces Group.

These core capabilities of course cannot be separated from critical enablers. With regard to the latter, three distinct challenges stand out. Firstly, the support provided by the medical component already constitutes a major constraint on operational engagement. The acute shortage of medical doctors represents a serious threat to operational flexibility. Secondly, the uncertain strategic environment puts a premium on geopolitical and situational understanding. In order to minimise the risk of surprise that a small force structure entails, the military intelligence service warrants continued investment in terms of manpower, information systems and access to the appropriate collection capabilities (in particular in the area of signals intelligence and geospatial imagery). Thirdly and finally, Belgian defence planners must embrace the reality that cyberspace has become a new domain in which power is exercised. The revolution in electronic networks has effectively rendered the notion that conflict may not reach our national borders meaningless. If the Belgian armed forces cannot counter cyber-attack on critical national infrastructure – offensively if need be – they effectively fail in their fundamental mission: to protect the society from which they spring. This is why a major investment in cyber capabilities is warranted and why the setting up of a cyber force should be envisaged, preferably embedded in a multinational structure.

Conclusion: A Strategic Vision

The contours of a future force structure for the Belgian military have become apparent. Once more, the armed forces will become smaller. Yet in order to fulfil even the most consensual political objectives, they must retain a maximum versatility and invest in a broad spectrum of core capabilities. It goes without saying that all possible avenues for multinational cooperation must be explored, but this does not exempt Belgium from investing in nationally owned assets and sharing a proportional part of the international burden. In the coming decade, this means prioritising sound personnel management in function of a modular and agile land component and actively preparing for an F-16 successor system. In addition, the future of the Belgian navy and the acquisition of cyber-capabilities require in-depth exploratory studies.

Why must Belgium opt for a balanced force? The justification is twofold. On the one hand this choice springs from intellectual humility about our ability to predict the future. Throughout the 1990s and much of the 2000s, the geopolitical environment promised to herald an ever more stable and peaceful world. In recent years, this evolution is becoming more uncertain. We do not know what future operational requirements we will face: this is why the Belgian armed forces must invest in a broad range of assets and the know-how to regenerate them in larger numbers if ever required. A balanced joint structure is also in harmony
with Belgian strategic culture and its geopolitical persona. On the other hand, it is important to keep in mind that defence planning and procurement cycles unfold over a generational time-horizon. We can still enjoy the fruits of investments made over thirty years ago. By the same logic, it will be the children of the present generation of decision-makers who will have to live with the consequences of the choices that are made in the years ahead. Ultimately the balanced force is about retaining the next generation’s ability to act. They may not take it kindly if political choices prioritise the present but jeopardise the future.

How can one reconcile this vision with present budgetary realities? In the short term it is imperative that the investment share of defence expenditure starts growing again. Without the willingness to invest, any organisation’s days are numbered. This means that a numerically smaller structure of at least 25,000 men and women must be embraced on the condition that the downward trend in defence expenditure is arrested and the available Euros get reinvested in future capabilities. If the political world has concerns over budgetary transparency, the option of splitting defence expenditures into a yearly working budget and a multi-annual investment budget can be considered. Yet if Belgium is serious about its desire to help build European defence, it must face the reality that this implies budgetary convergence towards the European average over the medium term – and this means approximately 50% higher than it is today. Simply put, free riders do not get to have a seat at the table.

The hardest question of course remains: why bother about defence? Ever since the end of the Cold War we have grown accustomed to the idea that defence is only about long-lasting expeditionary operations in faraway countries. But this idea is flawed. In a world in which autocratic powers are gaining newfound confidence, defence is also about deterrence. In a European context characterised by youth unemployment and sluggish growth, defence is also about boosting technological innovation and safeguarding the industrial base. Ultimately defence is all about preparing for history that has not been written, and being able to write part of it ourselves. If this sort of strategic insurance appeals to the generation of tomorrow, we must think about it today.
Selected References


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