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## **THE CONCEPT OF "SMART DEFENSE"**

### **IN THE CONTEXT**

### **OF AN EFFICIENT DEFENSE PLANNING**

*The international security environment is currently undergoing a series of fundamental changes becoming increasingly complex. Consequently, international actors need to find innovative ways to manage security and defense. The global financial and economic crisis has had a strong impact on military budgets, making it necessary for states and regional and international organizations concerned with such issues to streamline their defense planning and the more so because, in addition to the already consecrated risks and security threats, there are also new challenges. The concepts of "pooling and sharing" and "smart defense" have become, in this context, increasingly popular generating new initiatives in defense planning. However, despite some successes in this regard and their presentation as ideal solutions for managing defense in the current context, these concepts involve a number of difficulties to overcome that sometimes may translate into strategic political military and even economic disadvantages.*

**Key words:** "pooling and sharing", "smart defense", security challenges, reductions in military budgets, NATO, EU, prioritization, cooperation, specialization.

## **1. INTRODUCTION**

The international security environment is currently subject to a series of fundamental changes altering the way the defense and security problem is addressed. The most significant one occurs in the polarity of the international system that switches from a unipolar configuration to a multipolar one,

that is from the existence of several countries comparable in terms of the power resources they hold and that are centered around a single power center with significantly more capabilities than other actors [1] to the existence of multiple power centers in the international arena with comparable resources. To be more specific, this change refers to the decrease of the U.S.A. influence and power and the emergence of new power centers usually known by the acronym of BRICS (Brazil, Russia, India, China, South America), to which we might also add Turkey. Another significant change is the emergence of a new area characterized by a high conflict potential and located in southern and south-eastern Mediterranean which was the result of the popular uprisings that took place in early 2011 in North Africa and the Middle East, categorized by Western researchers as a "democratic wave in the Arab world"[2].

However, the international security environment is still under the influence of what are now viewed as classic risks and threats - international terrorism, proliferation of weapons of mass destruction, inter-ethnic conflicts, and organized crime.

All of the above occur simultaneously with another phenomenon of utmost importance and influence for nowadays world, namely the economic and financial crisis that has triggered not only economic, but also political and social effects. Moreover, the undeniable link between the economic dimension of any international actor's security and other dimensions makes the military area no exception from the consequences of the aforementioned crisis. Therefore, like any other industry, the military, whether represented by national armed forces or by the ones of international organizations need financial support in order to exist and function.

Thus, the need to act and react in an international security environment is increasingly complicated and more variable given the fewer resources. Regarding the Euro-Atlantic area, the decision of the U.S.A. to emphasize the need to rebalance defense spending among NATO members given its previous contribution of about 75% to NATO total budget, the security and defense financial dimension has acquired new features. In addition, after 2008, the economic and financial crisis [3] has driven European states to decrease their contribution to the budget of the alliance. That resulted in NATO's efforts to find new solutions to maintain the Alliance's ability to fulfill its missions in accordance with the Washington Treaty and the Strategic Concept. In parallel, the EU took a similar approach.

Consequently, the two organizations started implementing a new concept in defense planning, known as "pooling and sharing" at EU level and "smart defense" at NATO level. Regardless of its name, the latter is actually a method of buying and using expensive military equipment in a joint manner. Basically, the concept describes various forms of defense cooperation, involving the merger of financial resources to purchase expensive military equipment and its use in common.

## **2. THE EUROPEAN UNION & THE EUROPEAN DEFENCE AGENCY**

The concepts of “pooling and sharing”/“smart defense” which imply, on the one hand, the development or acquisition of military equipment in the Union that could not be achieved by states on an individual base and, on the other hand, their shared use emerged at EU level and not at NATO, as one would have expected. The idea of purchasing and sharing expensive military equipment is inherent to the principles included in the founding documents of the European Defence Agency (EDA). Thus, both in the Common Council Decision 2004/551/CFSP on the establishment of the European Defence Agency (2004) [4], and in the Council Decision 2011/411/PESC defining the status and operational rules of the European Defence Agency and repealing Joint Action 2004/551/CFSP (2011) [5], the tasks and responsibilities include promoting harmonization of operational needs and adoption of effective, compatible procurement, in particular by:

- a) promoting and coordinating harmonization of military requirements;
- b) promoting cost-effective and efficient procurement by identifying and disseminating best practices;
- c) providing appraisals on financial priorities for capabilities development and acquisition (Article 5, 3 (b)).

Basically, the EDA has emerged since the beginning of the EU as a specialized body whose main task was to coordinate and encourage cooperation between member states in matters related to the acquisition and development of military equipment. As part of the EDA, member states may initiate programs to develop capabilities, with EDA providing expertise, legal and administrative assistance to support their initiatives. Within this context, it is worth reminding the EU’s approach to the security and defense dimension over time marked by the reluctance of its member states to invest and support this dimension. However, the latter was much better developed and, especially, financed by the U.S.A. as part of its NATO membership. Therefore, when the military budgets of the member states began to decline, the idea long developed by the EU has acquired the name of “pooling and sharing”, it was publicized and accepted as a solution for continuing efforts to ensure security in the global financial and economic crisis. Afterwards, it was adopted, developed and implemented by NATO. Moreover, the fact that “pooling and sharing” is a concept of European origin is confirmed by the considerable number of predisposing factors and experiences of this kind in the EU, allowing a group of countries to achieve a high degree of integration, assuming that the others would catch up as their necessary capabilities develop [6].

The increasing interest in implementing the concept of “pooling and sharing”, which proved an efficient way to strengthen the European military power in a period of austerity, is the result of economic factors. The Ghent initiative played an important role in the development of this concept. The latter consisted in the effort of the 27 EU Member States’ defense ministers to find solutions to strengthen European military capabilities in the context of budget cuts and rising cost investments in the military. The stated goal of the initiative was to “*preserve and increase national operational capabilities - resulting in improved effects, sustainability, interoperability and cost-effectiveness*” [7]. For this, areas of cooperation were identified in order to ensure a more efficient expenditure of existing resources across Europe and to maintain a range of military capabilities aimed at achieving national political ambitions and the EU’s ability to act credibly in crisis situations. Subsequently, each member state had to make an inventory of its national military capabilities. The lists of stocks were then centralized by the EU bodies in a document illustrating the state of affairs in this field in Europe, followed by capability plans and by the identification of possible areas of cooperation. Afterwards, the member states had to identify the actions that could be taken at national level and the partners for cooperation. The role of EDA is to work together with other EU bodies as facilitators in the process of cooperation. Given the adaptation of this approach to the characteristics of the international context (the implications of the economic and financial crisis, in particular), the presentation of feasible solutions and the focus on finding solutions have led to an increasing acknowledgement of the “pooling and sharing” concept. Basically, once the inventories of existing military capabilities is over, every member state needs to avoid investments in those capabilities that already exist in other member states and instead focus on those capabilities that are necessary in order to achieve national strategic objectives and maintain the EU as a relevant security actor. Therefore, the “pooling and sharing” initiative actually resides in the avoidance of capabilities duplication, both at EU and NATO-EU level. Compared to similar cooperative efforts undertaken within the EU over time and strictly limited to cooperation on specific projects, the aforementioned initiative takes a strategic, comprehensive outlook on all existing capabilities within the EU member states, the way they can be used in a joint manner, as well as on the gaps in the security and defense areas identified in the treaties signed by member states and yet difficult to bridge despite the commitments made. Thus, within the Ghent initiative, we have identified the following areas where multilateral cooperation could bring added value to the Common Security and Defence Policy [8]:

- **Harmonization of the military requirements.** This needs to occur at the level of the objectives related to the capabilities issue that were established at national and EU level.

- **Research and Development.** It is an area considered essential for improving existing capabilities and for developing new ones.
- **Procurement.** Aggregating national requirements savings can be made to the economy of mass production. In order to achieve cost efficiency, the harmonization of military requirements and contract awards based on competition are important prerequisites. When the document known as the Ghent initiative was issued, the EU had already issued two directives, thus creating the legal framework for meeting the above conditions. One of the Directives was aimed at simplifying the terms and conditions for defense-related products' transfers within the community [9] and hence, at harmonizing the European weapons market and reducing the administrative procedures that hinder the movement of military equipment between EU member states. The other one regulated the coordination of procedures for the award of certain work contracts, supply of goods and provision of services by contracting authorities or entities in the fields of defense and security [10].
- **Training and exercises** play an important role in the context of European forces tendency to decrease in number. Therefore, applying the "pooling and sharing" concept to the facilities available for training could not only contribute to lower costs, but also to increased interoperability.
- **Command structures and procedures.**
- **Cost management.** Providing expensive goods (e.g. strategic recognition, etc.) is a priority in the efforts to increase cooperation. Consequently, initiatives such as Helicopter Training Program, Maritime Surveillance Network, European Satellite Communications Procurement Cell, campaign hospitals, air refueling, Future Military Satellite Communications, Reconnaissance - Surveillance - Intelligence, Pilots' Training, European Centre for Transportation, Smart Ammunition, Logistics and Naval Training were under discussion [11].

All of the above considered, the idea of "pooling and sharing" involves cooperative and harmonization efforts in the security and defense industry field. It is, in fact, an economical solution to manage the impact of the economic and financial crisis on military budgets. Although not necessarily a new concept, its scale and importance nowadays are new. Also, the fact that "pooling and sharing" is an economical solution for managing current challenges and that the idea itself is not fundamentally new can be found in the emphasis placed on research and development the in 2020 Strategy where smart (i.e. "smart growth") was defined as "developing an economy based on knowledge and innovation"[12]. Research and development can boost resource efficiency and create new jobs. Basically, research and development are key factors in economic growth and their inclusion in initiatives to streamline defense spending becomes natural. By including R&D in its areas of concern, the

“pooling and sharing” initiative is in line with the efforts to manage the effects of the financial economic crisis in all areas, the defense sector being one of them. Furthermore, from this perspective, “pooling and sharing” can be an effective initiative because EDA has included research and development capabilities in its activities since the signing of its founding act [13]. Moreover, the initiatives established under Strategy 2020 - Innovation Union – have created an environment for developing and promoting new ideas. Moreover, the EU Council meeting of 22-23 March 2012 stressed the importance of creating synergies between the policies of EDA and of the European Commission, particularly in the field of investments in Research and Technology. This is believed to be a solution to strengthening the Defence Technological Industrial Base in Europe [14]. The €15.8 billion program in research technologies, as well as the research programs in marine systems and unmanned aerial systems started by 12 EU Member States together is proof of the opportunities created by all of the above. In other words, the EU has created a very favorable framework that allows the development of research and development in all areas, the “pooling and sharing” concept defining the military applicability of a European general economic development. In fact, the declaration of the EU Commissioner responsible for research, innovation and science on the importance of research and innovation is significant in this respect: “Europe is facing a debt crisis and the greatest economic challenges for decades. The Member States take measures to cut budget, but we must ensure that these measures do not cut even the driving force of economic recovery: research and innovation. Investing in research and innovation now is the recipe for ensuring jobs and growth in the future.”[15]. This statement highlights both the impact of the international economic context and the need to identify a new approach. Also, another relevant aspect is the likeness between the permanent cooperation prerequisite and the “pooling and sharing” initiative. The existence of a provision mentioning this form of cooperation in the Lisbon Treaty is undoubtedly an advantage for strengthening and increasing the cooperation in the security and defense related industry. Nonetheless, this requires identifying and undertaking small projects, small initiatives on specific issues by certain members in a cooperative manner, while the other states are to join them when they have the will and power to do so.

“Pooling and sharing” is, from the outset, a European-wide concept and implies that all member states are involved and all have certain advantages in terms of cost efficiency and equipment necessary to achieve national interests and fulfill their responsibilities in the EU. Moreover, “pooling and sharing” involves extensive European synergies in the security and defense industry. However, it is necessary to remove all potential obstacles to the implementation of this concept, obstacles that can be found in the very way in which security and defense work at EU level [16]. Therefore, the

implementation of this concept may be confronted not only with distinct visions and priorities, but also with the reluctance of national authorities to be part of such an effort. For example, at the end of 2010, three EU member states - France, Germany and Poland - launched an initiative aimed at the creation of a military operational headquarters in Brussels, a proposal opposed by the United Kingdom on reasons of task overlapping, duplication with NATO. On the other hand, we must not minimize the impact of the current economic climate on the perception and endeavors to tackle security and defense. In this respect, a viable and profitable solution would ultimately allow member states to maintain or improve their ability to guarantee the security of their citizens and to meet commitments at regional and international levels.

### **3. NATO AND “SMART DEFENSE”**

“Smart Defense” is equivalent to the “pooling and sharing” concept implemented at EU level. “Smart defense” was adopted in the context of a major imbalance in the contributions made to the NATO budget, an imbalance considerably enhanced by the effects of the economic and financial crisis. The decline of the U.S.A. power, the main contributor to the NATO budget, alongside with the change in its strategic priorities concerning the Asia-Pacific region [17] also had an impact on NATO’s organization and functioning. The recently launched concept of “smart defense” is part of the transformations undergone by the Alliance under the impact of major international events. According to NATO’s official website, the concept was adopted by the Alliance in the context of a crisis and of the need to “rebalance” the uneven efforts taken by the U.S.A. and European countries with their defense spending so that, in the end, the defense “burden” is fairly shared. In general, it is aimed at covering those defense capabilities involving considerable expenses, namely anti-ballistic protection, surveillance and reconnaissance, intelligence, maintenance and training, education and employment training, effective engagement and force protection. Basically, “smart defense” is a solution to maintain NATO’s ability to fulfill its missions in accordance with the Washington Treaty and the Strategic Concept. Thus, the Alliance maintains its ability to respond to the increasing complexity of the international security environment characterized by the presence of the same security risks and threats that have to be countered with declining military budgets. As previously mentioned, the U.S.A. is an exception to this situation.

The implementation of the Alliance Concept involves developing those capabilities NATO mostly needs within the current international context. The Alliance operates similarly to the EU’s EDA that acts as a facilitator and interim framework in which its members can decide what can get together, at lower costs, more efficiently and with fewer risks. In the case of NATO, the Allied

Command Transformation (ACT) plays the coordination role. Another important structure in implementing the concept of “smart defense” is the Conference of National Armaments Directors, the main NATO committee responsible for promoting cooperation in supplying weapons and capabilities to improve the effectiveness of NATO forces. Moreover, on July 6, 2012, an agency similar to EDA - NATO Procurement Organization (NPO) was created within NATO [18] in order to provide a framework which would integrate the multinational procurement programs. At the moment, NPO is still being organized in terms of the structure and processes that will underpin its operation. Also, the official NATO website states that NPO will build on the experience of the existing multinational procurement agencies [19] that will continue to operate as such until NPO is operational or until the member who is involved in the NPO will decide the integration. However, the existence of specialized multinational procurement agencies clearly reveals that the idea of “smart defense” is not a new one. However, the concept acquires a new scope and new meanings in the global financial and economic crisis. In addition, as with EDA, the implementation of “smart defense” requires certain necessary steps. The first is to prioritize the necessary national capabilities in accordance with Alliance’s requests so that the main objectives identified in the defense planning coincide with those defined by NATO. The second step is specialization, namely the need for states to cut out from their budgets the expenditures with those capabilities allotted to other NATO member states and to which, in accordance with the principles of “smart defense”, they should also have access. Specialization involves saving some resources and investing them in others that are insufficiently developed or inexistent across the Alliance. The third step is cooperation, a core dimension emerging from the idea that states can, together, have access to capabilities that would not be otherwise available.

The initiatives developed under the concept of “smart defense” at NATO level focused on extremely costly capabilities. Out of these, the following can be mentioned:

- The *land, sea and air surveillance systems* play a particularly important role in the protection of NATO forces in theaters. The equipment needed for the NATO Air-Ground Surveillance (AGS) system have already been purchased through a multinational agreement among Bulgaria, the Czech Republic, Estonia, Germany, Italy, Latvia, Lithuania, Luxembourg, Norway, Romania, Slovakia and the U.S.A.
- The *airborne warning and control system (AWACS)*.
- The *fight against improvised explosive devices (IED)* is another key point in the protection of NATO forces in theaters of operations, given that over half of those wounded in battlefield were injured by such devices. In this respect, in November 2011, thirteen countries decided to jointly acquire control technologies for IED.

- The *missile shield* could be considered another example of the “smart defense” implementation. Its construction was initiated by the U.S.A., Turkey, Spain, Poland and Romania agreed to host its elements on its own territory. To thi purpose, the Netherlands announced plans to equip four vessels with radar and Germany ponders over offering its Patriot systems.
- *Cyber attacks defense* is another area where “smart defense” is implemented through projects involving innovative technologies and operational support.
- *Command and Control systems*, etc.

In the same vein, Norway launched an initiative concerning integrity development. The latter is based on the assumption that, in order to implement “smart defense” (*i.e.* defense intelligence), intelligent institutions are required. The project aims at promoting best practices and developing practical tools to reduce the risk of corruption and it is viewed as an appropriate support for Afghanistan and the countries in South Eastern Europe [20].

Unlike the EU, NATO’s approach to “smart defense” places less emphasis on research and development. The explanation for this may be found in the distinct nature of the two organizations. The EU was primarily formed, defined and developed as a regional economic organization with an integrative purpose. Therefore, given the implications generated by the integration of different security dimensions (*i.e.* economic, social, political and military, the impact of the global financial and economic crisis is greater. As a result, research and development represent one of the main EU levers for identifying comprehensive sustainable solutions to manage the effects of the crisis in as many areas as possible. NATO, on the other hand, is fundamentally a political-military alliance with responsibilities mainly related to security and defense. Therefore, the efforts were directed towards the identification and development of solutions for purchasing the military equipment necessary for the Alliance to fulfill its already assumed commitments.

Research is, indeed, part of any initiative since any development (*e.g.* military equipment, armaments, command and control systems, defense systems, etc.) is based on it. However, in our opinion, it plays a lesser role in defining the concept of “smart defense”. For NATO, “smart defense” is equivalent “to spending money on defense in a smarter way” [21]. Moreover, in terms of research and development within NATO, the involvement of the Alliance in many operations involving considerable expenditures resulted in limited funds for research and development and procurement of new equipment [22]. Another likely cause for the diminished role of research and development in the context of “smart defense” may be the need on behalf of European countries to invest more in this field. In this respect, it is worth

reminding that, according to official documents [23], the U.S.A. invests seven times more than the EU in research and technology. As a result, a more substantial investment on behalf of the EU in this area would create new opportunities for the transatlantic cooperation and, hence, mutual benefits. The low level of investment in research and development at European level can become vulnerability and, consequently, efforts must be made towards addressing this issue. However, similarly to the EU that has to face certain obstacles to the implementation of the concept of "pooling and sharing", NATO also faces its own challenges in this respect. "Smart defense" gained popularity and momentum during the economic and financial crisis, but its implementation requires efforts to overcome difficulties, mostly political, since the member states must rely to a greater extent on each other in terms of jointly using capabilities in order to meet their commitments in the security field. Besides the need to overcome the lack of trust among states, and the practical, procedural, institutional difficulties to implement this concept, the most consistent difficulty is, by far, the **specialization** requirement, which is a veritable "Gordian knot" for the concept's implementation [24].

As defined by NATO, specialization requires nations to focus solely on developing specific capabilities and abandoning the development of others, which are to be provided, if necessary, by other allies, under the same concept. It is about making efforts with permanent implications. Thus, the member states may be in one of the following situations: sole suppliers of certain equipment or completely dependent on the help of other countries. Of course, in this context, the security guarantee provided by Article 5 of the Washington Treaty must not be overlooked.

The implications of specialization are numerous and profound. First, specialization involves major changes within national military structures as a result of the states' focus on certain military capabilities. Inherently, there is also the risk that states may act in accordance with the sovereignty principle and, as a result, show reluctance to adopt such measures. Moreover, the cited source identifies six broad categories of challenges in this regard. The first one is that specialization has an impact on the strategic flexibility of each state partly because the necessary enterprise capabilities of contingency measures would remain uncovered, representing a vulnerability of the respective state actor. The second challenge refers to states' negative political freedom to act or not in a given situation as it is the case. For example, a state along with other allies may decide to act in a particular crisis requesting capabilities developed by other players, or a player, who is the only holder of capabilities, believes that engaging in a particular crisis or conflict is not consistent with its national interests. In both cases, one can speak of coercion: on one hand manifest in the unwillingness to act, and on the other hand in the decision to act. Third, establishing the criteria underlying to the

composition of specialized forces is another difficulty. These forces require a high degree of cohesion based on the assumptions that all capabilities are available regardless of the nations that contribute to them and that allies tend to develop the necessary capabilities because of their own vulnerabilities. The fourth difficulty concerns the implications for the defense industry since specialization requires states to abandon the development of certain capabilities in favor of others. Fifth, there is the increased complexity of military education and instruction. The sixth challenge is that the specialization process must start from the premise that NATO is the only organization with responsibilities in the Euro-Atlantic security area. In this respect it is worth reminding that NATO member states are also part of other organizations and subject to the need to deal with specific risks. For instance, Turkey has to tackle the PKK problem. Basically, states must maintain the capability to act under other security commitments and not duplicate other existing NATO military capabilities.

#### **4. NATO AND EU INTEROPERABILITY IN THE CONTEXT OF THE FINANCIAL AND ECONOMIC CRISIS**

“Pooling and sharing” and “Smart Defense” are two concepts roughly referring to the same approach – capabilities’ merger and joint use in order to ensure more effective investments in security and defense. Cooperation among member states is the central idea around which the two concepts are built. However, in terms of the European area, cooperation should be approached at supra-national level since 21 states are members of both NATO and the EU. Consequently, attention must be paid to the side effects that may occur as a result of implementing both “pooling and sharing” and “smart defense”. It is obvious that what was initially aimed at preventing resources waste may actually lead to a duplication of functions at the level of the two organizations. The efforts to prevent this state of affairs are already visible.

What is common for both approaches is that the idea of pooling resources to develop and / or acquire defense capabilities to be later shared by the contributors is not new. “Smart defense” and its European counterpart – “pooling and sharing” - are initiatives aimed at reducing the gap between the U.S.A. and the European countries in terms of technological and operational capabilities, since it is common knowledge that the U.S.A.’s contribution is higher as a result of its greater funds’ channeling into the defense budget. Besides its role of main contributor to the NATO budget, the U.S.A. is still the greatest military power in the world despite its decline in defense investments. The differences between the U.S.A. and the European countries in terms of their investments in defense are huge. Thus, for 2011, statistics [25] show that

the U.S.A. invested no less than 711 billion dollars, while in Europe the largest investments were made by the UK totaling 62.7 billion dollars, which is about 11% of the total U.S.A. effort. Moreover, one can notice the same imbalance in terms of the investments made in research and development in the security and defense fields between the two sides of the Atlantic. Moreover, defense in Europe actually means the involvement of European states and not of a single entity, the EU respectively. This situation can be better explained as the expression of the inter-governmental character of the security and defense policy that provides for member states to act under the sovereignty principle. Therefore, in terms of defense, the European countries' investments are not only much lower than those of their transatlantic partner, but also little focused and coordinated - at least before the coining and initiation of the "pooling and sharing" and "smart defense" initiatives. Thus, the idea to pool resources and share capabilities solves the already mentioned gaps between Europe and the U.S.A. that only became larger as a result of the global financial and economic crisis, as well as because of a switch in the interests of the U.S.A. for the Asia-Pacific region.

The cooperation and coordination efforts between the two organizations are therefore vital for the two concepts to be successful in the long term. Moreover, before the advent of the economic and financial crisis, NATO and the EU had already developed interoperability frameworks aimed at avoiding overlapping functions and taking a complementary approach to security [26]. The first cooperation framework between NATO and the EU was established by the "Berlin Plus" agreements that granted the EU access to NATO's operational planning instruments regularly used crisis management operations to conduct its own operations. Currently, the NATO-EU agreements on security concern the cooperation in crisis management, the fight against terrorism and proliferation of weapons of mass destruction, exchange of classified information, and EU's to NATO planning capabilities. In addition, the NATO-EU cooperation often materialized in complementary actions in theaters of operations, such as those in Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Afghanistan or in the naval operations conducted along the coast of Somalia. Therefore, for the two organizations, the need to cooperate in order to avoid tasks and functions duplication is a reality acknowledged and accepted for a long time. Consequently, the implications of implementing the concepts of "smart defense" and "pooling and sharing" are no exception to this rule.

So far, the accomplishment of the interoperability goal in defense planning under the new conditions created by the economic and financial crisis was facilitated by regular meetings of the heads of the two bodies responsible for coordinating the efforts related to the implementation of the two concepts: EDA and ACT. Such a meeting was held in December 2011, when the heads of the two structures discussed how EDA and ACT can work together so that

their efforts are complementary and avoid wasting resources [27]. In fact, a look at the lists of the already developed programs of the two organizations underlines the differences between them in terms of the types of investments made. Thus, EDA focuses mainly on logistics and communications, and ACT on capabilities for military operations in theaters, troops' protection and related risks and threats such as those arising in cyberspace or weapons of mass destruction. As a result, the efficient use of these in practice is an efficient one. At the meeting from December 2011 the topic of a practical approach to the NATO-EU interoperability was on the agenda. An example in terms of the results yielded by this was the progress made in Afghanistan as a result of the projects developed under EDA (i.e. healthcare, DEI fighting tools, training helicopter pilots) and used in NATO-led missions.

Therefore, there are reasons to believe in the ability of both organizations to cooperate given the current economic conditions when member states are facing cuts in defense budgets and need a new way of thinking of security and defense issues. In this respect, maintaining a continuous contact between relevant institutions in NATO and the EU, dialogue, transparency and the exchange of ideas are essential parts to achieving goals through the idea of intelligent defense. Moreover, this kind of NATO-EU relationship is all the more necessary as both face the same obstacles in their efforts to put "pooling and sharing" and "smart defense" into practice.

## 5. CONCLUSIONS

"Pooling and sharing" and "smart defense" were presented as ideal solutions to maintain the defense capability of the states given the Euro-Atlantic economic and financial crisis. The ideas, though not new, have had a far greater impact and success than in the past due to the international context which enabled their presentation in a positive light and in an unduly way. Of course, the idea of putting together and sharing resources for defense so as to allow the use of defense capabilities at lower costs is useful and justifiable. Its success is best explained as the result of the budget cuts in all fields, the military one included, faced by the NATO and the EU member states. However, there is also a downside to this expressed at the level of the difficulties and obstacles encountered along the way and with impact on defense planning. The specialization component of "smart defense" is one of the most significant challenges in this respect, influencing and increasing the complexity of the defense planning area in the case of each nation. Abandoning the development of capabilities to focus investments on others, based on the idea that they will be provided by the other member states requires a redefinition of the defense industry, the organization of the armed structures, education and instruction of military or civilian personnel, as well as of the

tasks undertaken at national level. All this could lead, at least on short term, to economic imbalances in the military. Moreover, another problem to be overcome is that of mutual confidence between states. No country will be willing to neglect the development of the capabilities necessary for national security and integrity as long as the sense of security in terms of other countries' level of commitment lacks. In addition, in this respect, the way the relations between European states are managed gains an increased importance for the successful implementation of intelligent defense. As shown by most analyses of European security, this can be explained as these countries' attachment to the idea of nation, identity, sovereignty and defense, which is one of the most sensitive areas [28]. Therefore, in our opinion, the key to the success of both initiatives is the relationship built among the European states. Strengthening cooperation, mutual trust, overcoming, when appropriate, the Westphalian vision on security and defense are *sine qua non* conditions both for the smart defense and for the efforts to pool and share the military capabilities.

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