Summary and conclusions

Future Policy Survey

A new foundation for the Netherlands Armed Forces

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1. Introduction

The Netherlands is an open and prosperous country in a safe and secure part of the world, a hub for international trade, transportation and distribution flows. We are the ninth largest exporter and sixteenth largest economy in the world. We are also a member of the EU and NATO. What peril could possibly endanger us?

Although our security, prosperity and welfare appear to be the natural order of things, they did not in fact spring up spontaneously but are the result of the efforts of our forebears who worked – and sometimes, fought – hard to achieve them. They must also be protected in a world whose future is uncertain. The social and economic developments taking place elsewhere in the world also have an impact on our society. The international economic crisis has unmistakably exposed the fragility of our prosperity. Economic, political and military power relationships are shifting. Old threats are fading away, while new ones rise up in their place. The climate is changing and natural resources are becoming scarcer. The world population continues to grow, but the population of Europe is ageing. Technological developments continue to create new opportunities as well as new dependencies and risks. In the evolving world, the feeling of uncertainty about our future position is increasing.

The Netherlands defence organisation contributes to the security – and thereby also to the prosperity and welfare – of all Dutch citizens. The serving men and women of our Armed Forces carry out that task both at home and abroad, even at the risk of their own life and limb. A modern and capable military must be able to protect our society against known and unknown security risks. The Armed Forces of the Netherlands embody – to the world and to ourselves – who we are and what interests and values we stand for as a society. A professional military, one that is structured and equipped to carry out its tasks, is best suited for a prosperous and developed country such as the Netherlands, which has major economic interests, is strongly dependent on events beyond our borders and has obligations in NATO and the EU.

2.
Future Policy Survey Project

Which Armed Forces will be needed in the years ahead? What eventualities must we be prepared to contend with? What are our options? In order to develop an adequate conceptual foundation for decisions that will be necessary with respect to the future of the Armed Forces, the government of the Netherlands initiated the Future Policy Survey. This Survey makes a substantial and scientifically sound contribution to political and public perceptions about the future of our Armed Forces. The Future Policy Survey is an expression of the political will to do justice, now and in the future, to the requirement that the Armed Forces serve as a crucial safeguard against threats to our nation and our society.

The Future Policy Survey project began on 1 March 2008 based on the plan of action approved by the Netherlands defence and on the terms of reference stated in the plan. Its assignment was:

"To formulate, on the basis of expected long-term developments and possible scenarios and without constraints, policy options with regard to the future ambitions of the Netherlands defence effort, the appropriate composition and equipment of the armed forces, and the associated level of defence expenditure." (House of Representatives, 2008 31 243, No. 6).

The project was executed by an interagency team drawn from the ministries of Defence, Foreign Affairs, the Interior and Kingdom Relations, Justice and Finance. It was critically assessed by a sounding board of experts, led by former minister of Finance Gerrit Zalm.

Never before in the Netherlands has there been an interdisciplinary, interagency or international exercise in the area of defence comparable with the Future Policy Survey. Many experts – both inside and outside the defence organisation, from the Netherlands and from other countries – have participated in the development of this report. As a result, the Future Policy Survey has produced more than just its final report. The process itself was at least as important and challenging, and it will be embedded structurally into the policy-development process in the defence organisation. The analysis, the scenarios and the policy options contained in the Future Policy Survey put an effective tool in the hands of the next government for the development of a vision and a long-term plan for the Armed Forces of the future.

Undoubtedly, the economic crisis will require us to take painful financial measures over the next few years – measures that are unlikely to leave the Armed Forces unscathed. That makes the solid basis for responsible political decisionmaking that is contained in this report even more important. It is also crucial that our defence efforts continue to enjoy broad political and public support. Military personnel and civilians who put themselves at risk in the interest of our society must be able to continue to rely on a modern and capable military that is fully equipped to deal with the missions assigned. The changeable world that we live in today does not give us the luxury of being cavalier with our Armed Forces. The assurance of security is one of the legitimate demands placed on the government by its citizenry.

The primary aim of the Future Policy Survey is to provide an authoritative and objective basis for political choices with regard to the Netherlands defence effort. This report will help to determine a direction for the Armed Forces over the long term. The choice of the policy options and the determining of the level of defence expenditures are, of course, left to the political leadership. This report does not make that choice in their stead. It does provide a solid basis for making those decisions. That basis is summarised below.

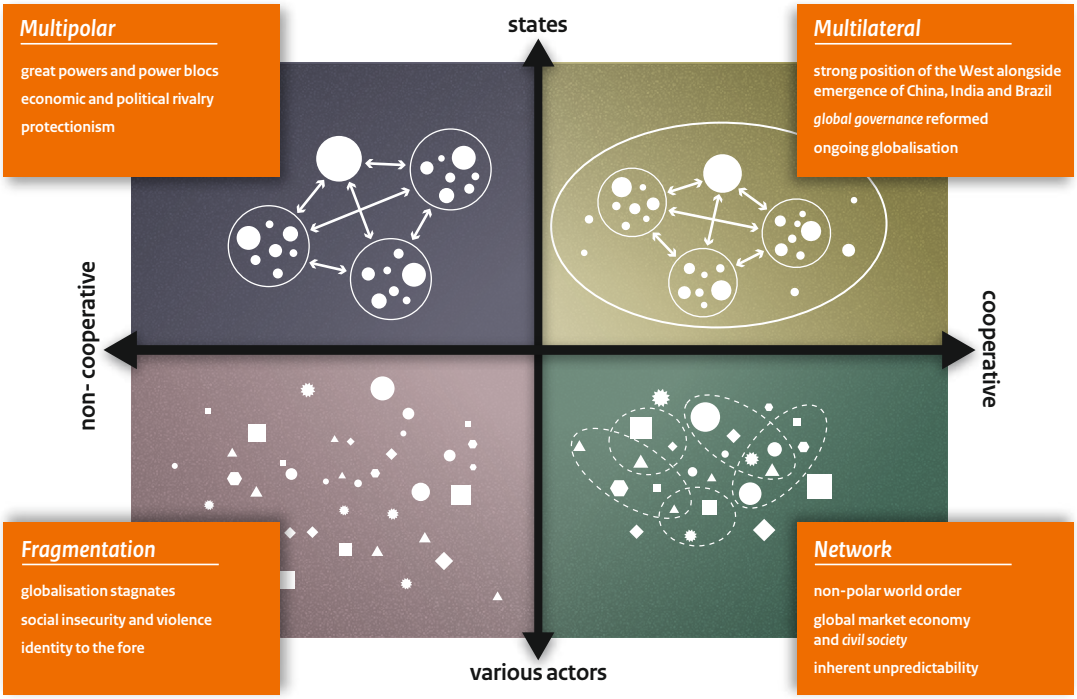
3. Scenarios

The Future Policy Survey has resulted in the development of four future scenarios. The scenarios – MULTILATERAL, MULTIPOLAR, NETWORK and FRAGMENTATION – set out the main outlines of how the world may develop, and the consequences that those developments could bring in the coming two decades. The four scenarios are related to a basic question: who will the dominant players of the future be and how will they behave towards one another? The scenarios help to make the world more comprehensible and help to comprehend the significance of today's events, developments and uncertainties. They have been used as a touchstone for the development of the policy options.

The MULTIPOLAR and MULTILATERAL scenarios are state-centric, although non-state actors also play a part in them. They therefore appear to conjure up a traditional and relatively recognisable picture. There is, however, no 'return to history' in these scenarios. In both scenarios the focus has shifted from the West to Asia, although to a different extent and with different results. Technological developments have opened up new perspectives. New security issues and forms of coalition have come to the fore.

The NETWORK and FRAGMENTATION scenarios are closely related to the emergence of non-state actors and elaborate that development into the future, although nation-states remain present. In these scenarios, concepts such as national sovereignty, the state's monopoly on the use of force and the international rule of law are seen in a new and often unfamiliar light. These two scenarios are therefore less recognisable, but no less plausible or relevant. More than the other scenarios, they expose the fracture lines that have developed as a consequence of the far-reaching globalisation of the last two decades.

The scenario framework



In the MULTILATERAL scenario, there is a further developed system of international co-operation working to resolve conflicts and conflicts of interests. The changed economic and political power relationships in the world are reflected more accurately in the United Nations and other international forums, which function better as a result. The strengthening of global governance does not prevent nations from asserting their national interests, which sometimes brings sharply conflicting interests to light. Nevertheless, agreement is also often reached on a collective approach to international issues. The Armed Forces are often enlisted to promote and enforce the international rule of law. Examples include putting collective international pressure on countries that represent a risk to international

peace and security or that are committing gross violations of human rights. The same applies with respect to combating international terrorism and international crime, which have become more intertwined. It also applies to the resolution of regional conflicts and the use of both civil and military means (preventively and reactively) to support states that are functioning poorly.

In the MULTIPOLAR scenario, power blocs have formed and international conflicts of interests have become more pronounced. The United States and China dominate this multipolar world. They clash primarily over hegemony in the Pacific region and the Indian Ocean region, and over access to energy reserves in Central Asia and the Middle East. The EU, India, Japan and Brazil are also powers of considerable significance, as is an authoritarian Russia which, thanks to structurally high raw material prices, is wealthy and autonomous. Russia will not tolerate 'interference' in the Arctic Ocean, where important new shipping routes and areas for extraction of raw materials have developed as a consequence of global warming. In this area of the world, Russian interests therefore mainly clash with Canadian, American and European interests. India and China dispute each other's territorial claims and spheres of influence around the Indian Ocean and on the Eurasian mainland, where the most important sea lanes in the world for energy, food supply and international trade are situated. Many smaller nations endeavour to strengthen their positions by establishing ties with a great power or by aligning with the power blocs.

In the NETWORK scenario, globalisation continues, but part of the world population will have lost its connection to it. In this scenario, the most important driving forces are the dynamics of the global market, major capital and technological renewal. The 'thickening' of the international system and the 'dilution' of the nation-state have continued in large measure. Social traffic is dominated by a diverse collection of global networks. These networks link a wide range of non-state actors: multinationals, NGOs, trading conglomerates, metropolises, philanthropists, transnational criminal networks, terrorist organisations, private military companies, etc. These networks are oblivious to national borders. The market has a great influence. The economic, political and military forces in this open global system are so diffuse that even large powers are not able to impose their will. A more accurate designation for this system is a non-polar global system. Security issues are primarily connected to groups and/or countries that have been unable to join the global network. The friction between those losers and the winners represents a risk to international security and stability. In addition to mass migration flows, this friction also serves as an impetus to ill-willed non-state actors in areas of failed state-formation. Terrorist groups, crime syndicates and even individuals will be able to use the global network to strengthen their socially disruptive objectives. Many of these security issues stem from the increased interwovenness of internal and external security and the vulnerability of modern societies to external influences.

In the FRAGMENTATION scenario, the anti-globalisation forces will have gotten the upper hand, and defending one's own identity, prosperity and security will dominate. The process of globalisation is stagnating because those opposing it have succeeded in getting the upper hand – including in the political systems of many countries. Owing to a series of disastrous events, many individuals, groups and societies feel themselves thrown back on their national, cultural, social or political circles and identities. They have therefore become inward-looking to a great extent. Belief in the advantages of international cooperation and an international market economy has diminished substantially. In many cases, people no longer trust their 'own' country for their security and well-being, leading to political and social division and unrest in many countries. In relatively stable regions, states are successful in protecting their citizens from internal and external threats.

The United States economy does not recover fully from the current crisis, resulting in a decline of its political and military power. At the same time, the other (potential) great powers are being increasingly plagued by internal problems. Separatism in Russia and China in particular will be strengthened by major income differences between regions and changes in the composition of the populations. Countries such as India, Pakistan and Indonesia have been dealing with this type of problem for some time already.

4.
Strategic shocks

The Netherlands should assume that over the next two decades, specific events or sudden developments will occur which will place the security of the Netherlands in a new light and may also involve recourse to the Armed Forces. This includes events or developments that appear to be extremely unlikely at the moment or are beyond our powers of imagination but which may nevertheless occur. Such events or developments are referred to as 'strategic shocks'. Besides the diverse future scenarios, any decision on the future of the Netherlands defence effort must pay serious attention to the possibility of this type of strategic shock.

A strategic shock's impact largely depends on the context in which it occurs. This creates a specific connection between the future scenarios presented above and the strategic shocks. The consequences may also manifest themselves immediately, as in the case of an attack on Netherlands territory, or they may have an impact in the longer term.

Twenty-five strategic shocks that could occur during the next two decades were delineated in a series of workshops organised as part of the Future Policy Survey. An assessment was also made of their possible consequences for the security interests of the Kingdom of the Netherlands, the international rule of law and the Armed Forces. The table below includes an overview of all the strategic shocks against which policy options were tested. Ten of those shocks have been singled out by the Survey as of particular interest to political decision makers.

Strategic shocks

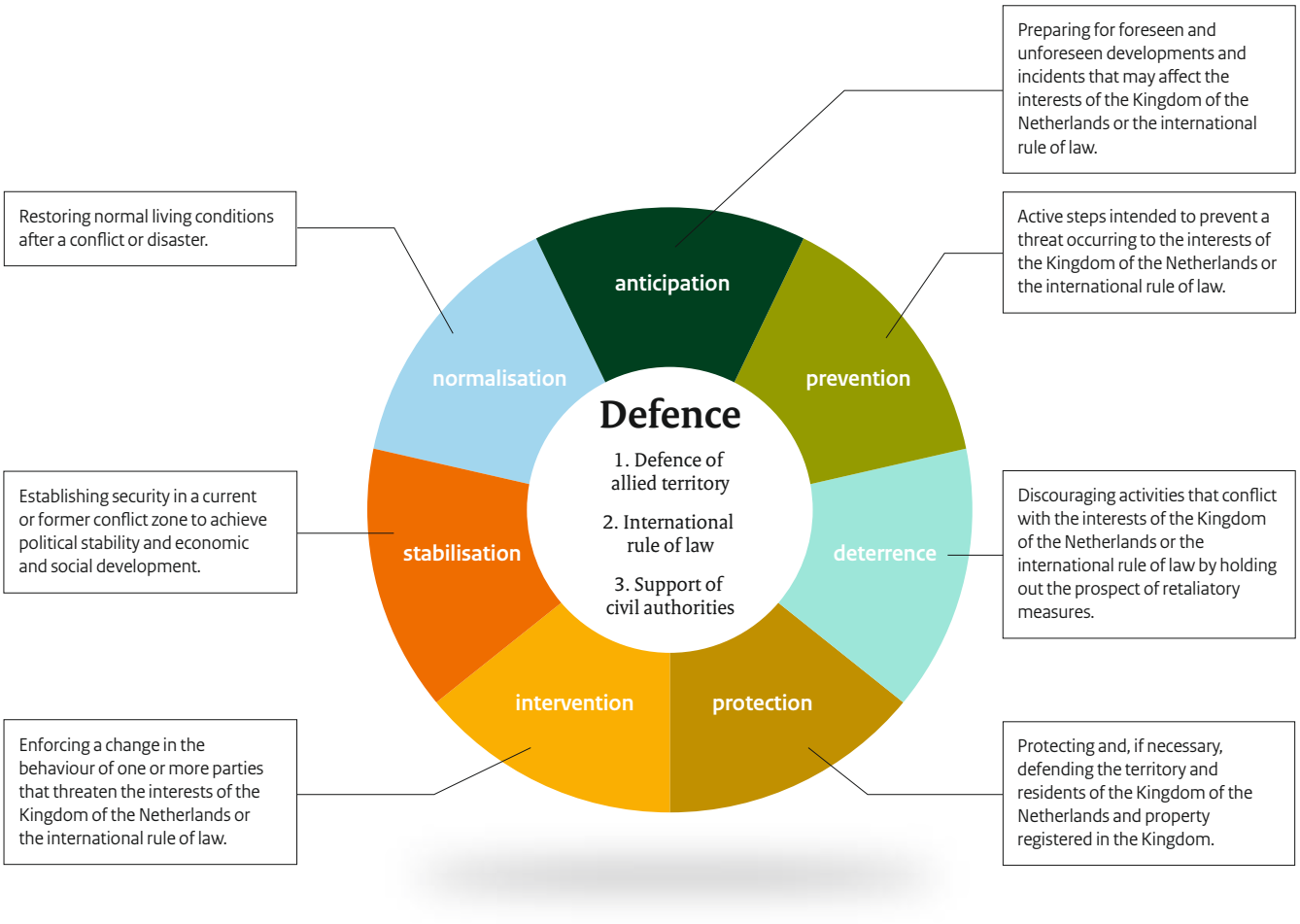
	Global	Europe	Kingdom of the Netherlands
Demography			**Pandemic** causes global disruption; Netherlands also affected.
Economy	**US** fails to recover from economic crisis; decline of US power.	Euro zone falls apart; **new fault lines in Europe**.	**Supply lines blocked**; Netherlands economy in crisis.
	Energy resources and raw materials exhausted at increased rate; no alternatives available.		
Social	**Genocide**.	**Organised crime** becomes entrenched in Europe.	**Serious disturbances in large cities** after assassination attempt.
Technology	**Western military dominance** negated.		Large-scale **outage of information systems and financial transaction systems** following digital attack.
Ecology	Severely **accelerated global warming**; mankind faced with climate catastrophe.		Large parts of the Netherlands **under water**.
Political	**Islamic radicals** seize power in Middle East.	**NATO** falls apart.	
	Regime in **North Korea** collapses.	**Extremist party** comes to power.	
Security	**Nuclear weapons** are used in regional conflict.	**Russia** attacks NATO and EU member state.	**Venezuela** occupies Curaçao and Aruba.
	Superpowers become embroiled in **military conflict**.	**Civil war** in Eastern Europe.	**Terrorists** carry out a major attack in Netherlands' territory.
	China becomes embroiled in internal power struggle and civil war.	Europe targeted by a **missile attack**.	

5.
Strategic functions

Providing for security is one of the Netherlands government's core tasks. The Armed Forces contribute to the implementation of that task both in the Netherlands and abroad. In order to develop diverse policy options for the Armed Forces, it is important to clarify how the government provides for the security of the country and what the role of the Armed Forces is in that broader context. In the course of the Future Policy Survey, it proved useful to divide the security-creating role of the government into the seven strategic functions shown below. These functions provide a good basis for a coherent approach to our security and for determining the role of the Armed Forces within that approach.

The role of the defence organisation in the execution of the strategic functions is concentrated, of course, on the deployment of the military assets of the Armed Forces. During the Future Policy Survey, the strategic functions were important in devising the resulting policy options in a logical and well thought-out way.

Strategic functions of the Defence organisation



6.
Policy options

The four policy options that have been developed during the Future Policy Survey offer diverse options for determining the level of Dutch defence efforts over the long term. The four policy options – STAYING SECURE, SWIFT AND DECISIVE, BRINGING SECURITY AND AGILE FORCE – are therefore not a blueprint for the Armed Forces of the future, but sketch a direction of development in which the Armed Forces can evolve over the years to come. The policy options are mutually distinguished in that each option places different emphases on the strategic functions of the government and the Armed Forces.

policy option "STAYING SECURE"

Main accent on protection

In STAYING SECURE, the main accent is on the strategic function of Protection. In this policy option, the Armed Forces act to protect – and defend, if necessary – the territory of NATO and the EU and the protection of the Kingdom and its subjects against a wide range of security risks and threats. This policy option is a radical departure from our defence policy over the past years; that policy had been dominated by the principle of improving capabilities for taking part in complex stabilisation operations. This policy option is however, a continuation of the increased importance over the past few years of support by the armed forces for civil entities in the Netherlands. Protecting Allied and national territory is also a defining aspect for the composition and the equipping of the armed forces. The principle of deploying the armed forces for the enforcement and maintenance of the international rule of law is not the guiding principle in this policy option. In that regard, the ARMED FORCES is limited to helping prevent conflicts or making small-scale or short-term military contributions to stabilisation operations with the available resources.

policy option "SWIFT AND DECISIVE"

Main accent on intervention

In SWIFT AND DECISIVE, the main accent is on the strategic function of Intervention. This policy option places the emphasis on maintaining – and imposing if necessary – the international rule of law and defending the interests of the Kingdom beyond its national borders. In that context the Armed Forces are capable, in an international or multinational configuration, of standing in the front lines of a rapid conflict resolution. That could involve military intervention within, between or against states, individuals or groups. A rapid and decisive achievement of concretely formulated objectives is a key factor. The armed forces can be deployed in both conventional and in so-called hybrid conflicts in

which opponents use both conventional and non-conventional tactics. The armed forces also contribute to the protection of Dutch society in the event of a conflict, as in the case of a heightened terrorist threat in the Netherlands. In this policy option, the armed forces are able to operate both remotely and 'among the people'. This policy option continues to build on the high-tech, expeditionary character of the current armed forces. The ambition with respect to participation in long-term stabilisation operations is lower. Administrative agreements with respect to the deployment of the armed forces in support of the civil authorities are maintained in this policy option.

policy option "BRINGING SECURITY"

Main accent on stabilisation

In BRINGING SECURITY, the main accent is on the strategic function of Stabilisation. In this policy option, the Armed Forces are primarily focused on promoting the international rule of law by participating in stabilisation operations and military cooperation with other countries and providing military assistance to security organisations in fragile states and regions. The concept underpinning this option is that the interests of the Kingdom are best served by the global promotion of stability and development. The focus in this policy option is on promoting the international rule of law. This policy option continues to build on the experiences that the Armed Forces have had over the past few years in stabilisation operations in the Middle East, Africa and recently in South and Central Asia. It does away with the distinction in the current level of ambition between operations at the lower and the higher ends of the spectrum of conflict. The possibility must be borne in mind of so-called hybrid conflicts in which opponents with differing interests use both conventional and non-conventional tactics in an attempt to strike at our vulnerabilities. These conflicts are characterised by a variable and potentially high level of force intensity and a high degree of complexity. This policy option also simultaneously assumes a substantially lower ambition with respect to participation in intervention operations. Although the Armed Forces must have sufficient escalation dominance, it is not primarily organised for carrying out intervention operations. To the contrary, the policy option assumes a substantially higher ambition vis-à-vis the current defence policy with respect to advising, training and developing local, national and regional security entities.

policy option "AGILE FORCE"

In AGILE FORCE, a balance is sought between the other three strategic functions: protection, intervention and stabilisation. In this policy option, the emphasis is on the multifaceted nature and the flexible deployability of the Armed Forces in the light of the three main missions of the defence organisation. This policy option is an extension of the efforts that have been underway since the 1990's to transform the Armed Forces into an organisation that can be deployed under very diverse circumstances to defend national and Allied territory, protect Dutch interests abroad and serve the international rule of law. This policy option continues that transformation, with due regard for the changes in the security situation which the Future Policy Survey has identified. As is the case currently, in this policy option the Armed Forces are able to continue to operate in conjunction with our allies in all phases of conflict, possibly at great distances from our own territory. The Armed Forces will make an international configuration to stabilisation operations – which will sometimes be complex – and short-term intervention operations. The execution of special operations – such as evacuation operations and counter-terrorism operations – and participation in police missions and small-scale missions with a civil-military character are among the possibilities. Providing military experts to support training and advising to security organisations abroad will also become more important in this policy option. In all of these ways, the armed forces will make an active contribution to the integrated foreign policy of the Netherlands.

7. Insights

When determining the political choices about the future Netherlands defence efforts, the following insights gained during the Future Policy Survey should, at the very least, be borne in mind.

1 **Decisions concerning the future of the Armed Forces must take explicit account of the fundamental uncertainty that became apparent from the future security analysis of the Future Policy Survey.** Uncertainty about the future has always existed. The future security analysis that was carried out as part of the Future Policy Survey shows clearly that the uncertainty about the development of the international and national security situation in the next twenty years is greater than it has been since the end of the Cold War. The uncertainty includes both new opportunities and new risks. It seems certain that the world will be in a different condition in 2030. Exactly how different, and what the consequences of those differences will be, is uncertain. It also seems certain that the potential for conflict is growing and the range of security risks and vulnerabilities is increasing; whether that will actually lead to conflict and what forms such conflicts might take is uncertain.

The fundamental uncertainty concerning the next two decades is linked to factors that are structural in nature:

- the diffusion over more countries of political, economic and military **power** in the global system, with the United States possibly taking a less dominant position over

the next few decades and rising powers, such as China, making their presence more strongly felt;
- the considerable 'thickening' of the **international system**, enhancing and complicating mutual dependencies, combined with a gradual 'dilution' of state power as a result of the emergence of non-state actors;
- the development of new **technologies** and the dissemination of existing technologies, such as those required to manufacture nuclear weapons and long-range missiles. The accelerating technological progression presents both opportunities and threats;
- the increasing range of **cross-border challenges**, including the threatened or already existing scarcity of natural resources, global warming and the uneven growth of the world population, which are placing societies and the existing institutional frameworks under great pressure. Those challenges may also offer opportunities for collaboration and renewal.

2 **The fundamental uncertainty requires improving the ability to anticipate and to prevent.** The defence organisation contributes in various ways to preparing for foreseen and unforeseen developments and events that could have an impact on the security interests of the Kingdom or the international rule of law. In the first place, the Netherlands, along with its Allies and partners, is protecting itself against the potential of worsening security conditions by maintaining a sufficiently capable and flexible military. In that regard, the Armed Forces can be seen as a kind of 'insurance policy' for which a 'premium' must be paid. The defence organisation will also, certainly in the light of the high degree of uncertainty, have to structure itself optimally for the strategic function of Anticipation. The insights gained through the Future Policy Survey provide a good basis for doing so. The prevention of conflicts through military cooperation is also of growing importance to prevent the world from going down an undesirable path or, expressed more positively, to contribute to international peace and security.

3 **Security is indivisible.** The process of globalisation and the relationship between our internal and external security mean that many problems in our society have a significant international dimension. In this context, national borders have without doubt lost some of their importance as the demarcation line for the security of the Netherlands territory and society. The key question here is whether the security of the Kingdom is best guaranteed by investing in security at home, or by engaging threats to our security at a distance. Given the close relationship between our internal and external security, a combination of approaches will be most effective. Investing in collective security will, on balance, be more effective and less expensive than investing only in national security.

The expansion of the concept of security is also related to actual developments that are inherent to the process of globalisation and will not leave the Armed Forces untouched. The Armed Forces are increasingly coming to operate in fields that are closer to those of civilian organisations. In today's world, military operations are often seen as part of a much broader, more integrated approach. Within the Netherlands itself, the Armed Forces are called on to provide assistance to civilian organisations during crisis response. Against that background, we are observing an expansion of the security spectrum that the Armed Forces operate in. In addition to deployment during conflicts and the defence against military and other threats, the Armed Forces are also seeing more emphasis being placed on countering potential threats, vulnerabilities and security risks to society as a whole in its tasks.

The broader concept of security

4 **The analysis of the global, European and national security situation shows no reason to reduce the defence efforts over the years to come.**

This is related to the following insights:

- **A less dominant position of the West.** The security of the Netherlands will in the long run continue to be influenced strongly by geopolitical relations and the shifts in these relations. The rise of China and, to a lesser degree, of India and Brazil, are the primary influencers in those relations. The future stability of Russia is highly uncertain. The geopolitical shifts probably mean that the potential for conflict over the next two decades will increase. There is a good chance that the budget deficits that are the result of the financial-economic crisis will lead many NATO and EU members states to (temporarily) reduce their defence spending over the next few years, while military spending in the world as a whole continues to rise.

- **Increased vulnerability of Dutch society for massive disruption and composite threats.** The environmental analysis does not give reason to assume that the territory of the Netherlands will be exposed to a large-scale conventional military threat during the next two decades. However, partly as a result of its increasing complexity and interdependencies, Dutch society will become more vulnerable to massive disruptions, caused by, for example, pandemics, flooding, terrorism, serious disturbances or large-scale breakdowns of communication and information systems.

- **Disruptions to law enforcement in the Caribbean region of the Kingdom of the Netherlands.** International drug syndicates are the primary threat in this regard. The possibility that tensions or conflicts between states will arise in the Caribbean region over the next few decades, which could have consequences for the sovereignty of Curaçao and Aruba in particular, must continue to be borne in mind.

- **Ongoing instability in the 'belt' from Latin America via Africa and the Middle East to Asia to South and Central Asia.** Countries in this belt of instability will see themselves facing major and mutually reinforcing challenges during the next two decades. The instability in this region will affect the security interests of Europe and the Kingdom of the Netherlands in numerous ways. The Middle East and Central Asia will continue to be the most important suppliers of fossil fuels over the next two decades. At the same time, this part of the world will suffer from instability, leading to the potential of both inter-state and intra-state conflicts.

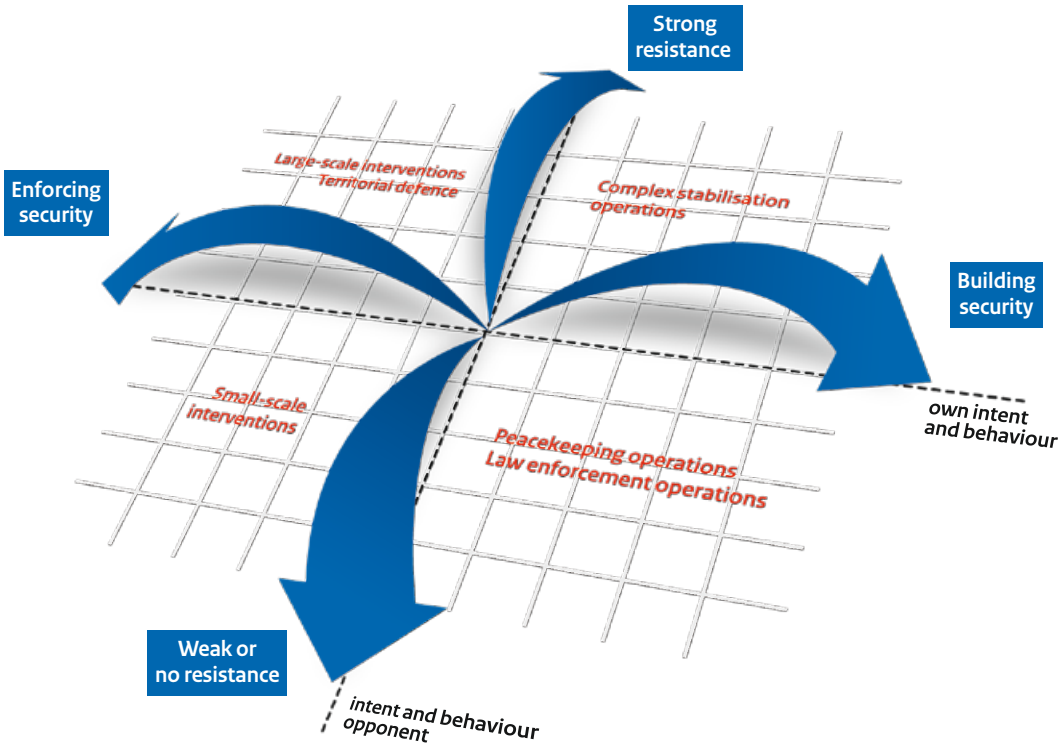
- **Growing strategic importance of the Indian Ocean region for Europe.** A major part of the economic growth in the world is taking place in the area around the Indian Ocean. This ocean is the stage of growing competition between India, China and the United States. Although the Pacific region is increasingly the centre of political, economic and military activity in the world, with the chance of a large-scale inter-state conflict being

greatest there, Europe or the Netherlands is not expected to play a leading military role there over the next two decades.

- **Increasing pressure on the 'global commons' of the world.** Partly because of the strong international orientation of the Dutch economy, it would benefit the Netherlands if the increasing pressure on the world's 'global commons' did not occur at the expense of the country's security interests and the international rule of law. As a result of global warming, the Arctic Ocean will become navigable over the next few decades and diverse economic activities will become possible there. The chance of a military conflict in or around the Arctic Ocean is considered to be low for the time being.

- **A dynamic spectrum of conflict.** The experiences in the Balkans, Iraq and Afghanistan have underscored the fact that a variable and sometimes high level of force must be taken into account during stabilisation operations. This development will probably continue over the next two decades and implies that the distinction made in the current level of ambition between operations high and low in the spectrum of force has lost some of its significance. In virtually all military operations, a variable and possible high intensity of force involving both conventional and non-conventional tactics must be borne in mind. Over time, the nature, intensity and scope of a conflict as a whole can change.

  The hybrid and changeable character of many of the current and future conflicts takes nothing away from the fact that a distinction can be made between conflict types. The type of conflict is partly dependent on the nature of one's own military operations. One can, for example, distinguish between operations that are intended to impose a change of behaviour or to defend national territory, and operations that are intended to contribute to the security and stability of a particular area. On the other hand, the type of conflict is determined by the nature of the operations of the other actors. To what degree are they being cooperative or uncooperative? What is the nature of their (military) capabilities and how do they operate? In other words: how much opposition should be expected?



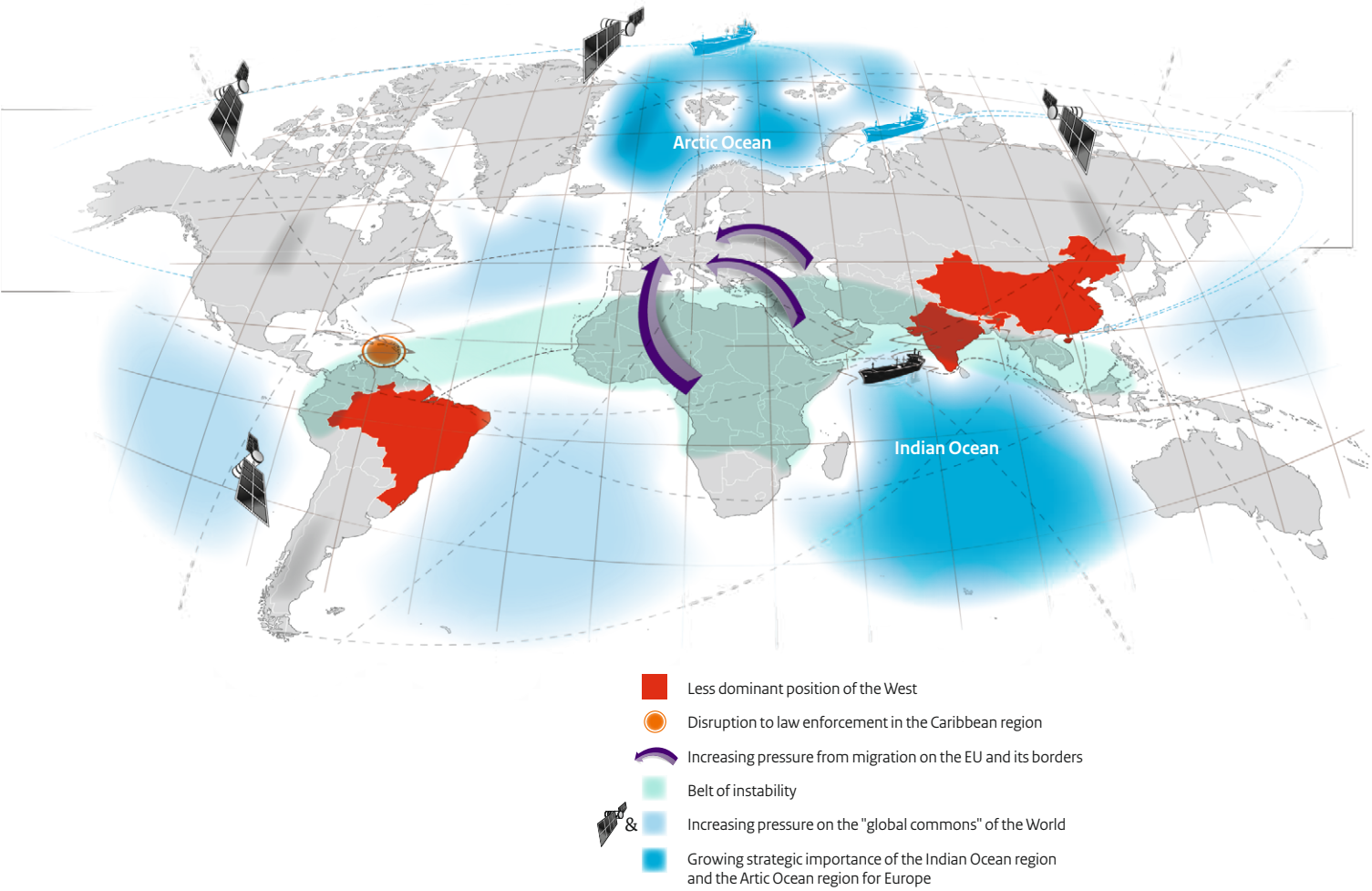
The combination of one's own intentions and nature of operations with those of the opponent are the defining components for the type of conflict in which the armed forces is operating. Although the variable levels of force and opponents that use both conventional and non-conventional tactics must be taken into account, the distinction between state and non-state actors remains relevant. States usually have more possibilities available for offering resistance than non-state actors do. Unlike non-state actors, states often have advanced weapon systems such as fighter aircraft, helicopters, armoured vehicles and a naval fleet. In addition, political authorities are able to end a war, while non-conventional fighting groups are usually not centrally led and may also have an interest in keeping the conflict going as long as possible.

- **Increasing pressure from migration on the European Union and its borders.** This is closely linked with the high growth in population in developing regions close to Europe (especially Africa and the Middle East), the ongoing poor prospects in those regions and Europe's need for workers, partly as a result of Europe's ageing population. The Netherlands will also be confronted with increasing pressure from migration over the next two decades. The degree to which the migration pressures materialise can be influenced through policy measures that promote stability and economic prospects. Another factor is that, in addition to unwanted migration, some migration is desired.

- **Technological developments.** Technological progress will continue at a high rate in the next few decades, with civilian technologies being used increasingly in military applications. The most significant developments are to be expected in the areas of space technology, biotechnology, nanotechnology, energy technology, information technology, advanced materials and cognitive sciences. The convergence of formerly separate fields of research and innovation may lead to qualitatively new technological opportunities with possible revolutionary implications. This progress will offer a lot of opportunities, also for the Armed Forces, yet it will raise new security issues too. The possession of modern and high-tech weapon systems will come within reach for more countries and non-state groups, challenging the military and technological superiority that Western forces have enjoyed. The increasing dependence of modern and open societies on technology increases the vulnerability for social dislocation.

- **The power of perception.** The speed at which news is disseminated has increased exponentially over the past few decades, partly as a result of new and easily accessible forms of communication such as the internet. That development will almost certainly continue, with non-conventional opponents also having extensive communications options. This 'battle of the narrative' is not necessarily to the benefit of the West. Retaining political and social support for operations requires permanent communication about the added value of the military operation. At the same time, the fact that perceptions exist that view the objectives and the nature of our political actions and military operations differently and that are incongruent with our self-image must be taken into account. Perceptions are part of the reality in which the Armed Forces operate. It is important for us to investigate those perceptions and their background more deeply. That will make it possible to take account of reactions in our environment and to increase the effectiveness of our actions.

Global certainties and probabilities



5 **There is a growing urgency to invest in European cooperation in defence.** Over the past two decades, there have been a number of NATO and EU initiatives to eliminate major shortcomings in military capabilities and to coordinate national defence efforts. The implementation of the Treaty of Lisbon – and therefore of the Common Security and Defence Policy (CSDP) – creates new opportunities for intensifying European cooperation. The importance of making use of those opportunities will undeniably increase in the years to come, with the Netherlands being able to fill a leading role, along with like-minded countries, as it has in the past. The position and the security of Europe – and therefore also of the Netherlands – is influenced by (shifts among) geopolitical power relationships. As a result of the economic, political and military shifts described in this report, the potential for conflict may increase over the next two decades. Furthermore, the European members of NATO and the EU will probably have to rely more on themselves in the area of security, which further underscores the need for a more robust European defence policy. At the same time, the financial and economic crisis has put pressure on European government budgets and, depending on political decision making, possible on defence budgets as well. In tandem with the geopolitical

logic, this should serve as an impetus for the European member states to intensify their cooperation, although no major efficiency gains should be expected from that cooperation over the short term. Investing in collective security will, on balance, be more effective and less expensive than investing only in national security. A strong transatlantic relationship will continue to be very important for Europe. At the global level, there are no actors that are closer to one another in terms of values, vision and operations than the NATO member states.

6 **The defence organisation must constantly ask itself which tasks the Armed Forces must be capable of carrying out independently and which could be left to other countries or organisations.** The advantages of task specialisation and role specialisation are that individual countries can focus their defence efforts on a clearly defined package of tasks and assets, which would also prevent fragmentation and duplication in a multinational context. The international willingness to a multilateral division of tasks and capabilities remains limited, however. Task specialisation, in particular, which would lead countries in consultation to divest complete branches of service, would require the trust and the willingness of countries to share their sovereign decision-making authority with respect to the deployment of their Armed Forces. The will to achieve that degree of political convergence is at present lacking among the European partners. The Armed Forces also carry out national tasks that would be difficult to transfer to other countries. The future scenarios of this Future Policy Survey do not completely discount task specialisation over the next few decades. The possibility for doing so would be more quickly achieved within the MULTILATERAL and MULTIPOLAR scenarios, where European cooperation in the areas of security and defence would be intensified. As long as uncertainty remains in this respect, a certain degree of autonomy remains the starting point for determining the size and the structure of the Armed Forces of the Netherlands. In view of the fundamental uncertainty concerning the future security situation, it becomes all the more important for the Armed Forces to continue to have a diversity of assets available.

7 **The rising cost of defence materiel poses a particularly serious risk for the future management of the defence organisation.** Scientific research in the United Kingdom and insights provided by the European Defence Agency (EDA), make clear that the costs of spending on military materiel have grown by an estimated two per cent to seven per cent per annum above the level of inflation. Additional research is needed to determine what the impact of that would be on the Dutch Armed Forces. That research should also relate to possible supplementary measures for managing the real costs of defence materiel and personnel. Over the past few years, additional shortfalls have occurred primarily in the area of management operations. These shortfalls have been dealt with thus far by implementing efficiency measures. Although it is still uncertain how great the shortfalls in the operating area will continue to be, expectations are that the Defence organisation will suffer a shortfall in operating spending of between €100 million and €150 million per annum based on the current Armed Forces. Within the current budgetary framework, this shortfall can only be dealt with by implementing additional efficiency measures and reducing the level of ambition and activities.

8 **If one of the policy options contained in the Future Policy Survey is chosen, that means that a vision will have been selected for a long-term perspective for the Armed Forces towards which activities will be directed over the years to come. To make it possible to develop the Armed Forces in a stable and effective way, a long-term political and financial foundation is desirable.** The level of defence spending that the political leadership chooses will depend, in the first place, on the level of

ambition and on what kind of armed forces would be required to achieve that level of ambition. Determining that level will furthermore be related to the question of what level is considered to be feasible within the financial capabilities of the country, over both the short and the long term. The policy options of the Future Policy Survey relate to the period 2020 to 2030. Undoubtedly, the economic crisis will require us to take painful financial measures over the next few years – measures that are unlikely to leave the Armed Forces unscathed. Under these conditions, the importance of a long-term perspective to serve as a foundation for the Armed Forces has increased even further.

9 **Decisions concerning the future of the Armed Forces must take explicit account of the consequences identified in this report.** Once military units and assets have been disposed of or divested, it will not be possible to regenerate them quickly. The loss of expertise often has permanent effects. Above all, every decision about the Armed Forces must ensure that the equilibrium between ambitions, tasks and resources is maintained. If it is not, the political objectives will not be achieved. This would also lead to the Armed Forces being eviscerated slowly. This is not fair to the personnel of the Defence organisation, who have been repeatedly asked to make exceptional exertions.

The Future Policy Survey has shown that a decision to increase the level of defence spending structurally by €1.5 billion in the period 2020 to 2030 would make a substantial strengthening of the Armed Forces possible, in addition to eliminating the structural bottlenecks in the operating expenses. The future security analysis of the Future Policy Survey has not, as yet, given cause to consider such a far-reaching increase, although the necessity of doing so in the future cannot be discounted entirely.

A decision to lower the level of defence spending structurally by €1.5 billion would lead to the opposite effect: to wit, a far-reaching reduction in the size of the Armed Forces and a commensurate reduction in the level of ambition and activities. The future security analysis of the Future Policy Survey has, however, not given any reason to reduce the defence effort. In such a scenario, the professionalism, the quality and the credibility of the Armed Forces would also be seriously compromised. Reducing the level of defence spending by €1.5 billion in the period 2020 to 2030 would only be possible by a significant reduction in the level of ambition and activities, and far-reaching choices with respect to the tasking of the Armed Forces. If such a reduction were implemented, it would lead to such a reduction in the combat effectiveness that it would no longer be possible to speak of multi-faceted deployable Armed Forces. The AGILE FORCE policy option assumes a broader range of tasks and deployment options than the other policy options do.

8.
Strategic questions

Political decisions concerning the future of the Armed Forces must be based first and foremost on an integrated consideration in which the interests and the objectives of the Kingdom of the Netherlands take precedence. For the political leadership, such a consideration would include the following five strategic questions:

Five strategic questions for our political leadership

1. What military contribution does the Netherlands want to make in an international context and vis-à-vis other countries? What do we want to mean in the world? What interests and values do we stand for? Who are we?

2. What defence effort is required or desirable in the light of the future security analysis of the Future Policy Survey? How do we deal with the fundamental uncertainty concerning future developments?

3. What balance must be struck between the protection and, if necessary, defence of national and Allied territory, on the one hand, and engaging threats to our security at a distance?

4. What contribution should the Armed Forces make within the national borders to the security of our society in the light of the growing vulnerability?

5. In what areas is the Netherlands willing to accept dependence on other countries with respect to security and defence? To what degree do we want to retain our autonomy?

Contact details

Please visit the Netherlands Ministry of Defence's website at www.defensie.nl for information on the Future Policy Survey.

Annex A

Consequences

The consequences of the policy options and variations on them are shown in a single overview below. For the overview, a colour coding system has been used. Red, yellow or green has been used to indicate whether a variation on a policy option is predominantly negative, mixed or positive, respectively. The table is intended to provide, at a glance, an impression of the consequences per policy option and variations on it. It should spur the reader on to go back to the text to re-read the consequences of a particular colour-coded item. This assessment is in no way intended to place any restriction or limitation on political decision making. The political weighing of the consequences will depend on a number of factors. This table consists solely of an overview of the consequences and does not assign any weight to them.

Staying Secure
Protection

Swift and Decisive
Intervention

Bringing Security
Stabilisation

Agile Force
Multifunctionality

Strategic (Political)	Min	Equal	Plus	Min	Equal	Plus	Min	Equal	Plus	Min	Equal	Plus
Future proof	🔴	🟡	🟢	🔴	🟢	🟢	🔴	🟡	🟢	🟡	🟢	🟢
Execution of the three main missions	🔴	🟡	🟢	🟡	🟢	🟢	🔴	🟡	🟢	🟡	🟢	🟢
Relationship to the current level of ambition	🔴	🟡	🟡	🔴	🟡	🟡	🔴	🟡	🟡	🔴	🟡	🟢
Netherlands' security interests	🟡	🟡	🟢	🔴	🟢	🟢	🔴	🟢	🟢	🟡	🟢	🟢
Broader government objectives	🔴	🔴	🟡	🔴	🟡	🟡	🔴	🟢	🟢	🟡	🟢	🟢
International position of the Netherlands	🔴	🟡	🟡	🔴	🟡	🟢	🔴	🟡	🟢	🔴	🟢	🟢
Eliminating NATO/EU shortfalls	🔴	🟡	🟢	🔴	🟡	🟢	🔴	🟡	🟢	🔴	🟡	🟢
Cooperation with national partners	🟡	🟢	🟢	🔴	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢
Strengths and weaknessess of the Armed Forces	🔴	🟡	🟡	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢
Feasibility	🟡	🟡	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢	🟡
Efficiency	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢
Netherlands' Economy	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢

Operational (Military)	Min	Equal	Plus	Min	Equal	Plus	Min	Equal	Plus	Min	Equal	Plus
Interoperability	🔴	🟡	🟡	🟡	🟡	🟢	🟡	🟡	🟢	🟡	🟢	🟢
Escalation dominance	🟡	🟢	🟢	🟡	🟢	🟢	🔴	🟢	🟢	🟡	🟢	🟢
Flexibility	🔴	🟡	🟢	🔴	🟡	🟢	🔴	🟡	🟢	🟡	🟢	🟢
Professionalism	🔴	🟡	🟡	🟡	🟡	🟢	🟡	🟡	🟢	🟡	🟢	🟢
Influence on military decision making	🔴	🔴	🟡	🔴	🟢	🟢	🔴	🟢	🟢	🔴	🟢	🟢
Operational-logistics autonomy	🔴	🟢	🟢	🔴	🟢	🟢	🔴	🟡	🟢	🔴	🟡	🟢

🟢 predominantly positive assessment
🟡 mixed assessment
🔴 predominantly negative assessment

Facts about the Future Policy Survey

1. **An opening conference**, with introductions by the Minister of Defence and the Minister of Finance and a discussion among 140 participants about the themes raised in the Future Policy Survey. A report of the opening conference is available on the Ministry of Defence website.

2. **Two international congresses** organised in cooperation with the Netherlands Institute for International Relations Clingendael, the Netherlands Defence Academy (NLDA) and the Netherlands Association for Applied Scientific Research TNO. Speakers came to The Hague from around the world to participate in the congresses. Reports on both congresses are available in English on the Ministry of Defence website.

3. **Six lectures** for an audience of politicians, policy makers and researchers by renowned international experts: Thomas Barnett (US), Kishore Mahbubani (Singapore), François Heisbourg (France), John Hulsman (US), Robert Kaplan (US) and Yan Xuetong (China). The lectures were organised in collaboration with the Atlantic Commission.

4. **Ten interagency in-depth sessions** with experts from inside and outside the government in the following areas: the economic crisis, border monitoring, climate and scarcity issues, developments in the Caribbean region, the social importance of the armed forces, technological developments, the environmental analysis, digital security, outer space, and dealing with uncertainty.

5. **Fifteen international working visits**; the countries visited were Belgium, Canada, France, Germany, the United Kingdom and the United States. The institutions that were visited were the EU, NATO (including the NATO headquarters Allied Command Transformation) and the UN. On request, the Future Policy Survey also consulted with representatives of the defence organisations of Australia, Austria, Burundi, New Zealand and Switzerland.

6. **Sixteen meetings with the Future Policy Survey sounding board**.

7. **Dozens of workshops** about the future scenarios, the strategic shocks and the policy options contained in this report.

8. **Dozens of working visits** to ministries, Defence components and other organisations.

9. **55 sub-surveys**, carried out by various national and international research organisations. The results of the sub-surveys are provided along with this report.

10. **Hundreds of source documents**, including policy documents, future policy surveys, scenario studies and research studies from the Netherlands and abroad.

11. **More than 1,000 participants** in workshops, in-depth sessions and conferences.

What has the Future Policy Survey wrought?

1. **A comprehensive international comparison of our defence effort.** Research in this respect was carried out by the Netherlands Institute for International Relations Clingendael and RAND Europe.

2. **A comprehensive analysis of the developments that could have an impact on the interests of the Kingdom of the Netherlands and the international rule of law in the coming two decades.** The sub-surveys by national and international research institutions, the Advisory Council on International Affairs and the ministries involved are provided in the CD that will accompany the printed version of the final report.

3. **Four future scenarios with broad possibilities for application within the government.** The future scenarios developed in the context of the Future Policy Survey can also be used in policy areas other than Defence. They have already been used in the interagency project Scarcity & Transition, led by the Ministry of Traffic, Spatial Planning and the Environment, and the Ministry of Foreign Affairs. The future scenarios from the Future Policy Survey can also contribute in other areas to the development of a government-wide vision and strategy.

4. **Strategic functions with broad possibilities for application within the government.** The strategic functions of the Future Policy Survey help to define the role of the government and promote a broad and cohesive approach.

5. **Four policy options for the armed forces.** These policy options provide politically relevant and realistic choices with respect to the future organisation of the Armed Forces and a structured philosophical foundation to support it. The consequences of each choice have also been identified.

6. **New instruments for better management within the defence organisation, with a transparent and consistent relationship between the level of ambition for the Armed Forces and the required means.** In support of the development of the policy options, a costing model was developed in which the defence budget is allocated to the operational units of the Armed Forces. This model can be used for managing the defence organisation.

7. **A robust basis for a future-oriented policy development within the defence organisation, with a particular emphasis on dealing with uncertainty.** To ensure that the knowledge gained during the Future Policy Survey is not lost, it will be structurally embedded in the defence organisation's policy development.

8. **An interagency way of working that has broader possibilities for application within the government.** The Future Policy Survey has been an expression of the interagency working methodologies that were envisaged in the 'Government Renewal Operation" (Parliamentary Document 31 201, no. 3) and that aim to prevent stovepiping within the government. The valuable lessons learned in this endeavour can also be used in other policy areas.

This report is produced by the interagency project Future Policy Survey.
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