

Affluence and influence as grand strategy

The predicament of Canadianizing European defence

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The premise of this article is that defence strategy and spending among Canada's European allies is starting to resemble patterns that Canada has been pursuing for decades. The explanation for this trend is an expeditionary re-posturing of armed forces across Europe as a result of changes in the international security environment. With no immediate threat to their territorial integrity, why do Canada's European allies continue to spend on defence, and why do they spend on defence what they do? This article contends their strategic behaviour is just what one would expect: they are optimizing their defence expenditures. A common critique is that European allies have lost their strategic ways because they are not investing enough in defence. But would spending more on defence make Europeans any safer? If grand strategy is measured in terms of Security, Sustenance and Society, then European grand strategy is increasingly resembling Canada's: a society safe from armed attack whose prosperity is assured, whose society is harmonious and politically stable.

Owing to its geostrategic location, the deployment of Canada's armed forces has long been discretionary. With the end of the Cold War, Europeans now have the same luxury. But a certain level of investment in defence is necessary nonetheless to exert a degree of influence over international security policy and joint decision-making. The armed forces are leveraged as an instrument for their military, diplomatic and policing roles.¹ To this end, Canada's strategic culture is wholly expeditionary and its optimization strategy has been evident since World War II: peacekeeping and unification were implemented as ways to save costs. Canada's Cold War commitment was based on the idea that neither the Canadian Armed Forces (CAF) nor the Government of Canada (and many European allies) figured it would ever have to contest a war. After the Cold War the CAF faced an existential crisis. Canadian Minister of Foreign Affairs Lloyd Axworthy's humanitarian "Responsibility to Protect" doctrine effectively saved the CAF from obsolescence. Chief of the Defence Staff General Rick Hillier's policy (2005-2008) was an aberration in Canadian civil-military relations, explicable as a function of a reinvigorated commitment to Canada's expeditionary strategic culture by means of modernizing the armed forces. Subsequent cuts to the defence budget heralded a return to optimizing the equilibrium between the minimum

Canada has to invest in defence to maximize the CAF's instrumental yield in the form of international leverage.

A seat at the table

Regime theorists observe that cooperation is more widespread in international relations than the expectation of conflict to which the underlying assumption of anarchy gives rise. Realists acknowledge that states have interests — defined as that which is advantageous to the actor or that which improves the welfare of the actor — that they seek to promote or protect. To promote and protect their interests, political actors seek to preserve and enhance their power — defined in terms of material strength or an ability to influence decisions. But neoliberals take realists to task for neglecting the extent to which interests are shared among states. States must continually cooperate to maximize their utility function in the international system.² The iterative nature of state relations creates predictability as well as expectations of behaviour.³ Strategic behaviour when cooperating with allies on defence issues thus means advancing the national interest by means not only overcoming but influencing collective-action problems to advance national interest, defined as the maintenance of international peace and the status quo in terms of the

prevailing liberal-democratic capitalist international order from which middle powers, such as Canada, benefit disproportionately. Indeed, Keohane himself characterizes Canada as a state “that cannot hope to affect the [international] system alone [but] can nevertheless exert significant impact on the system by working through small groups or alliances or through university or regional international organizations.”⁴

A state’s influence, however, does not necessarily correlate directly with the extent of its material contribution. While a substantive material contribution is important, states also valorize intangibles, such as reputation. In terms of international orientation, then, Canada is a neoliberal country: it safeguards its interests through influence over collective decision-making by being in a position to contribute. Indeed, Canada defines its security interests almost entirely in the context of bilateral and multilateral arrangements: binational continentalism, multilateralist Atlanticism, and internationalism.⁵ To play this multilevel game effectively, Canada privileges the CAF’s synergies with the U.S. armed forces, but within a NATO framework: to maintain interoperability through modernization, to constrain U.S. unilateralism yet forestall American isolationism, to secure access to U.S. markets for Canadian goods and maintain access to foreign markets via open trade routes, sea lanes, and international stability, to promote democracy and free-market economies overseas, and to maintain a seat at the table.⁶

Middle powers, such as Canada and the Netherlands, inherently want the status quo to prevail because it assures their affluence and influence. This is reflected in Canadian defence spending which tends to trend with spending among NATO countries — save the United States.⁷ To remain competitive as an allied defence partner, Canada merely needs to be competitive with other Atlanticist allies. Opportunity cost is thus integral to Canada’s utility function: if it under-invests in defence, its influence over collective decision-making will be diminished as will be its ability to assert its national interests; by contrast, if it over-invests, its payoff structure is sub-optimal because it foregoes spending these funds on maximizing its grand strategy: a safe, sustainable, harmonious and prosperous society. Moreover, the law of diminishing return suggests that greater investment does not necessarily reinforce Canada’s international standing and influence, at least not in ways that are directly correlated.

Defence considerations per se are secondary for Canadian governments. The value of Canadian military operations and deployments is measured primarily as a function of political payoffs. Canada’s civilian authorities are less concerned

about winning on the battlefield than they are about being seen on the battlefield.⁸ Successive Canadian governments have had an image of the military as an instrument of alliance politics rather than national defence; consequently, civilians have long assigned Canada’s military leadership a marginal role in the formulation of defence policy, thereby sharply circumscribing the military’s influence over civil-military relations.⁹

Modernization and transformation in the CAF has been driven primarily by a shift in what Canada needs to bring to the table: from peacekeeper to peace enforcer and societal stabilizer. In the wake of the Cold War, the gambits of defence on the cheap by means of peacekeeping or divestment from the CAF in anticipation of never actually having to contest World War III gave way to an existential crisis for the armed forces: did they still have an operational purpose? Be it the Balkan wars or Kosovo, Afghanistan or Libya, Canadian governments have had to warm to the sporadic necessity of using force and the equipment necessary to do so — as long as costs can be contained through time-limited engagement and minimizing the risk of soldiers coming back in body bags. The Axworthy humanitarian “Responsibility to Protect”

National defence is no longer the main purpose of European armed forces

doctrine saved the Canadian Forces from oblivion and effectively reinvented it as a tool of foreign policy in a new security environment, and laid the foundation for the CAF’s subsequent modernization and deployment.

Afghanistan was a hard lesson to Canadian governments (and their allies) in the law of diminishing returns: harnessing the CAF’s expeditionary culture for international political payoff. Canada’s defence policy thus remains realist in the sense that, even in a “post-interventionist era”, governments deploy their armed forces when they stand to reap political payoffs that advance national interests.¹⁰ Geostrategically, Canada has thus long reaped the benefits of discretion in the use and deployment of the profession of arms in deciding when, where and how to deploy the CAF.

Functional Jacksonians: means and ends

The Hillier interlude was a convenient means of catching up with the new realities of the post-Cold War international security environment: justifying limited modernization of



the Canadian Forces to ensure interoperability and maintain the military capabilities necessary to influence international decision-making by being able to have a choice in the contribution the Canadian government opts to make.¹¹ The Hillier episode can be interpreted as the military “shirking” the government’s expectations. In terms of the principal-agent theory of civil-military relations, however, the nature of a given civil-military relationship is shaped by how effectively civilian and military leaders are able to achieve their respective preferences, and by the degree to which civilians believe that the military is respecting their ultimate right to set defence policy. In this context, Hillier’s stance can actually be re-interpreted as an instrument of government policy to make palatable to a reluctant Canadian public that would rather invest in programs to enhance Canadian societal harmony, equity and prosperity, that a limited modernization to bridge what Lagassé and Robinson¹² refer to as the means/ends gap is an indispensable complement to Canadian grand strategy. Procurement of four CC-117 Globemasters air lift capacity at a cost of \$3.4 billion, for example, was a strategic decision to expand the array of choices at the government’s disposal to bring a substantial contribution to bear: strategic lift is always in short supply, especially during international crises. Yet, the Hillier inter-

lude also shows that neither Canadian governments nor the official opposition endorse a military that is openly at odds with Canada’s utility-maximizing approach of an equilibrium that maximizes political payoff while minimizing investment in defence.

Walter Russell Mead¹³ contends that, on foreign policy, Americans fall into four factions: Jeffersonians for an idealistic peace policy of non-intervention; Hamiltonians for building international institutions that protect commerce; Wilsonians for liberal interventionism (and “democracy-building” of late); and Jacksonians for a tough policy of national self-interest. Jacksonians are the “swing vote” on foreign policy: when they favour intervention abroad, they want it to be based on a broad consensus; when they do not, it is unlikely to transpire. They favour intervention when attacked; they oppose it when it is premised on idealistic (or “non-American”) grounds. They are especially opposed to seemingly endless or “unwinnable” wars, which explains why they swung from supporting to opposing interventions such as Iraq and Afghanistan.

These four foreign-policy factions are also found among Canadians. On defence policy, however, Canadian govern-

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ments, at least since the end of World War II, are what one might term “functional Jacksonians”: they pursue Canada’s national interest, and the CAF is a key instrument to that end. As the security environment shifts, so do the capacities the CAF needs to maintain interoperability, to constrain U.S. unilateralism yet forestall U.S. isolationism, to secure access to U.S. markets for Canadian goods and maintain access to foreign markets via open trade routes, sea lanes, and international stability, to promote democracy and free-market economies overseas, to maintain a seat at the table and, ultimately, Canada’s ability to influence collective decision-making among its allies by contributing assets. The near-death experience of the CAF after the Cold War drove home the need for Canadian government to modernize its armed forces if it wanted to retain its influence. Afghanistan proved the means to that end: a shopping trip¹⁴ for the Canadian Forces that would otherwise have been difficult to justify to Canadians. Canada’s withdrawal from Afghanistan is explicable as that end – at least in terms of justification if not necessarily in terms of actual assets procured – having been met.

What Afghanistan did for the army, the Libya mission did for the Royal Canadian Air Force. However, that end was upended by accelerated defence divestment in Europe as a result of the economic downturn starting in 2008. With defence budgets among European allies down by an aggregate of 50 billion Euros over ten years, the Canadian government effectively got a break on defence spending: it could now afford to spend on defence at a slower pace yet still be competitive with European allies, especially since it had just modernized extensively while most European allies either maintained the status quo on defence spending or pared back.

Canada and NATO

From the Canadian perspective, then, NATO is not as much a military alliance as a means to overcoming collective-action problem. Since its founding Canada — unlike the United States and many allies — had conceived of NATO as in functional rather than military terms. It was Canada, after all, that insisted on having the promotion of democracy and free-market economies overseas inserted into the NATO Treaty. As its first Secretary General, Lord Ismay, famously pointed out, the purpose of NATO is “to keep the Americans in, the Russians out, and the Germans down.” In other words, the principal purpose of NATO is to forestall isolationism, especially by the United States, and ensure that member countries do not shirk their collective-defence responsibilities.

It is in Canada’s interest both to avoid excessive U.S. entrenchment as well as a race to the bottom among allies on defence capabilities and expenditures. After all, Canada still has national interests to assert, and its prevailing calculus on defence spending would have to shift, possibly quite significantly, if the synergies and economies of scale that NATO provides no longer worked to Canada’s advantage. That is, if they no longer worked to make it possible for Canadian government to minimize investment in defence in favour of pursuing a grand strategy whose ultimate objective is the security, prosperity and harmony of Canadian society. It is a classic zero-sum game: the more Canada has to invest in defence, the less money it is able to spend to bolster the security, prosperity and harmony of Canadian society. The constraints of fiscal austerity notwithstanding, it is in Canada’s interest to lead by example and continue to modernize the Canadian Forces as a means of leading by example and avoiding the fallacy of composition by demonstrating to its allies that the whole is greater than the sum of the parts insofar as military capabilities allow members to assert their interests through influence collective decision-making. Ergo, as a percentage of GDP Canada is spending more on defence than the aggregate of its European allies; and its authorized troop strength exceeds that of its European allies when measured relative to total population base.

A retrenchment in defence spending and capabilities after major expeditionary wars, such as Afghanistan, has ample historical precedent: the pattern was the same after WWI, WWII, the Korean War, and Vietnam. Reduced military expenditures as a result of economic downturns are equally common. The challenge for Canada is that such changes in defence spending shift the equilibrium point, thereby introducing a considerable degree of uncertainty: with the security environment and allied defence expenditures in flux, Canada has to gauge how little is too little to spend. Were Canada to confront a situation that Canadian capabilities cannot meet, its ability to assert its national interests and its reputation would be diminished. At the same time, Canada would not want to over-invest in capabilities it will not actually end up needing to preserve its reputation and assert its national interests. The problem is that European allies have been taking a page out of Canada’s book and started playing Canada’s game. Canada is inadvertently making disciples: the number of converts to the creed of utility maximization in defence spending is growing.

Allied converts

The main purpose of the armed forces across European allies is no longer national defence. Rather, they are taking on



allies unwilling to deploy those capabilities in a “post-interventionist era,” present a predicament, both for Canada and the allied converts, such as the Dutch. What used to look like a collective-action problem might soon look a lot more like the “Prisoner’s Dilemma” (in which two players receive the best outcome for both through cooperation, but fail to do so out of suspicion and perceived self-interest). That, in turn, would precipitate having to shift gears from neoliberalism to classic realism on defence. Now, more than ever, Canada and the allies have to count on NATO to forestall that eventuality, ironically to ensure that the optimization approach does not become a self-fulfilling prophecy that inadvertently ends up undoing a grand strategy that has served Canada well for decades: optimize defence spending to maximize spending in support of a grand strategy of a safe, secure, stable, prosperous and harmonious society.

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the form of the sort of policy instrument that the CAF has, arguably, always been, at least since the end of World War II. These allies are increasingly framing national security as a function of international security and stability and open trade routes to maximize domestic prosperity. They are optimizing defence spending while trying to retain a spectrum of capabilities. They are professionalizing their armed forces and shifting their strategic posture towards an expeditionary strategic culture. At the same time, they — the United States first and foremost among them — are exercising greater discretion in when, where and how to em- and deploy their military assets. They are increasingly skeptical about the ability of kinetic military means to achieve strategic outcomes – leading to what one might call “interventionist exceptionalism”. If intervention does become necessary, they look to leverage multilateralism and a UN-mandated and/or broad international consensus: intervention if necessary, but not necessarily intervention. In the process, defence is being reduced to but one component of a broadening conception of national security and international stability.

From a game-theoretic perspective, allies without capabilities, with capabilities that are too limited to achieve “effect”, with the wrong capabilities to achieve “effect,” or

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10. G. Kümmel and B. Giegerich, *The Armed Forces: Towards a Post-Interventionist Era?* (Wiesbaden: Springer VS, 2013).
11. Lagassé and Robinson, *Martello Paper* No. 34.
12. Ibidem.
13. W.R. Mead, *Special Providence: American Foreign Policy and How it Changed the World* (New York: Alfred A. Knopf, 2001).
14. For a list, see: Lagassé and Robinson, *Martello Paper* No. 34.