

A Question of Power



Towards Better UK Strategy Through Net Assessment

Gabriel Elefteriu

Foreword by General The Lord Richards of Herstmonceux,
former Chief of the Defence Staff



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Foreword

by General The Lord Richards of Herstmonceux, GCB, CBE, DSO
former Chief of the Defence Staff

Together with the West as a whole, the United Kingdom is facing a darkening strategic picture. Some threats to our security, such as cyber-attacks, information warfare or terrorism, have become a permanent fixture in the public conversation precisely because they test our defences on a continuous basis. And with hostile operations below the threshold of war now well established as a distinct mode of 21st century international aggression, much of our focus is devoted to developing new, agile responses to these shape-shifting problems.

But in this fast-paced security environment, sound strategy remains central to success. Indeed even more important than keeping up with the latest technology and tactics, vital that this is. The day-to-day threats to our immediate security situation should not cloud our understanding of the new cycle of systemic, long-term challenges to our collective Western security architecture. In recent years we have seen the use or threat of use of classic military force (including nuclear), unrestrained by any legal norm, return as a prime instrument of state policy in international affairs. In addition, military capabilities are expanding around the world – and for some of our most significant rivals, who appear to think more strategically than us, this is a matter of national priority.

After a post-Cold War interval of hope in a world finally free of great power conflict we in the West must now revisit some of our core assumptions and recalibrate our thinking. We need to be not just clever about our tactical and operational methods and capabilities, but also clear about our strategic approach towards our main potential rivals over the long term, in conjunction with our allies.

It is a well-worn cliché that continued peace can only be assured by strength. But how much strength, or “hard power” is required, and of what kind? The simplest questions are often hardest to answer, but also the most important for our country’s defence. That is why I was pleased by the Defence Secretary’s announcement to Parliament in July that the Ministry of Defence will be establishing a Strategic Net Assessment capability – to boost our strategy-making capability and help secure us from the threats of the future.

I commend this pioneering study by Policy Exchange, *A Question of Power: Towards Better UK Strategy Through Net Assessment*, which is a vital contribution to this debate. The present report urges a deeper understanding of both our own and our adversaries’ power as the basis for strategy – and offers a framework for achieving it. In particular, *A Question of Power* makes a compelling case for placing the long term “competitive” aspects of the

global security environment at the heart of our strategic approach. This can have implications for how we think about building asymmetric advantages against our adversaries over time, and for how we look at the question of “initiative” in grand-strategic terms.

I hope this report will be widely read, even though it may make for hard reading in some places. I do not agree with everything in it. But I believe it promotes the kind of shift I think we need to see in our national strategic mindset: a greater focus on the fundamentals and the balance of military power around the world, and on the “big picture” that too often slips from view. Most importantly, I believe there is a need for independent assessment within the MoD of our own failures and weaknesses – and equally, of our strengths. Sound strategy requires a sound basis to proceed from, and *A Question of Power* is an important step in that direction.

Memorandum for the Secretary of State for Defence

Establishing a net assessment function within the MoD

1. This memorandum considers the establishment of a net assessment function within the Ministry of Defence. It accompanies a more detailed study published by Policy Exchange, *A Question of Power: Towards Better UK Strategy Through Net Assessment*.
2. Net assessment is a complex – and unconventional – framework for the strategic analysis of military balances. It measures the hard power of nations in relation to each other, rather than each on its own terms. This kind of analysis, projected over the long-term, helps support more effective defence policies in conditions of military-strategic competition. Such a capability is urgently required today in view of the highly competitive nature of global geopolitics.
3. The model for this proposal is provided by the US Office of Net Assessment (ONA) that has been functioning in the Pentagon for over 45 years. Implementation in a UK context is critical. Net assessment requires particular conditions in order to function properly and thrive. It can easily be confused with something it is not – for example, with horizon scanning or red-teaming – and if misunderstood and implemented in a sub-optimal way it will only lead to a waste of time and resources.

Recommendations

4. Based on the US experience with net assessment, the following principles should be observed in setting up a similar capability in the MoD:
 - a. **Independence.** A UK ONA should report directly to the Defence Secretary and be co-located with him in the same building. The fundamental purpose of net assessment is to inform high-level decision-making in an independent fashion, including on the shortcomings of our own defence planning and assumptions, and on those of our allies. It cannot perform this function unless it is free from the influence of the wider defence establishment with its competing agendas. High-level political sponsorship is essential.
 - b. **Small.** Organisationally, it should be a small, civilian-led office. The American equivalent has averaged about a dozen full-time

staff; the UK version could do with less than half of that. The personnel should be a mix of non-MoD experts and seconded military officers. The office should be able to commission further work from outside the MoD.

- c. **Diagnostic.** Organisational guidelines should make it clear that net assessment would perform a strictly diagnostic function. It should not have any strategy or policy-making responsibilities. In particular it should be kept away from day-to-day policy questions and allowed to concentrate on long-term strategic issues.
- d. **Access.** In order to produce accurate analyses – including of the UK’s own military potential – net assessment staff must be able to access highly sensitive information. In the American experience this requirement has often generated considerable friction with other elements of the national security machinery. Yet such access is critical for net assessment success.
- e. **Simplicity.** It is all too easy to mistake the vast intellectual complexity inherent in net assessment with a sophisticated problem that must be matched by an equally sophisticated set of analytical tools. Responding to a complex challenge with complex solutions – such as strategic multi-layered assessments – goes against the very nature of net assessment, which is: “model simple, think complex”.
- f. **Flexibility.** Net assessment is intellectually eclectic, creative and flexible, and consciously avoids dogma. Its approach is empirical and inductive (proceeding from the general to the particular, and distilling conclusions from large collections of varied information), rather than deductive like other quantitative-oriented methods. The approach to problems is dictated by the problem itself, rather than by pre-set formats or frameworks – which is why net assessments can vary from dozens to many hundreds of pages in volume.
- g. **Elitism.** Outreach to academia and other non-MoD consultants is fundamental to the functioning of a net assessment office. It needs to tap into the best expertise available on each subject on the research agenda. But outreach is not an end in itself. Net assessment should not be seen as a new vehicle for “community-building” in Defence. By definition, this would contradict its basic purpose of challenging conventional wisdom. A community of net assessment practitioners will inevitably form over time; but it should retain an elitist outlook in the positive, qualitative sense of the word.

The need for net assessment

5. The UK faces two challenges: defining and implementing a new strategic concept for “Global Britain”; and achieving long-term defence planning efficiency. They are linked by a problem of strategic competitiveness.

Net assessment, as an analytical approach, is specifically intended to tackle complex questions of competitive strategy.

6. There are Cold War-style military competitions underway both in Europe (US and allies vs Russia), Middle East (US and allies vs Iran) and Asia (US and allies vs China, and separately vs North Korea). They are all driven by the expansion of the conventional and unconventional (including nuclear) military capabilities of these rival nations, and different versions of US-led “containment” policies are now being put in place in each case.
7. The success of Global Britain, however it may be defined, will be inseparable from the course of the competitions described above. Net assessment would be of particular use to the UK today in relation to the competitive challenge from Russia.
8. In terms of the military competition, the economic efficiency of producing military forces (i.e. “bang for the buck”) is a long-term strategic problem, not just a temporary management problem. Net assessment has much to offer to decision-makers in these circumstances – indeed, it was originally conceived to respond precisely to such problems.

Distinguishing features of Net Assessment

9. **Power.** The question of “power” is central to net assessment. In this context the meaning of “power” goes beyond a mere comparative appreciation of the relevant aggregate resources available to each side in a strategic competition. Rather, net assessment also provides an impression of how available capabilities would perform in the real world against an active opponent. This dialectical approach to strategy, based on complex, recursive calculations of move and countermove, is markedly different from the linear, simplistic “ends-ways-means” mantra pervading contemporary Western strategic discourse.
10. **Asymmetries.** The competitive approach in net assessment rests on identifying and exploiting asymmetries – comparative differences – between opposing sides. In the process, net assessment will expose their respective strengths and weaknesses. These insights are then used to develop competitive advantages that seek to exploit areas of opportunity in the long run, while taking early action to mitigate one’s own vulnerabilities. In practice, this competitive approach effectively means reorienting defence strategy and policy and military posture in order to steer the overall strategic competition in one’s favour.
11. **Defence spending efficiency.** The efficiency of expenditure over an extended period of time is a critical factor in defence policy. This fact is often obscured by the immediacy of current funding debates. The strategic question is whether the UK can avoid pricing itself out of the military competition in the long term, considering that adversaries like Russia are expanding their military capabilities at a much lower comparative cost. Trade-offs are increasingly likely to be required in terms of what equipment the UK will buy and

how the force will be designed. Net assessment is geared towards understanding the risks involved.

12. **RED perspective.** Understanding the opponent's view of the balance – “his net assessment of us”, as Eliot Cohen put it – is the most demanding and most critical aspect of net assessment. It requires immersion into his strategic culture and a deep understanding of his military thought, concepts of operations and philosophy of conflict, an understanding acquired over a long time of persistent observation. The importance of determining how the adversary views his own strengths and weaknesses – rather than how we do – cannot be overstated. This “delta” gap between opposing perspectives is what ultimately leads to conflict.
13. **Allied focus.** Net assessment also stands out through the importance it attaches to integrating careful political analysis of allies' power into studies of military balances. Another key problem that arises in wartime conditions is coalition cohesion. As a result, net assessment focuses very much on allies and their perceptions and internal politics, alongside the principal players in the competition.

Conclusion

14. For Global Britain, only highly-informed and carefully-calibrated strategic use of UK hard power resources is likely to ensure success in the long run. Approximations – much less ignorance or misunderstanding – of both adversary, allied, or our own strengths and weaknesses will be insufficient, and potentially fatal. Net assessment offers a coherent, sophisticated corpus of principles and approaches for performing the strategic calculations that can inform strategic decisions.
15. The UK should ensure it remains in step with the latest US national security thinking on questions of global strategic competition, because our entire defence concept is based on fighting with allies. A UK Office of Net Assessment would help reinforce the convergence of UK and American perspectives on the widest, most fundamental strategic issues.
16. Finally, net assessment can help lead a revival of British strategic thought from within government, adding to the efforts of academic centres of excellence in this field, and the wider UK national security community.

Executive Summary

- In July 2018, the Secretary of State for Defence announced the establishment of a Strategic Net Assessment capability within the Ministry of Defence. This is an extremely welcome and timely step. The present paper, which was in preparation before the announcement was made, seeks to explain what net assessment is, why it is so important for the UK today, and how it can be set up and used to maximum effect in support of UK strategy-making.
- This paper makes the case for establishing a UK Office of Net Assessment within the Ministry of Defence, reporting directly to the Secretary of State. **(see also the accompanying Memorandum for the Defence Secretary)**
- The Defence Secretary alone is in a position to insulate net assessment from the influence of the wider bureaucratic and single Service interests. The integrity and independence of net assessment as an objective diagnostic tool must be assured, particularly so that the failings and weaknesses on our side may be properly identified. There is a clear need for a capability in government that can speak the proverbial “truth to power”.
- Britain faces a set of multi-level strategic challenges. These are undercutting many of the assumptions on which our perspective on international security has been based since the end of the Second World War. They include the fading of unquestionable Western ascendancy in the international system; an erosion of the West’s internal cohesion; and a new “Revolution in Military Affairs” driven by the roughly simultaneous maturation of long-developing technologies such as cyber, A.I./robotics, directed energy, space, or hypersonic vehicles, bringing deep changes to the character of war.
- The West in general, including Britain, has had a consistent record of strategic underperformance in recent decades, which points to chronic deficiencies in assessing accurately the strategic environment and the behaviour of rivals. This needs to be addressed as a matter of priority in view of the sharpening geopolitical competition.
- Net assessment, a framework for strategic analysis that has been in operation in the Pentagon for over 45 years, offers a tried and tested way to distil coherence from today’s chaotic world. It is not, by itself, an assured “golden ticket” out of complex systemic problems, and its practical influence on US policy decisions has varied according to the political circumstances (and Secretaries of Defense) of the day. But its analytical worth in guiding strategic action is undeniable.

- Net assessment's core task is estimating current and future military power – thus providing a baseline understanding for developing solutions to long-range strategic problems.
- Net assessment focuses on the *relative* power balance, thus analysing both the adversary's and one's own military postures and capabilities. It also stands in stark contrast to simplistic “bean-counting” exercises that simply tabulate numerical data about opposing forces.
- Net assessment also considers in depth – and in context – a range of qualitative, non-material and intangible factors such as doctrine, political goals, training or strategic culture. These crucial but unstructured types of data escape easy integration into more traditional assessment practices and methodologies which often are quantitative-oriented.
- Net assessment is a tool developed for the strategic management of a long-term military competition. Its underlying principles and methods are geared towards analysing trends and strategic interactions over extended periods of time, seeking to pinpoint asymmetries in the competition. It develops projections of future force postures across different scenarios and suggests competitive strategies that could exploit areas of comparative strength and weakness between two or more competitors.
- Net assessment is the highest form of comprehensive, aggregated strategic analysis – integrating both qualitative and quantitative information. The analysis goes much beyond basic frameworks such as SWOT (strengths-weaknesses-opportunities-threats), and considerable effort is applied to achieving a deep understanding of the adversary's own “net assessment” process.
- Net assessment can be a practical building block in the effort to revive British strategic thinking and strategy-making processes, moving the discussion beyond simplistic calls for “better strategy”. Although developed in the middle of the Cold War – or precisely because of it – net assessment is now more relevant than ever. A “Global Britain” engaged in a long-term multi-level global competition – and, as part of NATO, in a direct military competition with the Russian Federation – needs to play a much more efficient and finely-tuned strategic game.
- Net assessment can help Britain steady the ship in an era of defence funding constraints. Competitive strategies – based on UK advantages and adversary weaknesses – can help offset capability imbalances and bring maximum strategic efficiency to force posture design. When these methods are applied effectively in conjunction with allies, they can even help steer the military competition with adversaries like Russia towards a more favourable long-term position. Similarly, in competitions where Britain plays a secondary role – such as in the Indo-Pacific – net assessment can help maximise the efficiency of UK's strategic inputs through superior understanding of regional dynamics, as well as allied power and intentions.

Part One: The Strategy Problem

A changing world order is throwing up new security dilemmas and rekindling old geopolitical competitions. The challenge of navigating a complex and dangerous era cannot be left to improvisation: there is a pressing need for new and genuinely strategic thinking to guide government action.

This paper argues for the creation of an Office of Net Assessment within the MoD. The first goal of this proposal is to address practical strategic problems relating to long-term military competitiveness dynamics. The second is to help lead a revival of British strategic thought from within government, adding to the efforts of academic centres of excellence in this field, and the wider UK national security community.

Net assessment is not just a practical “toolbox” supporting the development of competitive strategies, but a full-spectrum approach to strategic questions. It can help bridge certain gaps in our practices and understanding of strategy, particularly at a time when Britain has increasingly little room for error in charting its future course in the international system.

A defining moment for world order

The starting point in any discussion on the future of UK defence should be a recognition that the basis of international security is being transformed. Three features of this situation stand out. Firstly, with the end of the post-Cold War “unipolar moment” of unparalleled Western (American) ascendancy in world affairs, competitive power politics has returned as a prime driver of international relations.¹ The erosion of that uniquely lopsided hierarchy of global power has been gradual, as the US and the West have faced a series of economic, political and military setbacks. Simultaneously, geopolitical challengers or rivals like Russia, Iran and China steadily recovered or expanded their own hard-power and non-military influence.

These geopolitical trends have been converging towards a critical point beyond which further erosion of Western power and control over the international system might be irrecoverable in the long term. The Trump administration’s national security team have acknowledged this. The latest iterations of the US National Security Strategy and National Defense Strategy, with their marked change in tone and outlook, are in effect a declaration of American intent to arrest these trends and work to reverse them. The question is whether Britain is ready to accept this analysis, recognise the danger, and realise the full implications of the current systemic challenges

1. As noted by Nadia Schadlow in an influential article published before she was appointed as US Deputy National Security Advisor for Strategy. Nadia Schadlow, “Welcome to the Competition”, *War on the Rocks*, 26 January 2017. <https://warontherocks.com/2017/01/welcome-to-the-competition/>

to its own long-term interests – especially in the post-Brexit era. The times when the international system could be conceived of as a community characterised by cooperation, are rapidly fading into memory; the world is now characterised by multi-dimensional power competition.

Second, the internal cohesion of the West is under intense pressure both in terms of the divisions within Western democracies, those among them, and the challenge from outside powers like Russia which are perfecting ways of sowing discord. Arguably, one of the costs of globalisation, in a broad sense, has been the weakening of a distinct notion of the West as a geostrategic construct (in the sense of the “Western alliance”), not just a community of values. It is also the case that, unlike during the Cold War, the reputation of an increasingly liberal-progressive West in the eyes of other parts of the world – including more traditional-conservative ex-Communist and formerly Third World countries – has diminished, not least on social-cultural grounds. All these issues feed into the difficulties faced by the West in its bid to conserve its primacy in the international system.

There needs to be a sharper recognition of where the UK and its interests fit in the global geostrategic picture, and what future developments are – or are not – in Britain’s interest. The rise of China and the implementation of its Belt and Road Initiative, for example, is a major long-term challenge to the current structures of world order which still serve Britain well. This

There needs to be a sharper recognition of where the UK and its interests fit in the global geostrategic picture

will require strategic management and engagement on UK’s part. On such issues, well-resourced and concerted Western action is required – but for that, there needs to be a coherent concept of the West to begin with, based on realistic analysis of

shared interests and challenges. Net assessment, as a coherent analytical framework, can help build an authoritative strategic case in that regard by demonstrating the full scale and nature of the problem at hand.

We are now at a significant juncture in terms of the changing character of war, brought on by developments in technology. We are on the brink of a new Revolution in Military Affairs – driven by the roughly simultaneous maturation, in the space of a single generation, of long-developing technologies such as cyber, A.I. and robotics, lasers, space, or hypersonic vehicles. These have become or will very soon become battlefield-ready, and they will transform the way conflicts play out both militarily and politically. From a military-technological point of view, the coming decade is arguably set to be the most disruptive in living memory; and the succession of crises, together with the operational tempo in conflict situations, will likely increase as a result. There is a pressing need for understanding the full implications of these changes from a defence point of view in a holistic manner. The first order of business should be at least to acknowledge these issues, and make room for new (and more strategic) joint thinking in this space as well.

The context of “Global Britain”

As Britain prepares to execute a pivot to the world, there should be a recognition of the fact that London has not been playing the global strategic game to the fullest extent of the country’s potential. While the UK has never relinquished its global identity and has maintained a global status and engagement posture, during forty years of ever-closer EU membership British policy has arguably become Europe-centric to a significant degree – an over-emphasis which the “Global Britain” concept is looking to correct. This is one reason for what many British scholars and policy-makers call the “atrophy” of Britain’s strategic thinking capacities,² and is one explanation for the anguish over what Britain’s place in the world might be (a debate that much pre-dates Brexit). Even if Brexit had not happened, the UK, as a global power,³ would be dependent on an accurate appreciation of the entire shifting global picture from East Europe to East Asia in order to optimise its strategy and defence policy. But now Britain must brace for the extra risks as well as opportunities that will come with an expanded role in the world.

A questionable strategic record

British foreign and defence policy has long been affected by a strategic-leadership deficit paired with deep uncertainty over the UK’s role on the global scene, and with “declinism” as one of the by-products of this condition. In 2011, for instance, a parliamentary inquiry by the then House of Commons Public Administration Select Committee (PASC) showed that a practical deficit in strategy-making capacity is real and palpable. The Committee’s report found that, despite the existence of many structures with various degrees of responsibility in this area, “no one” actually does national strategy in the UK.⁴ This conclusion reflected the general sense that the focus of recent governments had overwhelmingly been – and indeed remains – on the ongoing operations, the immediate crisis, and the short-term.

This is not just an interesting “curiosity” of the British government system; rather, it has critical implications for the country’s future fortunes in an increasingly fraught national and international context. Yet the emphasis on the institutional arrangements for strategy-making – how, where and by whom should strategy be decided, as explored in the PASC report – is likely misplaced. More centralisation of strategic functions or even the creation of a kind of “agency” or ministry for strategy – suggested by the PASC – would not, by themselves, improve matters if the *understanding* of strategy as a concept and of its pre-requisites does not evolve. It is not so much an issue of “who does strategy” in a formal sense, but of what is meant by “strategy” and the questions that inform strategists’ thinking. Embracing net assessment would be an attempt at course correction, in this regard.

Strategic surprise at every turn

The West’s record of geopolitical setbacks in recent times suggests a deeper problem than it is usually convenient to acknowledge. For one, the problem of strategic surprise has become chronic. Every major Russian initiative in

2. House of Commons Public Administration Select Committee, “Who does UK National Strategy?”, HC.435, session 2010-11 (London: TSO, 2010), p. 28 <https://publications.parliament.uk/pa/cm201011/cmselect/cmpubadm/435/435.pdf>

3. See James Rogers, “Audit of Geopolitical Capability: A Comparison of Eight Major Powers”, The Henry Jackson Society, September 2017. The study shows that the UK is the only other “global” power next to the United States.

4. House of Commons Public Administration Select Committee, “Who does UK National Strategy?”, HC.435, session 2010-11 (London: TSO, 2010) <https://publications.parliament.uk/pa/cm201011/cmselect/cmpubadm/435/435.pdf>

recent years, for example – whether in Georgia in 2008, in Crimea in 2014, or in Syria from 2015 – has taken the West collectively by surprise. The same is true of the rise of Islamic State.

Furthermore, Russia’s national rearmament, which has been going on for almost a decade – with key capabilities tested on the battlefield in Ukraine before the 2015 SDSR – has been prompting some surprise even at this late stage.⁵ It is also the case that, lately, we have had to play catch-up with new Russian concepts and initiatives, like “hybrid war”, or Russian

investments in electronic warfare or precision long-range rocket artillery and missile forces. Being a follower rather than a leader in operational and strategic matters comes with important risks; beyond ensuring an

agile response to adversary developments, we should also be concerned with seizing the initiative.

Much of our thinking has also been muddled for years by hollow yet “fashionable” concepts and false assumptions. They have helped guide the West to its current strategic difficulties. For example, until only a few years ago conventional wisdom held that counter-insurgency (COIN) was the future of warfare. Similarly, around the time of the Arab Spring, there was much enthusiasm with regard to Social Media, seen back then as a tool for “empowering dissenters” and weakening authoritarian states. In retrospect, these expectations were far off the mark. When Russia invaded Ukraine and sanctions were imposed and oil prices collapsed, there was a widespread belief in the West that the Russian economy was on the brink of imploding.⁶ Not only did that not happen, but Russia returned to economic growth in less than three years, and the Kremlin sent an expeditionary force to Syria in 2015 – a “quagmire” (as Barack Obama hastened to call it⁷) that never was.

Another fallacy has been the idea that we can rely on our technological edge to maintain strategic military advantage.⁸ Yet adversaries are catching up with the West in key military technologies while retaining much of their traditional advantages in terms of mass.

In addition, in the years since the Cold War, there has been no shortage of attempts to discern the future of warfare and to prescribe ambitious – some might say hubristic – solutions. Many of these efforts have led to over-optimistic visions such as “full spectrum dominance”, suggesting that military campaigns of the future would be more a question of process than strategy. Evidence from battlefields stretching from Afghanistan to the Donbas has thoroughly disproven this notion, whether in relation to non-state or state-based actors.

These examples are indicative of a consistent collective Western underperformance in assessing accurately the strategic environment and the behaviour of rivals. The focus has been on mirror-imaging – expecting the other side to think and play by the same logic and rules as us. This has been coupled with an over-reliance on a “snapshot”

The problem of strategic surprise has become chronic

5. See the previous Chief of the General Staff’s speech at RUSI in January 2018. His presentation included a Russian-made video summary of new Russian military capabilities. <https://rusi.org/event/dynamic-security-threats-and-british-army>

6. See, for example: Ambrose Evans-Pritchard, “The week the dam broke in Russia and ended Putin’s dreams”, *The Daily Telegraph*, 23 December 2014 <https://www.telegraph.co.uk/finance/economics/11305146/The-week-the-dam-broke-in-Russia-and-ended-Putins-dreams.html>; Matt O’Brien, “Sorry, Putin. Russia’s economy is doomed”, *Washington Post*, 15 December 2014 <https://www.washingtonpost.com/news/wonk/wp/2014/12/15/russias-economy-is-doomed-its-that-simple/>; Larry Elliott, “Russia has just lost the economic war with the west”, *The Guardian*, 16 December 2014 <https://www.theguardian.com/business/2014/dec/16/russia-has-lost-economic-war-with-west-rouble-currency>

7. Alistair Bell, “Obama warns Russia’s Putin of ‘quagmire’ in Syria”, *Reuters*, 3 October 2015 <https://www.reuters.com/article/us-mideast-crisis-syria-airstrikes/obama-warns-russias-putin-of-quagmire-in-syria-idUSKCN0RWOW220151003>

8. See speech by Lt. Gen. H.R. McMaster at *Policy Exchange*, 26 January 2017 <https://policyexchange.org.uk/news/video-lieutenant-general-h-r-mcmaster-speaks-at-policy-exchange/>

approach: making decisions based on the immediate situation – in other words, the present politico-military configuration – and only looking at the short-term. Yet static comparisons of capabilities at a single point in time give no sense of the trends.⁹

One way to reduce the potential of surprise is to monitor the strategic environment on a continuous basis and to ensure there is enough flexibility in the national security system to override existing top-level assumptions – of the kind laid down in quinquennial SDSRs – swiftly, if necessary. The precise intentions of an adversary may never be known, but it is possible to have a clear idea of what he is or will be *capable* of, and to understand when the strategic situation is approaching a breaking point or where the adversary sees an opening he can exploit.

Taking an inadequate approach to these matters can carry a great price down the line. The fundamental reason why we need to increase our defence spending today – the issue on which Britain’s entire global strategy turns – is because of past strategic mistakes, not because of some unavoidable fact or “natural law” of international politics. There has been a collective failure of perceiving threats in advance and of taking adequate action to thwart the convergence of deteriorating security trends before reaching crisis point.

What has gone wrong?

There is a wider problem with Western strategic thinking that has been at play: put simply, after the Cold War we stopped thinking about our adversaries in competitive terms, and switched to a “risk-based” model; they did not.

Great Power competition never stopped. But it was overshadowed by other distractions and wars of choice as the “unipolar moment” dawned and as the West basked in its peerless status. America in particular appeared to have mothballed the sophisticated ability acquired during the Cold War for calculating overall military balances – or, as the Soviets called it, the “correlation of forces”¹⁰ – and for understanding the true power of nation-state adversaries, in all its manifestations. After 9/11, with terrorism top of the list, the “risk framework” concept became dominant in official Western strategic policy.

This has proven detrimental to America’s – and by implication, the West’s – geopolitical fortunes over the past fifteen years. Any risk-based formula is by definition un-strategic: among other drawbacks, its neat categories of risk oversimplify a complex landscape; it takes a passive, short-term approach rather than addressing underlying causes; and it struggles to consider threats in their full context. It is not difficult to see why such a way of looking at the world would blind Western policymakers to the full strategic significance of things like: hybrid warfare¹¹; the resurgence of Russian conventional military capability; or the expansion of Iran’s military footprint across the Middle East.

Most importantly, a risk-based approach makes it difficult to see the whole picture of an integrated enemy strategy which uses propaganda campaigns, proxies and other forms of power alongside conventional

9. Williamson Murray and Barry Watts, “Guidance Essay” in Allen R Millet and Williamson Murray eds, *Net Assessment in the 1930s*, (Department of Defense: Defense Technical Information Center, 1990)

10. Not to be confused with the more narrowly-defined “correlation of forces” term as used in Anglo-American military parlance to refer to schematic, quantitative analyses of force ratios between two opposing sides based on orders of battle and combat-potential data.

11. Or, more precisely, “New-Type Warfare”.

forces. It is therefore of limited use in proposing effective counter-measures or preventing unwelcome surprises. Most importantly, such strategic risk “insurance policies” do not proactively look for strategic opportunities.

Risk- vs Threat-based planning

With the 2010 SDSR, UK strategy-making was formally encased in a “Risk Assessment” framework. This process aims to allocate national security “resources” according to a ranked order of perceived risks as they appear at that point in time. But such an approach, while making sense from (and echoing) a business management perspective, is **inherently un-strategic**. The focus on “managing risk”: (1) eschews the setting of positive strategic aims for the UK, opting instead for a neutral, “holding-pattern” approach; (2) leaves no real room for properly identifying long-wave, systemic **threats** to the UK and its allies’ security ecosystem; (3) and prevents the development and pursuit (in conjunction with key allies) of long-term strategies required to deal with such specific and identifiable geostrategic threats.

A further disadvantage of a risk-based strategy-making process, compared to a strategic threat-based one (which used to be the default approach during the Cold War), is that it makes Allied strategic cohesion more difficult to achieve. The cumulative effect of risk-based planning across the alliance is a multiplicity of diverging security perspectives based on different national-level risk perceptions, for example between NATO’s eastern and southern flanks – rather than a more *convergent* strategic view based on a joint understanding of systemic threats that ultimately hold everyone at risk.

The Russian perspective

Unlike the “non-state” distractions and the hubris clouding Western strategic thinking after the Cold War, our adversaries have never stopped doing proper hard power assessments. This is particularly true in the case of Russia.¹² The Soviet concept of the “correlation of forces”¹³ carried over into post-USSR era. It represents the closest Russian approximation of net assessment, a “measure of all potentials, including the social and moral component”.¹⁴ Its meaning is far wider than the Western notion of “balance of power” – which, in any case, is a fuzzy term of art more than an analytical device of practical value in planning.¹⁵

At first glance, the term “correlation of forces” appears to have been distorted by conceptual contamination with Marxist-Leninist ideology: the forces in question were analysed firstly in terms of the “class forces” in conflict. Yet this only pointed to the fundamental importance attached by Soviet strategists to the socio-political dimension of power in the international system – a feature shared by Ludwig von Rochau’s original theory of *Realpolitik* from the 1860s.¹⁶

In Russia, the “correlation of forces” was and remains the basic framework for investigating closely the configuration of power and

12. Despite the disintegration of Soviet military machine and power by 1992, and the state of near-institutional failure that endured for years afterwards, the “brain” of the Russian armed forces (the General Staff) remained intact. One prominent symbol of continuity in terms of military thought between the Soviet times and present-day Russia is embodied by General Makhmut Gareev, who retired as Deputy Chief of the General Staff in the dying months of the USSR. Soon afterwards, he became the President of the Academy of Military Sciences of the newly-formed Russian Federation – the focal point of Russian debates on military-strategic affairs. At 95, Gareev is still in post and one of the most authoritative voices in the Russian military community.

13. Not to be confused with the “correlation of forces” term used by the UK military in a much more restricted sense, to present tabulations of opposing forces (such as orders-of-battle) and other non-analytical descriptions of operational factors.

14. The formulation belongs to James Sherr.

15. Richard E Porter, “Correlation of Forces: Revolutionary Legacy”, *Air University Review*, March-April 1977

16. See John Bew, *Realpolitik: A History* (New York, NY: Oxford University Press, 2016)

comparative advantages in any given strategic situation. It is this kind of careful analytical exercise that underpins, even today, Russian strategy – at all levels. Conceptually, for example, Russian practices such as *maskirovka* (i.e., camouflage and deception) serve strategic efforts to alter the correlation of forces in Russia’s favour, whether tactically-operationally or in the context of longer-term confrontations.

Analysing power

It is increasingly hard to avoid the fact that our thinking now faces a double deficit: both in strategy (solutions) and in baseline assessment (regarding the nature of the problems). This is true both within and, especially, outside government. Proper responses cannot be devised based on erroneous assumptions. If we cannot analyse power adequately, we cannot appreciate correctly the big picture.

This is precisely the time when Britain most pressingly needs new ways of calibrating its strategy for the future, and when it has very small margins of error in devising it. If it is true that we have arrived at a critical point when illusions, convenient assumptions and conventional wisdom must be set aside, then the forces shaping the world around Britain must be understood with utmost clarity.

The way forward will require a framework and a tested set of principles. No challenge is more difficult at this moment, nor more important, than distilling coherence out of today’s chaotic world. There is no single magic solution for tackling these problems, but procedural and analytical improvements can have a disproportionately positive impact on strategic performance. One avenue worth exploring in this sense revolves around an analytical model that has been in operation in the Pentagon for 45 years: net assessment.

Part Two: What is Net Assessment?

A question of power

The US Office of Net Assessment (ONA)¹⁷, reporting directly to the Secretary of Defense, is credited with having played a key role in steering American strategy on a successful path in the Cold War military competition with the Soviet Union. Most of its work has been highly classified from the beginning. Under its long-serving director, Andrew Marshall, the ONA developed a distinct, comprehensive intellectual approach to questions of long-term competitive strategy, best understood as a new analytic discipline. A precise methodology was never laid down. In fact, as the rest of this chapter shows, the idea of a fixed methodology runs against the very nature of net assessment. Eliot Cohen (one of America's most authoritative strategists and an ONA alumnus) even sees it as a "craft" as well as a discipline¹⁸, while Marshall himself referred to it as "a framework for strategic analysis".¹⁹

Net assessments vary in form and depth according to topic and purpose. At the upper end they are highly complex, eclectic explorations of two types of material. One consists of wide sets of data and quantitative information. The other includes intangible qualitative variables pertaining to multiple actors simultaneously. Moreover, these actors are considered in their dynamic interaction with each other as well as in the context of their interactive strategic environment and against evolving strategic patterns and trends. In other words, net assessments are hard work and while they do make use of a number of analytical tools such as war games, the single most important resource in net assessment is, in Marshall's own words, "sustained hard intellectual effort". This complexity and dual-nature – as both an analytic product and a distinct way of thinking – means that no simple definition can quite capture what net assessment actually is and does, although attempts have been made.²⁰ A more appropriate starting point in understanding net assessment is to look at the strategic perspective that underpins it. Seen in this light, the secretive ONA appears to have essentially had, throughout its four-decade existence, only one core task: **estimating current and future military power** – thus providing a baseline for developing solutions to long-range strategic problems.

This deceptively simple notion – power – is the keystone of all foreign and defence policy and strategy, whether consciously acknowledged or not. Decisions about courses of action to pursue, whether in the heat of a crisis

17. The ONA was established in its current form in 1973, under the directorship of Andrew Marshall, after a short existence as the Net Assessment Group in the National Security Council since 1971. However, ONA's intellectual roots trace back to Marshall's work at RAND in the 1960s, and are best seen in his 1966 paper, *Problems of Estimating Military Power*. Marshall – who came to be known as Yoda or the Pentagon's Grey Eminence – went on to head the Office until his retirement in 2015, having been re-appointed by every presidential administration from Nixon to Obama. Much of ONA's work remains classified, and the office's small size – around 12 permanent staff – together with its privileged institutional positioning and the personal prestige and low-profile of Andrew Marshall, have created a certain kind of mystique around it.
18. Eliot A Cohen, "Net Assessment: An American Approach", Jaffee Center for Strategic Studies, April 1990. In the early stages of his career, Cohen served in the ONA as military assistant to Andrew Marshall.
19. Andrew W Marshall, "Long-Term Competition with the Soviets: A Framework for Strategic Analysis", RAND, April 1972
20. Bracken sees net assessment's aim as the characterisation of "strategic interactions" between two opposing sides. Stephen Rosen defines it as "the analysis of the interaction of national security establishments in peacetime and war." Skypek explains net assessment as "a framework for evaluating the long-term strategic political-military competitions in which states engage" and for "diagnosing strategic asymmetries", with the output being a "complete picture of a competitive political-military relationship". Philip Karber calls net assessment the "most comprehensive form of analysis in the hierarchy of analysis". Krepinevich and Watts say net assessment is "very much about identifying and exploiting favourable asymmetries in key areas of the competition, and finding ways to mitigate the effects of those asymmetries that work in the enemy's favour." Eliot Cohen, who arguably comes closest to the essence of the question, describes it most elegantly as "the appraisal of military balances" and also offers an extended version of the concept, with *strategic net assessment* defined as "the weighing of politico-military balances", representing "the most highly aggregated form of the discipline". Paul Bracken, "Net Assessment: A Practical Guide", Parameters, Spring 2006; Stephen Peter Rosen, "Net Assessment as an Analytical Concept", in Andrew W. Marshall, J.J. Martin, and Henry Rowen, eds., *On Not Confusing Ourselves* (Boulder: Westview Press, 1991), p. 290; Andrew Krepinevich and Barry Watts, *The Last Warrior: Andrew Marshall and the Shaping of Modern American Defense Strategy* (New York, Basic Books, 2015); Eliot A Cohen, "Net Assessment: An American Approach", Jaffee Center for Strategic Studies, April 1990; Thomas M Skypek, "Evaluating Military Balances Through the Lens of Net Assessment: History and Application", *Journal of Military and Strategic Studies*, Vol. 12, Issue 2 (Winter 2010).

or with an eye to the long term, are inevitably grounded in a perception of the adequacy of one's available power relative to the adversary or task at hand. In this context the meaning of "power" goes beyond a mere comparative appreciation of the relevant aggregate resources available to each side. Crucially, it is also an impression of how available capabilities would perform in the real world against an active opponent. Accurate assessment of power relationships and dynamics between opposing sides is so imperative that Sun Tzu mentions in the very first chapter of his *Art of War* the necessity of performing "many calculations" as a pre-condition for victory.²¹ This, of course, is also the logic underlying the mechanism of deterrence, which rests on continuous calculations of military strength on each side.

Even the basic task of calculating static – or current – power balances is complicated by the sheer number of elements that have to be considered. The ultimate challenge, however, is in extending these calculations into the future in order to reflect changing strategic situations and wider world conditions over time. The starting question, "Can we do this, or not?", is thus usually followed by: "If not, can we become capable of doing this in the future?" Here power meets strategy in what is arguably the best short definition of strategy yet conceived, captured in Lawrence Freedman's insight that "strategy is the art of creating power."²² In other words, strategy is a contest of projected future capabilities shaped by actions taken in the present – on a continuous basis.²³

The fundamental difficulty with strategy stems, therefore, from this "time gap" that separates the observable configuration of power in the system of conflict today – including dynamic trends – from the one that will exist tomorrow. Calculating the latter state using "input data" from the former is the basic task of net assessment, and arguably the "holy grail" of strategy. As Sun Tzu intimated, accurate calculations will reveal both present and future weaknesses and advantages – both on the adversary's side and on one's own. A range of optimal strategies to pursue in order to alter the future power-situation and achieve victory will then become apparent on the basis of this initial net assessment.²⁴

The strategic thinking underlying net assessment is akin to the logic operating in the game of chess. "In chess", Marshall wrote, "the aim of a move is to find positions for one's pieces that (a) increase their mobility/options and decrease the freedom of operation of the opponent's pieces, and (b) impose certain relatively stable patterns on the board that induce enduring strength for oneself and enduring weakness for the opponent". The game is therefore won over time, when "sufficient positional advantages have been accumulated" and low-cost moves become possible "against specific targets that are now no longer defensible."²⁵

This dialectical approach to strategy, based on complex, recursive calculations of move and countermove,²⁶ is markedly different from the simplistic "ends-ways-means" mantra pervading contemporary Western strategic discourse. Much of what passes for enunciations of "strategy" today rests on linear logic – often with scant consideration of what the adversary might do or how the strategic environment might change and

21. The Soviets were also recognised for being very sensitive about miscalculating, and aware of the risk of inadvertent "adventurism"; determining the correct "correlation of forces" was the first and fundamental concern of Soviet decision-makers. Porter, *op. cit.*

22. Lawrence Freedman, *Strategy: A History* (New York, NY: Oxford University Press, 2013)

23. A more condensed, and likely less useful version of this proposition would be the paradoxical formulation that "strategy is a contest fought in the future, today". The conceptual impossibility of an action taking place simultaneously at two points in time presents a problem only in the linear logic of everyday human activities. But as Edward Luttwak has shown, the logic of strategy is paradoxical and confounding to "normal" thinking – which is one reason for the perpetual failings of strategy in history. Edward N. Luttwak, *Strategy: The Logic of War and Peace* (Cambridge, MA: Harvard University Press, 2001)

24. Andrew Marshall recognised this very clearly, which is one reason why he has always insisted – and was content to acknowledge – that the task of net assessment is purely diagnostic, with no involvement in the formulation of strategy. He understood that, even though net assessment it what is done *before* strategy, its influence on the final strategic decision – i.e., how to "create power" – would be very great indeed.

25. Andrew W Marshall, "Long-Term Competition with the Soviets: A Framework for Strategic Analysis", RAND, April 1972, p. 44

26. Eliot A Cohen, "Toward Better Net Assessment: Rethinking the European Conventional Balance", *International Security*, Vol. 13, No. 1 (Summer, 1988), p. 88

why. As such, this version of “strategy” is often hard to distinguish from the mere notion of “planning”, making it as different from net assessment-based strategy as a puzzle game is from chess.

At the heart of net assessment, therefore, are questions of power. But this is only the entry point into a richer collection of analytical concepts which, in aggregate, can work as an effective instrument for solving very practical strategic problems.

The elements of net assessment

Net assessment emerged in the context of the Cold War military competition between the United States and the Soviet Union. This origin served to shape the development of net assessment as an analytical framework with practical applicability. First, the background of the Cold War imprinted a deadly seriousness and a sense of critical urgency to all matters connected to strategy. In the age of mutually assured nuclear destruction, the stakes could not be higher. This focused the minds at the ONA, and was reflected in the rigour and discipline with which the net assessors pursued their work.

Second, practical questions of military balance took centre stage, despite the East-West standoff being rooted in a political-ideological conflict. Other forms of power and instruments also operated at the highest levels of national strategy, from economics and diplomacy to aid and cultural-informational exports. Yet the bedrock of national power, on which deterrence rested and which sustained the two blocs throughout the long period of strategic standoff was specifically military power. In fact, it is widely agreed that it was in this arena that the Cold War was won, with the Soviet system breaking under the economic burden of trying to remain militarily competitive against the Western defence establishment.

However, the collapse of Communism also removed military power from the focal point of Western strategic thinking, as new concepts such as “soft power” gained currency beginning in the 1990s. In places like post-Soviet Russia, this never happened and to this day the Russian perspective on strategic affairs is that “power means, first and foremost, classic military power.”²⁷

Third, a key distinguishing feature of net assessment was its specialism in competitive dynamics – specifically, those between the United States and the Soviet Union. The two competitors were matched to a degree that has not yet been replicated in the international system since 1992, despite China’s military expansion in recent years. This reality of Cold War parity (or even US inferiority, at certain points in time) across a number of military domains meant that net assessment developed under the sign of resource constraints. Such a situation very often inspires better and more disciplined thinking than that induced by times of easy and complacent dominance, and this was in fact the case with net assessment. As Marshall saw things in 1971, “the US will have to outthink the Soviets since it is doubtful that it will continue to outspend them substantially”.²⁸ Such resource-related fears were common at the time, and very similar to what we are facing today. Although disproven by later events, they provided

27. Fyodor Lukyanov, Chairman of the Russian Council on Foreign and Defense Policy, in “Trump’s defense strategy is perfect for Russia”, *Washington Post*, 23 January 2018 <https://www.washingtonpost.com/news/theworldpost/wp/2018/01/23/national-defense-strategy/>

28. Andrew W Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972, p. 42

the initial rationale for a new approach to long-term strategic questions. “Outthinking” the enemy was essential to victory, and a number of net assessment “elements” helped in that regard:

Current military balances

As already noted, estimating military power – and implicitly the balance between two sides – is central to net assessment, and its core pursuit. In a way, everything else in net assessment, and strategy, is subsumed to this “net”, baseline question. Yet the net assessment perspective on military power balances differs in three important respects from notions of comparative “strength” and “weakness” routinely ascribed to various countries in many popular narratives and the media. These three distinctions merit closer inspection.

First and foremost, net assessment’s view of (military) power is that it is **relative**. There is no such thing as power in the abstract, or in isolation. “Estimating the military power of the United States, or any other country”, wrote Marshall in his 1966 RAND paper, “can only be done relative to that of another country or set of countries viewed as an alliance.” The crucial corollary of that – and net assessment’s most consequential feature – is that the analysis focuses as much on one’s side as on the enemy. This equal concern with one’s own forces, programmes and policies is what differentiates net assessments from intelligence threat assessments which only look outward. A “BLUE-focus”²⁹ can be uncomfortable to government bureaucracies and the armed forces themselves, but this is unavoidable if strategy is to be placed on solid foundations.

A “BLUE-focus” can be uncomfortable to government bureaucracies and the armed forces themselves, but this is unavoidable if strategy is to be placed on solid foundations

In this sense, the military power of a country’s armed forces acquires analytical meaning only when its actual capability to deal with a real enemy in a number of scenarios is properly and uncompromisingly assessed. Apart from numbers and types of equipment and formations, the influence of geography and logistics of a possible confrontation also need to be considered, together with a multitude of qualitative factors ranging from the doctrine, training, morale and leadership of each side, to the effectiveness of weapons systems in various combinations and conditions, and so on. Simply stating that the military forces of a country are stronger today than five years ago is meaningless. And simply outlining the future development plans of a country’s armed forces – e.g., “we will have so many brigades in five years” – with no relation to potential opponents and their capabilities and concepts of operations, is likewise of little analytical value, even though it may make for good press.

This points to the second pitfall of estimating power: the “**bean-count**” fallacy, or the overwhelming emphasis put on quantitative factors over qualitative ones in many analyses and judgements about power. The irresistible tendency to equate this exercise with tabulations of capabilities

29. So named after the colour blue which conventionally represents friendly forces in wargames.

– the number of soldiers, ships and so on – is the root cause of strategic miscalculation and ill-informed public debates. Marshall once illustrated the point about simplistic tallies of this nature by reference to IISS’s annual publication, *The Military Balance*.³⁰ This mainly provides numerical data on defence budgets, force levels, equipment stocks and other quantifiable military information pertaining to armed forces from around the world. Marshall’s critique was not directed at the publication itself, but at the way in which it was erroneously held out by many in the defence community to contain the actual and full assessment of the military balance between NATO and the Warsaw Pact. None of this is to deny the crucial merits of hard quantitative data. Such data remains the starting point for any net assessment, and in fact during the Cold War the ONA’s focus on quantitative information was so persistent that it developed “probably the most authoritative NATO-Warsaw Pact database in the West”.³¹ But net assessors understand that quantitative data collections have merits as units of account, not “instruments of divination”.³²

The final caution in estimating power is that “the balance does not exist – many do”.³³ This is grounded in two practical realities. One is that states engage in multiple subsidiary competitions which are subject to dedicated policies and strategies, as part of the wider conflictual relationship. In this sense, all net assessments fall in either of two categories: functional (assessing, for example, the maritime power or nuclear competition), or geographic (such as the conventional balance in Europe during the Cold War). A “global” balance, which would be an analytical aggregate of these sub-balances, could be conceived of – and indeed it is often used as a shorthand or term of art – but it has no equivalent in the practical reality of state policy and competitive strategy-making. States may have grand strategies that seek to advance their widest objectives at a global scale, but from a practical-competitive point of view against specific adversaries, the contest unfolds in more specific and coherent sub-areas.

But there is a deeper significance to Cohen’s point that no “single” balance exists. It relates to the key distinction between “peacetime” and “wartime” conditions under which military power is assessed. Specifically, it relates to the transition from peace to war. One commonplace error made in analyses – and war games – seeking to understand what would happen “if war broke out” is to simply assume that the pre-war politico-military situation, including alliances and standing war plans, would make the transition to war in unaltered form. In fact, as Cohen showed in a 1988 article, in the event of war key variables – especially those of a political nature that affect how quickly allies mobilise or whether they would fight at all – could play out in a number of ways. In other words, the pre-war balance might not be the balance that is actually in place when war gets underway. This is controversial and politically-sensitive terrain. Nonetheless, an adequate net assessment has to look at a number of carefully-considered scenarios – which will produce multiple balances. The balance does not exist.

Another thing that makes net assessment stand out are its

30. Andrew W Marshall, “Problems of Estimating Military Power”, RAND, August 1966

31. Krepinevich and Watts, *op. cit.*, p. 141

32. Eliot A Cohen, “Toward Better Net Assessment: Rethinking the European Conventional Balance”, *International Security*, Vol. 13, No. 1 (Summer, 1988), p. 86

33. *Ibid.*, p. 87

multidisciplinary features. This is what gives it the “net” or comprehensive character in relation to military power questions. The quest to assess the impact of all relevant non-quantifiable factors on the outcome of military confrontations is inspired by the failings of most other forms of analysis. As Marshall warned, “one cannot simply discount key aspects of analysis simply because they cannot be easily quantified or explained.”³⁴ Such “intangibles” include morale, doctrine and relative doctrinal flexibility (or rigidity), adaptability of individual combatants to circumstances, logistics sustainability, peacetime training, impact of untried equipment, effectiveness of top leadership, role of surprise, popular will to fight.³⁵ More conventional but still non-material factors considered in net assessments range from force structures to the goals, resources, cultures, and strategies of the opposing sides, to more contingent elements, such as technology or climate conditions. To understand the strategic problems at hand, net assessment has historically drawn on fields ranging from economics to military history, political science, sociology, anthropology, or organisational behaviour.

The competition

If the estimation of military power – with an equal focus on one’s own side – provides the foundation for net assessment, the concept of “long-term competition” is the dome sitting atop the analytical superstructure. This perspective was embedded in ONA’s work from the start. As things looked in the early 1970s, the Soviets were not only overtaking the US and its allies militarily – in overall numbers of conventional and nuclear forces – but they were also catching up in qualitative-technological terms. There was a realisation that the US was no longer simply “able to buy solutions to our problems” as before,³⁶ and that this would be a long-term challenge with no end in sight. Yet allowing a perception – and perhaps reality – of American weakness to take hold would either invite Soviet aggression or would progressively undermine the cohesion of the Western alliance (a concern that remains relevant today). The question, therefore, was how to maintain a strong US military posture, and preserve strategic stability over the long run, with decreasing comparative resources available for that particular task.³⁷

The answer rested in finding a way to optimise the allocation of those resources by matching force development with strategies designed to offset Soviet strengths in carefully selected areas, which would ultimately produce disproportionate effects on the overall military balance. This would be done through new military technologies, concepts of operations, politico-strategic positioning, or combinations of all three. Net assessment was central to finding the exact points of pressure where US investments could make a difference; to informing the force postures adopted by the US military; and to anticipating Soviet moves in the competition.

34. Krepinevich and Watts, *op. cit.*, p. 63

35. Murray and Watts, *op. cit.*

36. Andrew W Marshall, “Nature and Scope of Net Assessment”, Memorandum to the Secretary of Defense, 1972, quoted in Karber, *op. cit.*

37. Or, as Marshall put it in a 1971 paper, “the pervasive effects of a continuing disadvantage in the economics of producing military forces”. Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972, p. 2

Competitive strategy

The competitive approach essentially rests on identifying and exploiting asymmetries – comparative differences – between opposing sides. In the process, net assessment will expose their respective strengths and weaknesses. These insights are then used to develop competitive advantages that seek to exploit areas of opportunity in the long run, while taking early action to mitigate one’s own vulnerabilities. In practice, this competitive approach effectively means reorienting defence strategy and policy and

It was resource constraints that provided the core rationale and guidance for net assessment work in terms of the US–Soviet competition

military posture in order to steer the overall strategic competition in one’s favour. During the Cold War, against a reactive adversary and a constantly shifting environment, decision-making required a constant monitoring of how the US was doing relative to the Soviets.³⁸

It is therefore **asymmetries** that drive the overall military balance at every level. Strategic asymmetries describe differences between competitors in the widest sense, from the way they use technology to their strategic cultures and organisational structure, or strategic and operational objectives such as sea control or sea denial.³⁹ The logic works down the strategic scale, to include the heavy questioning of “postural symmetry”. This was a core tendency in defence planning during the Cold War, aspiring to construct a balance of forces on the Western side that would reflect as much as possible that of the Soviets’.⁴⁰ By contrast, net assessment would run cost-effectiveness analyses on force planning, investigating whether, for example, the best response to an increase in the enemy’s bomber force would be to buy bombers or air defence systems.⁴¹ The question could be assessed from the Soviet point of view as well (i.e. what would they buy), and in fact this did result, for example, in the American B-1 bomber programme that forced the Soviets to invest in expanding their air defences at a much higher comparative cost. Regardless of its practical viability, Reagan’s Strategic Defence Initiative (SDI) is another example of such a cost-imposing or “competitive” strategy which bore heavily on Soviet planning.⁴² The permanent focus, therefore, was to build on US advantages – particularly in technology – but in a way that would incentivise the Soviets to invest spend more on less threatening capabilities.⁴³

Spending efficiency

It was resource constraints that provided the core rationale and guidance for net assessment work in terms of the US–Soviet competition. Getting the most strategic bang for the buck became imperative. As Marshall put it, “We need to view the problem of designing US force posture programs as part of a two-sided competition in which the efficiency of expenditure over an extended period of time is a critical factor.”⁴⁴ To avoid “pricing itself out” of the competition,⁴⁵ trade-offs were required in terms of what equipment the US would buy and how the force was designed, which implied taking

38. Andrew W Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972, p. 3

39. Eliot A Cohen, “Net Assessment: An American Approach”, Jaffee Center for Strategic Studies, April 1990

40. Andrew W Marshall, “Problems of Estimating Military Power”, RAND, August 1966

41. *Ibid.*

42. Krepinevich and Watts, *op. cit.*, p. 166

43. Krepinevich and Watts, *op. cit.*, p. 167

44. Andrew W Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972, p. 41

45. *Ibid.*

on more risk. The key question in all this was: what decision criteria or metrics should be applied in making these choices?

Known as the “criterion problem”, this was about measuring military performance – in a strategic setting – against input costs. The main alternative to net assessment in making such determinations was systems analysis, which also aimed to answer questions about force structure design. It did so, however, by relying heavily on quantitative analysis, disaggregating problems to measurable proportions and in general tending towards reductionist answers expressed in mathematical models.⁴⁶ As Krepinevich and Watts explain, systems analyses would “inevitably incorporate a number of non-technical assumptions” in setting the scope of the problem, selecting the alternatives to be examined, choosing criteria for measuring alternatives’ effectiveness.⁴⁷ These assumptions could skew the final analysis. Net assessment recognised this flaw, which is why it used a wider, multidisciplinary approach in trying to actually understand and deal with the uncertainty inherent in any strategic confrontation.

Handling Uncertainty

Tackling uncertainty, with respect to the unknowns of the present, or to the future as a whole, is another feature of net assessment. Strategy – including what force you build and how appropriate it is to your goals – is most often undone by unwarranted assumptions, which may be analytically convenient but insufficiently recognise the factor of uncertainty.⁴⁸ While the future remains a mystery, some aspects of it are more transparent than others – for example, macroeconomic trends, demographics or aspects of technology. In net assessment these provide a basis for leveraging the main tool used to interrogate the future: scenarios.

Scenarios – most often in the form of wargames – are used to envisage alternative futures, providing a way to “reperceive” reality during a crisis or a context of intense complexity or uncertainty. The term belongs to Pierre Wack, a scenario modeller for Shell, who noted that “In times of rapid change, a crisis of perception (that is, the inability to see an emerging novel reality by being locked inside obsolete assumptions) often causes strategic failure.”⁴⁹ Using scenarios in this way, net assessment aims to break existing assumptions which when leads to the discovery of strategic openings and therefore to opportunities for competitive advantage through strategy.⁵⁰

Trends and the long-term

Net assessment also dealt with uncertainty in an organic way, by placing a particular emphasis on understanding trends and the factor of time in strategy. The long-term perspective is a key distinguishing feature of net assessment. It grew from the realisation that the competition with the Soviets would endure for many years, and that therefore considerations with long-term payoffs must be built into the formulation of strategy.⁵¹ In the effort to assess long-term development trajectories correctly, patterns of behaviour – such as the growth of military stock over time⁵² – or of

46. Murray and Watts, *op. cit.*

47. Krepinevich and Watts, *op. cit.*, p. 57

48. *Ibid.*, p. 42

49. Pierre Wack, “Scenarios: Shooting the Rapids”, *Harvard Business Review*, November-December 1985

50. *Ibid.*

51. Andrew W Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972

52. Eliot A Cohen, “Net Assessment: An American Approach”, Jaffee Center for Strategic Studies, April 1990

battlefield experience are studied over past periods going back up to twenty years, and projected forward five to ten years. One of the issues at stake is equipment obsolescence, which can work both against and in favour of one's strategy.

The expansion or modernisation of an adversary's arsenal creates a fundamental long-term problem of strategic balance that will not go away, irrespective of the politics of the day. This is worth bearing in mind given the tendency to overlook the underlying parameters of hard power at times of *détente* and friendly relations. In addition, if the military expansion is incremental, its full effects are hard to assess consistently over time to begin with. On the other hand, it is precisely the accumulation of military capabilities on the other side which puts a premium on devising new weapons systems and operational concepts that can render obsolete large portions of the enemy arsenal.⁵³ This was, in fact, the logic driving the "military-technical revolution" most especially in the 1980s, when new, high-tech long-range precision-strike weapons and advanced reconnaissance capabilities arguably allowed the US to gain a conventional edge over the Soviets despite an inferiority in overall numbers.

The interaction process

With its awareness of the time perspective and the dialectical nature of the competition, net assessment puts an emphasis on analysing strategic interactions. The approach, however, goes beyond simply seeking to anticipate reactions of opponents in a linear fashion. In many cases opponent actions that seem to be reactions to our defence initiatives are in fact driven by other factors ranging from geography to his allies, organisational cultures or organisational objectives.⁵⁴ Additionally, observable strategic reactions – understood in terms of competitive strategy – are in fact often separated in time from the point of decision, and the result of past investment. This is why Andrew Marshall's first order of business after the establishment of the ONA was to launch a study into the history – not the future – of the strategic arms competition with the Soviets, stretching back to the end of the Second World War.

Discerning patterns of behaviour also necessitated a more sophisticated understanding of the functioning of the bureaucratic dynamics in the opposing camp. The ONA understood that the military establishment is not monolithic, and that to consider the behaviour of an opponent like the USSR as that of a single rational actor is a fallacy⁵⁵ – one which remains pervasive to this day, whether in the case of Russia, Iran or China. Assumptions of central direction, complete information availability and consistent goals on the adversary's side would likely distort any analysis based on them. In reality, sub-optimal decisions abound in a national security establishment where many separate decision processes are at work⁵⁶ and where there are important differences between the operational, intelligence and R&D communities.⁵⁷ Force posture decisions taken in an interactive, competitive relationship are heavily influenced by the needs and objectives of various power centres,⁵⁸ quite apart from other strategic factors. It is for these

53. *Ibid.*

54. Jeffrey McKittrick, Letter to Editor, *Parameters*, Summer 2006

55. Krepinevich and Watts, *op. cit.*, p. 54

56. Andrew W Marshall, "Long-Term Competition with the Soviets: A Framework for Strategic Analysis", RAND, April 1972, p. 12

57. Jeffrey McKittrick, *op. cit.*

58. Krepinevich and Watts, *op. cit.*, p. 254

reasons that the ONA dedicated considerable effort throughout the Cold War to developing a close understanding of the adversary.

The adversary's perspective

Understanding the opponent's view of the balance – “his net assessment of us”, as Eliot Cohen put it – is the most demanding and most critical aspect of net assessment. It requires immersion into his strategic culture and a deep understanding of his military thought, concepts of operations and philosophy of conflict, an understanding acquired over a long time of persistent observation. Today, such expertise is in very short supply, and the results are seen in the repeated surprises to which Western analytical communities have been subjected in recent years. The ONA also started off with a deficit in this regard, but then proceeded to establish a permanent “Soviet assessment” special team which worked for two decades just on this specific issue. Its dedicated function was to collect information on what “planning assumptions, analytic methods, models, technical calculations, effectiveness metrics, norms and dominant scenarios” the Soviets used to assess the correlation of forces.⁵⁹

The importance of determining how the Soviets viewed their own strengths and weaknesses – rather than how the US or NATO saw them⁶⁰ – cannot be overstated. This “delta” gap between opposing perspectives is what leads to conflict. It represents the core of deterrence strategy, in which ultimately what matters, from one's point of view, is how the other side evaluates the balance. Consequently, attention must be paid even (or particularly) to adversary concepts or views which seem erroneous, unimportant or irrational, if deterrence is to be maintained and optimal competitive strategies advanced.

Understanding the opponent's view of the balance is the most critical aspect of net assessment

Politics and allies

Net assessment also stands out through the importance it attaches to integrating careful political analysis into studies of military balances. This issue has already been touched on earlier in this paper. It is fundamental to developing an accurate view of actual military power, because the latter includes the political will to use it. This, in turn, can only be tested against live questions of war and peace. For example, in August 2013 a vote in the House of Commons blocked the then-Government's preparations for potential military action against the Assad regime in response to its ghastly chemical weapons attack in Ghouta, Damascus. The episode demonstrated, once again, that domestic politics can negate one's own armed force in a given strategic situation even more easily than the enemy can. A greater understanding of political culture, political latitude, and reserves of political will on the part of ourselves, our friends, and our enemies is essential and integral to net assessment.

In the case of an alliance, military power is in fact an aggregate of

59. *Ibid.*, p. 113

60. *Ibid.*, p. 116

multiple sovereign capabilities – which in turn means that the political element is an integral part of the military balance, rather than a separate, contextual detail. The key problem that arises in wartime conditions is coalition cohesion, because no alliance of independent states has ever “gone to war in lock-step”.⁶¹ Yet the tendency in much of Western analysis is to equate the peacetime configuration of allied military power – including the national forces available, or the freedom to operate across Alliance territory – with the one that would obtain in the initial stages of the war.

Political analysis is particularly vulnerable to analyst bias and carries its own political risk from a government perspective

The current Russian political and military leadership reject this analytical separation and treat political and military calculations as a whole, as did the Soviets.⁶² This is consistent with the Soviet/Russian “correlation of forces” perspective,

which is grounded in a politico-military view of strategic affairs. Since “coalition politics” are integrated in Russian strategic planning – together with ways to attack and manipulate coalition weakness⁶³ – this has consequences not only for assessing current balances, but also the long-term competition.

It is for these reasons that net assessment focuses very much on allies and their perceptions and internal politics, alongside the principal players in the competition. From the very beginnings of the ONA Marshall recognised the need for collecting complete and accurate data on US allies’ force posture. But even more importantly, from the perspective of “coalitional politics”, he wanted to know how allies assessed the military competition, what their key concerns were and what they valued most in terms of military capabilities.⁶⁴

The political aspects of net assessment remain highly relevant today, as strategists attempt to work out how Western power – or a particular country’s – compares to a potential adversary. But political analysis is particularly vulnerable to analyst bias and carries its own political risk from a government perspective: if alarming conclusions are reached regarding certain allies, and are then leaked, this can prove damaging to allied relations. In this sense, there are incentives for leaving certain stones unturned. Political analysis thus remains uncomfortable to bureaucracies. But evading the need to consider politics at every stage of competitive strategy does not mean its influence does not exist.

The essence of net assessment

So what to make of net assessment? Net assessment revolves around a core notion – estimating power – and can serve as a standalone tool for determining current military balances. But its full utility is unlocked when this basic function is projected into the future and set in the context of a long-term military competition. Then, net assessment becomes an instrument of strategy by revealing key asymmetries and opportunities that can lead to breakout competitive advantages.

61. Elliot A Cohen, “Toward Better Net Assessment: Rethinking the European Conventional Balance”, *International Security*, Vol. 13, No. 1 (Summer, 1988), p. 55

62. *Ibid.*, p. 54

63. *Ibid.*, p. 57

64. Krepinevich and Watts, *op. cit.*, p. 114

From a practical standpoint, Marshall himself once summarised the process of net-assessing one's military power as an integrated combination of three elements:

- a) "An evaluation of one's own military posture, both current and future;
- b) An evaluation of current and future posture, or postures, of potential military opponents; and
- c) Some method of calculating the outcome of military engagements for a set of specified contingencies (to include not just geographic locations, but also scenarios of how the war started, and assumptions as to what technology would be available to all sides)."⁶⁵

Embedded in this description, even if unstated, are all the essential elements of net assessment:

- The breadth of quantitative and qualitative data required to analyse force postures, together with an understanding of concepts of operations, doctrines and all other elements that bear upon the outcome of a military confrontation.
- The focus on trends and future states of the long-term military competition. This in turn requires an appreciation of: the question of spending efficiencies, the criterion problem and the comparative economics of military power; the interaction process between opposing military establishments; a deep understanding of the opponent's perspective and strategic culture; and the impact of uncertainty.
- The concern with politics and allied perspectives, considered in the context of how a potential war would start.

One element is arguably missing from Marshall's scheme reproduced above, which in his version was geared towards determining "pure" military balances for their own sake rather than as inputs to strategy. The missing piece could be rendered as:

- d) Identifying asymmetries in the competition as the basis for developing competitive advantages over the opponent in the long term.

Net assessment can therefore be tailored to different purposes. In this sense, it is rather an analytical framework and intellectual approach, based on a set of key principles as outlined above, than a rigorous, fixed, "scientific" system of inquiry. **(See Annex for specific net assessment model frameworks and approaches.)**

65. Andrew W Marshall, "Problems of Estimating Military Power", RAND, August 1966

The “spirit” of net assessment

Net assessment is a powerful practical tool with exceptional analytic merits. But its value extends beyond that. Most significantly, it is an intellectual approach, a complex system of thinking that over the decades has spawned what has been described as an “intellectual movement”.⁶⁶ A rather unusual set of characteristics make it stand out in the crowd of analytical traditions, methods and frameworks that populate the field of defence analysis and strategy. Cohen even suggests that the ideal net assessor’s talents tend to most closely resemble those of an investigative journalist, rather than any of other academic or specialist types.⁶⁷

Net assessment is intellectually eclectic, creative and flexible, and consciously avoids “dogma and dangerous simplification”.⁶⁸ Its approach is empirical and inductive (proceeding from the general to the particular, and distilling conclusions from large collections of varied information), rather than deductive like other quantitative-oriented methods. The approach to problems is dictated by the problem itself, rather than by pre-set formats or frameworks – which is why net assessments can vary from dozens to many hundreds of pages in volume. It is highly inquisitive and places a premium on simplicity – starting with the questions it formulates, such the humble “where do we stand?”.

“Clever people ask difficult questions, but very clever people ask deceptively simple ones”

In this sense, net assessment embodies the principle that “clever people ask difficult questions, but very clever people ask deceptively simple ones”.⁶⁹ History has proven again and again that it is most often

the failure to ask and answer the right simple questions that opens the way to defeat. In line with this logic, net assessment distrusts mathematical models and simulations – however complex – recognising their limits as abstractions of the real world. Net assessors are encouraged, by contrast, to “model simple and think complex”. The practice has also benefitted from a certain “rule of leisure”, meaning that ample time was allowed to net assessors – certainly in the early years – for free thinking, unencumbered by deadlines or other bureaucratic interferences. Importantly, it is purely diagnostic and its remit stops where the work of strategy begins.

All these aspects recommend the ONA as a model for an institutional “think tank”. Yet its “eccentric” way of approaching deep strategic problems belies the rigour and intense calculations (often operated on qualitative rather than quantitative data) that shape its assessments of military power balances.

66. Karber, *op. cit.*

67. Elliot A Cohen, “Net Assessment: An American Approach”, Jaffee Center for Strategic Studies, April 1990

68. *Ibid.*

69. Obituary: “Ronald Coase, The man who showed why firms exist”, *The Economist*, 7 September 2013. <https://www.economist.com/leaders/2013/09/07/the-man-who-showed-why-firms-exist>. Cited in Krepinevich and Watts, *op. cit.*

Part Three: A Way Forward for Strategy

Acknowledging the new long-term Cold War-type competition

Why would an analytical framework designed for the Cold War superpower competition be relevant to Britain in 2018? In short, because we suddenly find ourselves in a similar context.

We are in a global competition

From a strategic point of view, the UK does now find itself in a long-term geopolitical competitive situation, whether this is explicitly acknowledged or not. In practice, British policy can no longer be framed by David Cameron's notion of a "global race" which only referred to the sharpening commercial competition in world markets with the rise of new economic powerhouses in Asia. Today, the return of power politics as the driver of global affairs is re-creating the strategic dynamics and military dangers of the Cold War – in a different, non-ideological but multidimensional and multipolar version.

Firstly, together with the West as a whole, Britain is facing questions of long-term status and civilisational relevance in the face of the rise of rival systems of power in the East. Revisionist countries such as China or Russia seek not only the overthrow of the West's influence and pre-eminence in international affairs, but also that of its values. A future world in which the West's ability to uphold standards of conduct – including respect for human rights – and demonstrate the superiority of its democratic principles becomes paralysed, is now distinctly imaginable. This will be a world in which alternative authoritarian models could overpower free, liberal democracy just as capitalism overpowered Soviet communism and caused its entire system to collapse. Today the systemic clash is more diffuse but the stakes are no less real in the long run, including for Britain.

Secondly, there are Cold War-style military competitions underway both in Europe (US and allies vs Russia), Middle East (US and allies vs Iran) and Asia (US and allies vs China, and separately vs North Korea). They are all driven by the development or expansion of the conventional and unconventional (including nuclear) military capabilities of these rival nations, and different versions of US-led "containment" policies are now being put in place in each case. What is striking is the clear identification – indeed, even self-

identification – of these actors as the West’s direct adversaries. They have all developed enduring geopolitical interests – often expressed in terms of regional domination and veto-power over their weaker neighbours’ policies – which are fundamentally incompatible with those of Western powers and their allies, or with the rules-based international order. The complexities of the international security scene tend to obscure the full implications of these deeper global-power shifts, particularly at a time of intense differences of political world views across the West.

It is the logic of long-term strategic competition that should now prevail in the government’s councils

The success of Global Britain, however it may be defined, will be inseparable from the course of the competitions described above. If anything, this concept represents Britain’s re-entry into the geostrategic competition as a standalone player –

extremely well connected, but a standalone actor in terms of its sovereign interests and strategy. In this sense, the competitive global power dynamics – including in the military dimension – outlined above are now becoming of direct national interest to the UK.

None of this is a comment on Britain’s ability to perform in this environment. But it must be realised that the logic of UK’s international strategy now has to change, both as a function of the environment itself, and of Britain’s own new (or restored) geopolitical identity. It is the logic of long-term strategic competition that should now prevail in the government’s councils. And no other analytical framework provides an instrument more fit for the purpose of assisting strategy-making in conditions of geopolitical competition than net assessment.

Competition with Russia

Net assessment would be of particular use to the UK today, in an Alliance context, in relation to the competitive challenge from Russia. In some ways this is a direct competition that is already ongoing, especially as Russia has progressively subsumed all state means to an overarching military vision and pursues a highly-integrated politico-military strategy.⁷⁰ Therefore we should acknowledge that today’s military balance includes non-military components – such as new-generation information operations through the cyber domain. Old net assessment principles from the Cold War will have to be updated to the conditions of the new long-term strategic competition with Russia which began in earnest in 2014.

At the same time, it is fair to say that today certain of net assessment’s instruments and approaches are more relevant than others. For example, Britain is not in a position to compete *head-to-head* with Russia militarily – despite what some of the public commentary suggests when casually comparing the military capabilities of the two nations side by side. Therefore, that part of classic net assessment practice that is geared towards finding ways to influence the adversary’s allocation of resources in the long run until his competitive ability collapses is likely to be of limited use

70. See James Sherr, “The Militarization of Russian Policy”, Transatlantic Academy, August 2017

given the UK's specific circumstances.

This systemic-strategic approach – echoing the experiences of the Cold War – becomes more viable at Alliance level, although the politics are more complicated today. A clear understanding of these matters on UK's part, and in coordination with the US, can therefore help make the NATO alliance more competitive in the long term – and serve Britain's own interests as well.

Although it has become clear that we must now prepare for an extended period of intense strategic competition, the soft intellectual reflexes developed during the easy post-Cold War years are hard to shake off. That was a time when there was no conventional threat in sight and the best use of British power seemed to be humanitarian intervention and acting as a “force for good” in the world. The situation today could not be more different. It is not just better strategy that is required, but a wholesale “update” of thinking and assumptions about the forces at play in the strategic environment.

Net assessment for a coherent and effective use of UK power

Defence funding in the long run

There are a number of key defence challenges that have become chronic for Western powers, including Britain. They cannot be left to improvisation anymore. The most prominent is the defence funding issue: what is often misunderstood is that the economic efficiency of producing military forces (i.e. “bang for the buck”) is a long-term strategic problem, not just a temporary management problem. Rearmament programmes are in full swing from East Europe to East Asia, and, similarly to the Cold War, this is likely to be a long-term competition. “Fixing” the defence funding gap in 2018/19 will be of little avail if in a few years we will realise that the strategic picture has again changed because the Russians have added even more capability in the meantime, and that our efforts have been insufficient.

Like the USSR before it, Russia has the ability to produce much more military output for its resources, but now Moscow is a strong player in certain areas of the high-tech competition as well. And this trend is likely to continue. The new Russian State Armament Programme, signed into law last December, is funded to a level of 19 trillion roubles or some £237 billion (current prices) until 2027. This is equivalent to £520 billion (at 2016 PPP exchange rates) when the difference in purchasing power between the UK and Russian economies is taken into account.

What needs to be remembered is that the modern armaments that a country like Russia is accumulating at the moment will present a growing problem that will be with us for decades. This is no longer primarily a question of sheer amounts of money spent on defence, but a question of ensuring that Britain becomes and remains a competitive defence player

The economic efficiency of producing military forces is a long-term strategic problem, not just a temporary management problem

in the long run. Over-insuring certain niche mission capabilities can also contradict the principles of war mandated by UK Defence Doctrine – particularly that of “economy of effort” which emphasises the appropriate use of resources.⁷¹ The fact remains that the challenges for Britain today are similar in nature – though not in scale – to the situation faced by the United States during the early 1970s when Andrew Marshall worried that “the US may be pricing itself out” of the competition.⁷²

Force design must be seen in terms of an open-ended strategy, and as a competitive tool in itself

Net assessment has much to offer to decision-makers in these circumstances – indeed, it was designed to respond precisely to such problems. The general method, as we have seen, involves identifying and developing competitive advantages over the other opponent(s) – which

can only be done on the basis of a careful assessment of the competitive environment and of the competition itself. Hedging against all possible threats and contingencies, from large-scale stabilisation operations to land warfare in Eastern Europe, is likely unsustainable in the long run. Taking risks, such as foregoing the procurement of certain capabilities, cutting force levels or even taking “capability gaps”, is inevitable in the face of resource constraints and the realities of domestic politics. The key, of course, is in how these risks are balanced and, equally, how this approach delivers on the wider goal of making the most efficient use of resources.

Force design must thus be seen in terms of an open-ended competitive strategy, and as a competitive tool in itself. This requires flexibility in pursuing advantages through new asymmetries. Yet today the UK armed forces are locked into certain pre-defined force design conventions – such as “the balanced force” – that tend towards postural symmetry against perceived conventional opponents like Russia.

But how can we achieve postural asymmetry – required for strategic success – and respond more quickly and effectively to new concepts of operations and capabilities rolled out by adversaries? Net assessment would not deliver a turnkey solution to this challenge, but it would reveal much more about the transformational changes underway in the field of competition. After all, the other side is keenly aware of this: Russian General Makhmut Gareev’s⁷³ injunction that force design must be a function of the evolving strategic environment remains a guiding principle for the development of the Russian armed forces.

In the end, the post-Cold War practice of designing future forces against generic assumptions about the future operating environment or against abstract enemies must give way to more specific calculations, weighted accordingly. Furthermore, while the attraction of focusing on technology is very powerful, at every step force development plans must demonstrate serious consideration of how other militaries would compete to offset these advantages.

Greater efficiency in the use of resources is a strategic tool, not just

71. “Economy of effort is central to conserving fighting power. Commanders must prioritise resources between engagements, actions and activities; and the sustainability demands of the operation as a whole. Economy of effort is best summarised as creating the right effect, in the right place, at the right time with the appropriate resources.” JDP 0-01 UK Defence Doctrine (5th edition), Developments, Concepts and Doctrine Centre (DCDC), November 2014. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389755/20141208-JDP_0_01_Ed_5_UK_Defence_Doctrine.pdf

72. Andrew W Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis”, RAND, April 1972

73. Gareev is the Chairman of the Russian Academy of Military Sciences and one of the country’s leading authorities on military matters.

an accounting goal. The key to achieving this is in performing accurate comparisons of input costs and military performance outputs across Defence. This requires the definition and application of the adequate performance metrics to proposed force postures – not in the abstract, but determined through the net assessment of their interaction with a real opponent in fully-contextualised scenarios.

The problems of efficiency are not only related to force posture development, but also to the “way of war” embraced by a particular country. This is not determined purely by military considerations such as doctrine and concepts of operations, but by wider political, legal and cultural factors. Comparing recent Western campaigns in Iraq and Afghanistan to that of Russia in Syria will reveal the Western way of warfare to be a vastly more expensive undertaking than the Russian approach. For example, increasing constraints imposed by excessively restrictive International Human Rights Law – originally designed for peacetime civilian contexts, but now being applied in combat zones – ultimately impact how operations are conducted.⁷⁴ As such, they can lead to new safety requirements and potentially even tactical changes that ultimately translate into measurable costs to the UK defence budget. Net assessment would help provide more clarity on how this links to the cost/effectiveness ratio (i.e., the competitiveness) of our force development process.

Net assessment is not a tool for survival, but for victory

Switching to an active, front-footed strategic mindset

As the UK re-evaluates its role in a less stable and more competitive world, it is worth remembering that the core of strategy – “the art of creating power” – is identifying, developing and exploiting new sources of advantage, or asymmetries, in relation to adversaries. In other words, it is essential to pinpoint and reinforce our areas of particular strength or articulate the specific requirements for developing new ones. Too often, vested interests work to prevent the delineation of a clear, accurate picture in this domain. Net assessment can help in this regard.

In a period of continued budgetary constraints, such areas of excellence need to be reinforced as part of a more sophisticated strategy for both meeting threats and supporting allies. More space should be created for new discussions on just how the emerging technologies – particularly cyber and artificial intelligence coupled with advanced robotics – can be quickly harnessed both to give the UK a strategic advantage, and to plug certain capability gaps. For example, mass has traditionally had a very well-defined meaning in a military-operational context – and is often used as an argument for maintaining certain force levels – but this risks an oversimplification of the debate in an age where we are moving towards mixed robotic-human battlefield formations and tactics.

It is worth remembering that net assessment is not a tool for survival, but for victory. Its immediate function is to ensure that at a time of resource

74. See Richard Ekins, Jonathan Morgan and Tom Tugendhat, “Clearing the Fog of Law: Saving Our Armed Forces From Defeat by Judicial Diktat”, *Policy Exchange*, March 2015 <https://policyexchange.org.uk/wp-content/uploads/2016/09/clearing-the-fog-of-law.pdf>

scarcity, one's side remains competitive, or "in the game". In this regard, net assessment helps guide an efficient risk balancing strategy. Beyond this, however, Marshall always argued, during the Cold War, for focusing a greater effort on developing ways to exploit Soviet weaknesses.⁷⁵ Similarly, today it is not at all clear that the dominant UK and allied NATO goal in force posture design should be conceived of in terms of stability of the military balance with Russia.⁷⁶ In the spirit of the old adage that the offence is the best defence, Marshall criticised the "heavily conservative bias" of previous force posture analyses, and advocated seeking "relatively favourable outcomes" rather than focusing on "warding off the worst outcomes".⁷⁷ James Schlesinger, the then Secretary of Defense, concurred and thought that the US could recover its footing and compete effectively against the Soviets in the battle for geostrategic advantage.⁷⁸

Much of this logic – expressed, again, at a time of similar strategic dynamics to those we are witnessing now – remains relevant especially in the context of the NATO-Russia competition. The initiative has very much been relinquished to the Russian Federation, with NATO in a follower/reactive role. But a net assessment-informed guidance projected at Alliance level can help regain the initiative through asymmetric strategies. Some of these asymmetric options are readily available – for example the stationing of F-22 stealth aircraft in Europe, as one of the military instruments that can be ranged effectively against Russian A2/AD "bubbles" in Kaliningrad and Crimea.

Understanding Allied dynamics

Britain's entire foreign and defence policy is predicated on working with and through allies. Indeed, we are privileged to be one of the most strategically-connected countries in the world – and the leading European member of NATO. But as the international competition sharpens, divergent pressures are mounting on various actors in this alliance system. Multiple fault-lines are already affecting the European space, with different risk perceptions between NATO's Eastern and Southern flanks, or political divisions in the EU along the north-south and east-west axes. Such trends raise questions over the predictability and sustainability of UK's closest alliance structures in possible future crisis situations. The strategic picture is much changed, in this respect, from the more hopeful and convergent perspectives animating the Western alliance in the years after the Cold War.

In this context, understanding with more precision the power dynamics in Britain's alliance system becomes increasingly critical to UK strategy. This requires an appreciation of our allies' interests, military capabilities, internal politics – as well as their own expectations, plans and perceptions of the current military balances shaping the strategic environment. Net assessment has a built-in capacity to integrate the "allied factor" into the wider power calculations required for strategic planning.

75. Krepinevich and Watts, *op. cit.*, p. 250

76. Andrew W Marshall, "Long-Term Competition with the Soviets: A Framework for Strategic Analysis", RAND, April 1972

77. *Ibid.* p. 40

78. Krepinevich and Watts, *op. cit.*, p. 96

Strategic coordination with the United States

The new US National Security Strategy marks a seminal return of American strategy-making to the *threat-based* model and the attendant logic of the Cold War during the Reagan era. The UK should ensure it remains in step with the latest US national security thinking in this regard because our entire defence concept is based on fighting with allies. It is essential to not lose sight of the fundamental principle that international security – and, in turn, Britain’s – depends on US strategic pre-eminence.

A UK Office of Net Assessment would help reinforce the convergence of UK and American perspectives on the widest, most fundamental strategic issues. The opportunity for this lies in the fact that Britain needs net assessment today for the same reasons America first needed it in the 1970s. We need to be willing to challenge some established interests and conventional wisdoms within UK Defence – so that we can regain intellectual flexibility to rethink our strategy and force posture to a more radical degree. (After all, if Britain’s defence capabilities were to be constructed from scratch today – without regard to Service and unit histories – purely on the basis of UK and allied strategic necessity, we would likely end up with a markedly different force.)

For this kind of radical rethink, there is a need for a clear baseline picture of where Britain is in terms of its military power – which is always a *relative* concept which can only be assessed in relation to a set of threats – what the global security trends are, and where UK hard power fits in the global Western security system. A UK Office of Net Assessment will provide that clear baseline picture and the inputs required for constructing an effective long-term UK competitive strategy.

It remains a fact that the foremost strategic principle for both the security and the prosperity of the UK in the (post-Brexit) years ahead is: the continued military-strategic pre-eminence of the United States in the international security system. This is the best guarantee of global stability and peace, and the fundamental pre-condition of a successful Global Britain. Nothing that damages America’s ability to limit the revisionist behaviour of despotic, anti-Western powers can possibly be in Britain’s interest, irrespective of the precise health of the Special Relationship at any particular point in time. With the international strategic competition sharpening, and this American pre-eminence looking less certain in the medium-long term than at any time since perhaps the 1960s – and with UK’s future position being wholly dependent on the final outcome of these developments – now is the time for Britain to return to strategy.

It is essential to not lose sight of the fundamental principle that international security depends on US strategic pre-eminence

Establishing a UK Office of Net Assessment

Given the risks attendant on it and the very small margins of error in which it will likely have to be implemented, the “Global Britain” project requires a genuine restoration of strategic capacity and thinking in this country. As the locus of UK hard-power from a departmental perspective, Defence should have a leading role in this policy-intellectual process.

The UK government would be well served by net assessment. But the concept described so far in this paper will require institutional implementation. The “original” ONA that functions in the Pentagon provides a useful, off-the-shelf institutional model that can be replicated in the Ministry of Defence. This is easier said than done, from a bureaucratic standpoint. There are a number of pitfalls that must be avoided in the process.

Reporting directly to the Secretary of State

To begin with, it is essential that a UK ONA reports directly to the Defence Secretary and is co-located with him in the same building, as is the case in the Pentagon. This is primarily because net assessment’s very purpose is to inform high-level decision-making in an independent fashion, free from the influence of the wider defence establishment. By the nature of its work, which focuses on revealing failings and

weaknesses on our own side as much as on that of the enemy, the ONA will be seen as a threat by the bureaucracy and the single Services. This is unavoidable, and it has been the experience of Marshall’s office in the Pentagon as well. After all, it is sometimes the case that personal

The “Global Britain” project requires a genuine restoration of strategic capacity and thinking in this country

and organisational fates depend on whose analysis eventually triumphs and whose does not.⁷⁹ A UK ONA would therefore need high-level political “sponsorship” and protection in order to maintain the integrity of its products.

It is important to restate at this point that net assessment performs a purely *diagnostic* function. It stays clear of strategy-making and “it does not provide recommendations as to force levels or force structures as an output”⁸⁰ – although it does assess them. The main reason for this founding principle of the American ONA was that being in charge of both understanding the problem and providing the solution can distort the assessment because of cognitive bias towards preferred “right” answers.⁸¹

There is a danger, particularly post-Iraq, that this crucial condition for implementing true net assessment – direct access to the Secretary of State – might be thwarted by lingering scepticism over the role of politicians in the making of strategy. Indeed the Chilcot Inquiry dedicated considerable critical attention to this issue. But the solution is not to move key parts of the decision-making process away from political centre; on the contrary, it is to move serious, novel, independent assessment closer to political decisionmakers, to ensure they are properly informed (and

79. Murray and Watts, *op. cit.*

80. Krepinevich and Watts, *op. cit.*, p. 91

81. Jeffrey McKittrick, *op. cit.*

even educated, where necessary) on these matters. After all, for example even as late as 2012-13 the professional military – and not just that in the UK – refrained from issuing official warnings about the emergence of Russia as the threat it soon became. The responsibility for the “state of strategy” in Britain does not rest solely with the politicians.

In a UK context, an Office of Net Assessment can become the focal point of true reformist thinking and the much-needed internal think tank able to challenge conventional wisdom. Protected from the influence of the wider defence establishment, it would ideally be able to speak the proverbial truth to power and provide the objective evidence base for the hard and more controversial policy decisions needed to truly make Defence fit for purpose in the 21st century – and in support of Global Britain.

A small office propagating new thinking across Defence

Secondly, a British ONA should retain a small, elite profile that gains influence through the quality of its own output and the baseline questions it pursues – rather than becoming a sort of new networking platform in Defence or an instrument of “outreach” to non-governmental partners. This is neither its nature, nor its mission. It is perfectly true that the American ONA has always relied heavily on external contractors, but networking was never a goal in itself. Similarly, while there is now indeed a “net assessment” community in the US defence establishment, mostly composed of ONA alumni, this is simply a by-product of the long history of the office and the personal longevity in post of Andrew Marshall.

The ONA did not set out to build a “community”, and a British version of it should not rush to do so. This would be a distraction. Rather, the ONA concentrated on producing assessments specifically for the Secretary of Defense to help him with “strategic management issues”.⁸² For this purpose, the Pentagon’s ONA has generally had a permanent staff of about twelve; half of that would probably be an adequate starting level for a British ONA today. The individuals are key: nothing would undermine a UK effort to create a proper net assessment capability more than allowing it to become another Civil Service rotational scheme.

While the intricacies of net assessment would likely remain the preserve of only a small group of dedicated practitioners and end-users, one main theme would stand a fair chance of gaining more widespread currency. This is the necessity to embed more “systemic thinking” into strategy-making in Britain, thus borrowing something from the Russian tradition of strategic-military thought – one which has given the West so many headaches in recent years. This is arguably also the direction in which American net assessment travelled, up to a point – not least, driven by the necessity to “think like the enemy” in order to counteract him. Leaving aside the political and moral concerns attached today to anything coming out of Russia, the evidence of repeated “surprises” shows that from a professional point of view there is something to learn from Russian thinking and concepts in this field. Systemic approaches, which view competition and conflict

82. Krepinevich and Watts, *op. cit.*, p. 103

in the round as holistic system vs system struggles, are also making a comeback in certain quarters of American geopolitics.

Keep it simple

Thirdly, a misunderstanding of the intellectual aspect, or “philosophy” or net assessment can easily lead to distorted implementation that would rob it of all effectiveness. It is all too easy to mistake the vast intellectual complexity inherent in net assessment with a sophisticated problem that must be matched by an equally sophisticated set of analytical tools. Responding to a complex challenge with complex solutions – such as strategic multi-layered assessments – goes against the very nature of net assessment which is “model simple, think complex”.

As Andrew Marshall insisted, the main “tool” in this business is “sustained hard intellectual effort”. All this being said, sometimes the opposite phenomenon can happen, with net assessment being mistakenly described as just a “big picture” exercise or a more elevated form of SWOT analysis.

Conclusion

An Office of Net Assessment for the UK government – ideally, located within the MoD – would not only assist with distilling a clear picture from a chaotic world, or with supporting a much-needed capacity for long-term thinking. It could also become a vehicle for a “strategic renaissance” in UK’s national security community. From the heart of government in one of the foremost offices of state, a British ONA would be in a position to radiate new strategic principles and intellectual approaches throughout a whole generation of decision-makers who are very much lacking in this regard.

As Britain pivots back to the world after four decades spent over-concentrating politically on the European space, it will have to navigate a new configuration of rival interests – particularly in Asia – in conditions of a sharpening global geopolitical competition. For example, what Robert Kaplan calls an “Eurasian conflict system”⁸³ is something that is likely to bear upon Britain’s future

global fortunes in a more acute way than hitherto. Such challenges represent new factors in Brexit Britain’s emerging grand strategy and will require rigorous analysis. It

Only highly informed and carefully calibrated strategic use of UK hard power resources is likely to ensure success in the long run

is not too early to start laying the groundwork for more specific strategic and policy options to guide an increased British engagement with these issues, starting with a clearer understanding of the regional dynamics of power across the new horizons of Global Britain. The UK will very likely continue to be able to “punch above its weight”, even across an expanded area of strategic interest, not least because new technologies and Britain’s competitive advantages can produce outsized political and practical effects. But one essential precondition for all this is an accurate understanding of the strategic landscape.

Net assessment can help in this regard. It was developed in the Pentagon at the height of the Cold War to help US strategy deal with very similar problems, in a very similar context to those that Britain is facing today. Just as America looked at that point in danger of being “priced out” of the military competition with the Soviet Union, Global Britain now has to engage competitively in an increasingly competitive environment where geopolitical predators like Russia, Iran and China represent long-term problems. There is no second “end of history” moment in sight – yet.

Only highly informed and carefully calibrated strategic use of UK hard power resources is likely to ensure success in the long run. Approximations – much less ignorance or misunderstanding – of both adversary, allied,

83. See Robert D Kaplan, *The Return of Marco Polo's World* (New York: Random House, 2018)

or our own strengths and weaknesses will be insufficient, and potentially fatal. Net assessment offers a coherent, sophisticated corpus of principles and approaches for performing the strategic calculations that can inform strategic decisions. As with all things, of course, the key will be in application and institutional mechanics. The Government would do well to embrace it, and ensure that an Office of Net Assessment is implemented with the right mandate to facilitate a restoration of UK strategic thinking and capacity. Because the current strategic drift is unsustainable.

Annex

Model frameworks and approaches

Net assessment is recognised for lacking a prescribed methodology and for retaining maximum flexibility in terms of the format of its products. This is a consequence of the widely different types of questions considered. But it also reflects the heterogeneous mix of analytical lines of inquiry that form part of net assessment's armoury, yet are deployed unevenly in accordance to the subject at hand. However, former practitioners have suggested in their writings a number of general frameworks and approaches used to structure net assessments. These are worth presenting in full.

To begin with, Krepinevich and Watts present two structures that Marshall prefers, the first for a generic balance assessment,⁸⁴ and the second for a geographic area-tied assessment.

- a) The basic assessment. This was an "overview", for the reader. Questions:
 - i) How was the US faring in the competition?
 - ii) Was its position improving relative to the past, or not?
 - iii) Was its position likely to improve over time, or not (given current conditions, i.e. on current trends)?
- b) Identify key asymmetries in the competition:
 - i) Where did the two competitors differ in significant and important ways, particularly in HOW they were pursuing the competition?
 - ii) These asymmetries could vary widely, to include: objectives, doctrine, force structure, force posture (e.g. basing of forces), allies, logistics, and modernisation efforts.
 - iii) Analyse the key asymmetries' significance in terms of their influence on the competition.
- c) Identify and discuss major uncertainties that could exert a significant bearing on conclusions in the basic assessment (point 1 above).
- d) Address emerging problem areas and key opportunities in the competition.

A net assessment of NATO-Warsaw Pact forces:⁸⁵

- a) Step 1: compare quantities of men and equipment.
- b) Step 2: look at qualitative differences between the opposing men

84. Krepinevich and Watts, *op. cit.*, p. 108

85. *Ibid.*, p. 184

- and equipment (e.g. firepower, mobility, survivability of US tank vs Soviet tank, Soviet soldiers vs NATO soldiers, C2 differences etc)
- c) Step 3: incorporate intangible variables (e.g. geography, weather, logistics, warning times, surprise, readiness, training, tactics, military doctrine, campaign strategy, theatre objectives)

Eliot Cohen's version of the same NATO-Warsaw Pact net assessment:⁸⁶

- a) Politics first
 - i) Consider the origins of a war in Europe: how and where it would begin, and what would it be about.
 - ii) Consider the internal configurations of allied and neutral states, both at present and in the event of such a war.
- b) Trends
- c) Concepts of Operations
 - i) There is a particular need to study Soviet CONOPS and practices at all levels of war.
- d) Asymmetries
- e) Scenarios

Finally, Skypek offers a full "notional outline of a net assessment":⁸⁷

- a) **Political-Military Context for Analyzing the Competition**
 - i) Trends in the Balance
 - ii) Doctrinal Asymmetries
 - iii) Analysis of Perceptions
 - iv) Scenarios
- b) **Assessment of the Balance**
 - i) Strategic Asymmetries
 - ii) Environmental Opportunities
 - iii) Impact of Third Party States or Alliance Systems
 - iv) Issues and Questions that Require Further Exploration

Yet another way of looking at net assessment is to focus on its practical utility from three "situational" perspectives. These were outlined by Marshall in a 1982 article which dealt with strategic, or nuclear, forces; but the points made are applicable to the practice of net assessment in general and are worth quoting in full:⁸⁸

- i) "[Deterrence] Since the major American objective is deterrence of the Soviet Union from a wide range of activities, a major component of any assessment of the adequacy of the strategic balance should be our best approximation to a Soviet-style assessment of the strategic balance. But this must not be the standard US calculations done with slightly different assumptions about missile accuracies, silo hardness, etc. Rather it should be, to the extent possible, an assessment structured as the Soviets structure it, using those

86. Eliot A Cohen, "Toward Better Net Assessment: Rethinking the European Conventional Balance", *International Security*, Vol. 13, No. 1 (Summer, 1988), p. 85

87. Thomas M Skypek, "Evaluating Military Balances Through the Lens of Net Assessment: History and Application", *Journal of Military and Strategic Studies*, Vol. 12, Issue 2 (Winter 2010)

88. Andrew W Marshall, "A Program to Improve Analytic Methods related to Strategic Forces," *Policy Sciences*, vol. 15 (1982), pp.48-48. Quoted in Murray and Watts, *op. cit.*

scenarios they see as most likely and their criteria and ways of measuring outcomes. This is not just a point of logical nicety since there is every reason to believe that the Soviet assessments are likely to be structured much differently from their US counterparts. The Soviet calculations are likely to make different assumptions about scenarios and objectives, focus attention upon different variables, include both long-range and theater forces (conventional as well as nuclear), and may at the technical assessment level perform different calculations, use different measures of effectiveness, and perhaps use different assessment processes and methods. The result is that Soviet assessments may substantially differ from American assessments.

- ii)** [Likely War Outcomes] If deterrence fails, we wish US forces to perform well and to attain US and Western objectives. This, however, requires examining a wider range of contingencies than is currently feasible. The standard calculations tend to focus on surprise attacks beginning with large exchanges. By contrast, US analysts need to look at the performance of forces in a wide range of situations, from crisis to conventional theater war under the threat of strategic systems, escalation from theater conventional to theater nuclear war to all-encompassing general nuclear war, with a protracted period of warfare that may ensue beyond the large exchanges.
- iii)** [Long-Term Competition] One of the functions of US military programs is to promote alliance cohesion and the continued development of adequate overall military forces in the West. The US nuclear guarantee has had a central role in our alliances, and therefore, American allies' perception of the state of the strategic balance is also a matter of interest to US decisionmakers. A comprehensive assessment of the adequacy of the strategic balance therefore should contain an assessment of the perceptions of allies and other major third parties."



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