

Industrial Policy in Europe – The Future of Internal and External Security



Prof. Dr. Holger H. Mey
Head, Advanced Concepts
EADS Defence & Security

12th European Police Congress

Berlin, 10 February 2009

(Final Version – As Presented)

Preliminary Remarks (I)



- Internal and External Security: Distinction?
 - Maritime Security: Navy / Coast Guard / Border Police
(Port Security, Container Security, Oil Platform Security, Protection against Piracy, Refugee Management – e.g., USCG: Military Service and Law-Enforcement Agency)
 - Air Defense / Civil Air Space Management
 - Terrorists / Natural Disasters
 - Homeland Security: Security in Inner Cities
Defense: Security in Inner Cities Abroad
(After Major Combat Operations)
- Mission Convergence
 - Some Defense Missions Take the Character of Security Missions
 - Some Security Missions Take the Character of Defense Missions (Level of Challenge)
(Jamming, Denial of Service Attack, EMP Strikes, Contaminated Environment)

Preliminary Remarks (II)



- Industrial Policy
 - Government and Private Sector: New Relationship
 - In Many Countries: 80% of Critical Infrastructure in Private Hands
 - Regulated Market (*Regulations, Legislation*):
Not Set by Industry / Governments Define the Market
 - Standardization / Norm-Building Process: Influenced by National Interest Reflecting National Industrial Capabilities
 - Transfer of Critical Products/Technologies: Regulated by Export Laws / Handled by Government Agencies
 - Important for Industry: Level Playing Field (*e.g., Liability Ceilings*)
 - At the End of the Day: Budgets

Core Challenge: Crafting Risk Management for European Security

- Risk Cannot Be Mandated Out by Laws and Political Rhetoric
- Bad Things Will Happen
- Risks Need to Be Dealt with and Managed as the Normal Course of Coping with Globalization
- Globalization Increases the Need for Risk Management
- *How Can EU Member States Build Decision-making Systems More Effective in Coping with Risks?*

Crafting an Effective Decision-making Tool Kit



- Western Decision-making Systems Need to Craft Effective Tool Kits to Deal with Risk Management
- Need for Security and Military Tools Robust and Flexible Enough to Aid in Prevention and Response
- Security/Police Forces of Different Nations Need to Be Able to Collaborate, *Plus...*
- Public and Private Sectors Must Have Ability to Share Data Necessary to Manage Risk
- Western Security and Military Forces Need to Be Built Upon Interoperability to Deal with Common Challenges

Shaping Security Management



- Simply Adding Tools to Collect More Data, to Provide for More Intelligence, and to Augment "Situational Awareness" Will Lead to Cacophony and Inaction, Not Robust Security Management
- Crucial for European Governments: Shaping Operational Concepts for National Security and Military Forces to Cope with, and to Proactively Prepare for, Threats
 - Shaping a European-wide Approach: Indispensable in a Globalized World
 - Combine the Authority of Government with the Capabilities of the Private Sector

Planning for the Unknown

- In General: Hedging
 - Base Line: Risk-Orientation (*Risk = Likelihood x Damage*)
 - Planning Against Strategic Disruption
 - Opponents Must Not Be Underestimated
(*Not All Opponents Are Cooperative and/or Incompetent*)
- Insensitivity Against Huge Assumption-Variations
 - Flexibility, Versatility, Multi-Role/Multi-Purpose/Multi-Use, Modularity, Adaptability, Scalability, Growth Potential, Spiral Development
 - Robustness, Hardening, Redundancy, Reparability, Autonomy, Resilience, Absorbability, Immunization
 - Fail-Safe Procedures, Emergency Procedures Ensuring Minimum Functioning, Reconfigurability
 - Disaster/Consequence Management, Training & Exercises, Decision-Making Tools (*incl. Data Fusion / Data Assessment/ Evaluation Tools, Simulation Tools*)

How Can Industry Help? General Remarks



- The Private Sector Holds Most of the Data, Technologies and Capabilities which Security Management Requires
- Government Has the Authority to Shape a Security Management Regime; However, Challenges of Privacy and National Fragmentation
- Managing Security Requires a Combined Effort within Europe
- Such a Bargain Requires the Private and Public Sectors Shaping Mutual Understanding and Capabilities to Deal with New Security Challenges
- Simply Put, without a Partnership between Industry and Government there Will Be No Effective Shaping of Security Management

How Can Industry Help? A Few Illustrations (1)



- SME
 - Affordable Solutions for Day-to-Day Requirements
 - Quick Commercialization of Innovative Solutions
- System Integrators / Primes
 - Integration of Huge and Complex Systems
 - Full-Spectrum Offerings (from Products to Services)
- Defense and Security Offerings
 - Military Experience for Robust Security Solutions
 - Managing Complexity, Ensuring Interoperability
 - Providing Robust, Resilient Solutions
 - Reducing Manpower Requirements

How Can Industry Help? A Few Illustrations (2)



- Examples for Interoperable Overall Solutions
 - Secure Communication (incl. PMR) and Encrypted Data Transfer
 - Control Centers (Situational Awareness)
 - Border Control, Maritime Surveillance & Security, (Air)Port Security, Site Protection
 - Urban Security
 - Large Event Security
 - Logistics Security (incl. Container Security)
 - Support in Administrative Work / Process Automation

Contributions of European Companies



- The "Multi-domestic" Character of European Companies Provide a Basis for a European-wide Understanding of Operational Requirements
- Partnering between these Companies and Diverse Commercial Companies Allows the Flow of Relevant Technologies to Governments to Provide Overall Management Capability rather than Stove-piped Technology Acquisition
- Concepts Needs to Allow for Continuous Technology Insertion; Culture of Innovation
- Challenge: European Companies, But No European Customer

Conclusions

- Encourage European, Trans-Atlantic, Global Solutions; Ensure Level Playing Field (Standards, Norms, ...)
- Budget Helps; More Budget Helps More
- Governments/EU: Dialog with Industry about Future/Planned Legislation/Regulations Regarding Security Market
- If Market Conditions Predictable, Industrial Potential (incl. R&D Money) Will Be Unleashed