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Third Offset Strategy: Reacting to Risk or Becoming Blindsided?

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Why it Matters

The long-held U.S. technological superiority is under threat. Near-peer and peer competitors are acquiring progressively more advanced technologies that challenge America's by now taken for granted strategic advantage. To offset adversaries' technological edge, the U.S. has embarked on a Third Offset Strategy that pushes for more investment in state-of-the-art military technologies. Does major spending on technology make our Alliance safer, or are we fooling ourselves and leaving ourselves open to vulnerabilities to be exploited by our adversaries?

This snapshot provides some insights into future defense spending and the inherent strategic dilemmas it presents. Financial stress from COVID-19 enhances the importance of critical reflection on the rationale for defense investment.

Strategic Dilemmas

U.S. unilateral superiority no longer defines the global world order.[1] The rise of China, military modernization of Russia, nuclear developments in North Korea and Iran, and technologically empowered terrorist networks increasingly undermine U.S. power. While the U.S. still invests the most in its defense budget, U.S. power will wane if it fails to maintain a military-technological edge to counteract existing and future adversaries.[2] For example, the proliferation of automated weapon systems, anti-access/area-denial (A2/AD) capabilities and hypersonic missiles challenge the value of U.S. early-warning and precision strike capabilities.[3] These developments level the military playing field between the U.S. and its near-peer and peer adversaries. As Deputy Secretary of Defense Robert Work remarks: 'the [US] has relied on a technological edge ever since [1945] but it has relied upon it for so long, [and now] it's steadily eroding'.[4] This reality underlines the importance of the Third Offset Strategy, and its focus on technology.[5]

"We still think we can engineer ourselves to military victory" [6]

The U.S. has been faced with military-technological parity before. In the 1950's President Dwight D. Eisenhower announced the First Offset Strategy that had led the U.S. to invest in nuclear power to counteract the Soviet Union's advantage in conventional forces. The strategy proved feeble as the Soviet's quickly reached parity in nuclear forces. The U.S. then embarked on a Second Offset Strategy in the 1970's to overcome the nuclear weapons equilibrium by advancing strike precision capabilities. These highly sophisticated precision-guided weapons proved robust and enabled U.S. military dominance since the Cold War.[7] Today, fifty years later, precision strike proves inadequate to deter threats and guarantee security. The Third Offset Strategy is intended to overcome this weakness and reassert U.S. dominance. This will not be easy. The Third Offset Strategy must deal with a multi-threat and multi-actor security environment that is markedly more complex than the Cold War context. It is certain that the U.S. risks losing its military-technological edge vis-à-vis near-peer competitors if it does not boost investment in modern technologies.[8] It is less certain if technology will be the sine qua non that we expect.[9] We need to critically assess the fundamental assumptions underlying the strategy and see it for what it really is: a plea for greater investment in defense technologies and not the golden ticket to victory.

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[1] Jack Thompson and Oliver Thränert, "Strategic Trends 2019" (Zurich, Switzerland: Center for Security Studies (CSS), March 2019), 27.
[2] Lucie Béraud-Sudreau, "Global Defence Spending: The United States Widens the Gap," IISS, February 14, 2020.
[3] Sander Ruben Aarten, "The impact of hypersonic missiles on strategic stability," Text, Militaire Spectator, April 21, 2020.
[4] Daniel Fiott, "Europe and the Pentagon's Third Offset Strategy," *The RUSI Journal* 161, no. 1 (2016): 27.
[5] Thompson and Thränert, "Strategic Trends 2019," 28.
[6] Franz-Stefan Gady, "What 'Back to the Future' Teaches About the Future of War," The Diplomat, January 31, 2018; Nicholas Schmidle, "Trump's Pentagon Tries to Move on from the War on Terror," The New Yorker, January 19, 2018.
[7] Lawrence J. Korb and Carly Evans, "The Third Offset Strategy: A Misleading Slogan," *Bulletin of the Atomic Scientists* 73, no. 2 (2017): 93.
[8] Tim Sweijs and Frans Osinga, "VIII. Maintaining NATO's Technological Edge," *Whitehall Papers* 95, no. 1 (2019): 104.
[9] Sean McFate, *The New Rules of War: Victory in the Age of Durable Disorder* (New York, United States: William Morrow, 2019), 43.

Technology Creates Gaps

Investment in technology will be necessary to maintain security. New weapon systems require modern defense systems to counter emerging threats. Artificial intelligence, robotics, autonomous and unmanned systems heighten adversary costs of attacking and in the case of an attack, offer a protective wall. However, absolute reliance on military-technological advantage to defeat an adversary will not be a sustainable or effective strategy. The U.S. is unlikely to start a war to defend its own territory and will more likely be confronted by it. The U.S. will therefore not dictate the terms of how and when future wars are fought on their home turf.[10] Technological capabilities will only help U.S. forces to win future wars if its adversaries embark on the kind of war the U.S. anticipates. This is highly unlikely. Any adversary would be wiser than to attack the U.S. and its allies where they are the strongest. Even the most cunning and powerful military forces can be disrupted by smaller and less potent forces that use specific niche technologies to exploit gaps in their adversary's defense.[11] Rudimentary home-made improved explosive devices have posed serious threats to America's position in Iraq and Afghanistan.[12] U.S. adversaries, save for China and Russia, may not be able to afford novel sophisticated technologies and instead, employ cheaper technologies and other forms of 'asymmetric warfare' tactics to exploit U.S. weaknesses. The outcome of past wars shows that since the industrial age, technological advantage has been as predictive of victory as a coin toss.[13] Of the 16 wars fought between 1956 and 1992, the technologically superior side won only eight times.[14] Besides which, military analysts have imperfectly forecast revolutionary change for at least the past four decades.[15] Why are we so convinced we should throw all our cards in high-end technology?

"Technology without integration, or a conceptual underpinning, is the hype before the letdown" [16]

The belief that investment in state-of-the-art hardware makes the U.S. and its allies invincible in future wars is precisely what makes these forces vulnerable. There is a paradoxical logic to warfighting in that all strengths eventually become weaknesses as they are exploited by adversaries.[17] As states develop progressively more sophisticated technologies, the adversary is also less likely to attack in these areas. Investing all time and effort in advancing a specific set of capabilities based on current predictions of the future is thus not only a waste of time

[10] "Bad Guys Know What Works: Asymmetric Warfare and the Third Offset," War on the Rocks, June 23, 2015.
[11] Justin Lynch, "The Myth of American Military Dominance," War on the Rocks, August 15, 2019; Forrest Morgan and Raphael Cohen, "Military Trends and the Future of Warfare" (California, United States: RAND Corporation, 2020), 33.
[12] John Moulton, "Rethinking IED Strategies: From Iraq to Afghanistan," www.army.mil, September 2, 2009; Marc Tranchemontagne, "The Enduring IED Problem: Why We Need a Doctrine," *Joint Force Quarterly* 1, no. 80 (2016): 153.
[13] Stephen D. Biddle, *Military Power: Explaining Victory and Defeat in Modern Battle* (New Jersey, United States: Princeton University Press, 2004), 21.
[14] Peter Hickman, "The Future of Warfare Will Continue to Be Human," War on the Rocks, May 12, 2020.
[15] Michael E. O'Hanlon, "A Retrospective on the So-Called Revolution in Military Affairs, 2000-2020," Brookings, September 11, 2018.
[16] Mark Gilchrist, "Emergent Technology, Military Advantage, and the Character of Future War," The Strategy Bridge, July 26, 2018.
[17] George Friedman and Meredith Friedman, *The Future of War: Power, Technology and American World Dominance in the Twenty-First Century* (New York, United States: Macmillan, 1998), xi.

and money. This also creates more room for adversaries to exploit neglected capabilities to obtain strategic advantage and put the U.S. on an unstable footing. Even the U.S. defense budgets are finite. To invest in one capability has opportunity cost as it also implies the choice to divest in another capability. The current focus on technology may even help U.S. adversaries identify weak spots and the soft underbelly of western security. While the continuous change in the character of war underlines the need for Offset Strategies, it remains difficult to predict where this character is headed.[18]

What Our Adversaries Do Better

Major adversaries and U.S. "principle priorities" China and Russia seem to understand the importance of investing in both conventional and asymmetric capabilities and have somewhat eschewed the technological hype.[19] While both China and Russia invest in new technology, they are also firmly committed to advancing and showcasing their modernized tanks and troops.[20] Chinese defense investment today is already 85% higher than in 2010, enabling a rapid encroachment to conventional military parity with the U. S. in certain regional contingencies, especially in Eastern Europe and the Western Pacific.[21] The arsenal of modern conventional hardware is bolstered by expanding asymmetrical warfare capabilities, already evident in China's "maritime insurgency" in the South China sea and support for proxies abroad.[22] The Belt and Road Initiative lends China additional economic leverage over its adversaries and partners alike- a unique position of power that has already brought several European (and some NATO) countries into its sphere of influence.

Russian investment in long-range precision strike capabilities, command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR), and rapidly deployable forces has already narrowed the "once gaping" technological gap between Russia and the U.S., begetting an increasingly equal balance-of-forces.[23] Rigorous disinformation campaigns further enable Russia to exert power and influence in areas the Third Offset Strategy does not explicitly prepare for.[24]

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[18] George Friedman and Meredith Friedman, *The Future of War: Power, Technology and American World Dominance in the Twenty-First Century* (New York, United States: Macmillan, 1998), 323.
[19] United States Department of Defense, "Summary of the 2018 National Defense Strategy of the United States of America, Sharpening the American Military's Competitive Edge" (United States Department of Defense, 2018), 4.
[20] Morgan and Cohen, "Military Trends and the Future of Warfare," 21.
[21] Frank A. Rose, "As Russia and China Improve Their Conventional Military Capabilities, Should the US Rethink Its Assumptions on Extended Nuclear Deterrence?," Brookings, October 23, 2018; Michele de Waard, "De nieuwe wapenwedloop," *Het Financieele Dagblad*, August 1, 2020; Center for Strategic and International Studies (CSIS), "What Does China Really Spend on Its Military?," ChinaPower Project (CSIS), 2020; Bonnie Glaser and Matthew Funaiole, "Breaking Down China's 2020 Defense Budget," Center for Strategic and International Studies, May 22, 2020.
[22] John Vrolyk, "Insurgency, Not War, Is China's Most Likely Course of Action," War on the Rocks, December 19, 2019; Sergio Miracola, "Chinese Hybrid Warfare," Text, ISPI, December 21, 2018.
[23] Rose, "As Russia and China Improve Their Conventional Military Capabilities, Should the US Rethink Its Assumptions on Extended Nuclear Deterrence?"; Shawn Snow, "Russia's Ability to Hold and Capture Territory in Europe Threatens US and NATO Forces," Military Times, November 6, 2019; Andrew Radin, Lynn Davis, and Edward Geist, *The Future of the Russian Military* (California, United States: RAND Corporation, 2019), xii; William Heerdt, "Russian Hard Power Projection: A Brief Synopsis," Center for Strategic and International Studies, March 25, 2020.
[24] Agnieszka Legucka, "Russia's Long-Term Campaign of Disinformation in Europe - Carnegie Europe - Carnegie Endowment for International Peace," March 19, 2020.

"We must be better prepared for a major war so that a major conflict does not arise" [25]

Have the U.S. and its allies in NATO fallen for novel and savvy technologies too quickly? Perhaps. While conventional war remains unlikely, conventional capabilities retain significant deterrent value in dissuading near-peer and peer adversaries from trying their luck. Asymmetric capabilities shore up the deterrent and effective power of conventional capabilities by deterring, mitigating, and punishing aggressive activities at the lower end of the force spectrum. This is not to suggest that the U.S. and its allies should simply abolish investment in novel technologies. However, if history repeats itself as experts have suggested, there is cause for concern. The First and Second Offset Strategies proved to possess diminishing effectiveness, with advantages accrued lost as adversaries adapted and innovatively exploited U.S. weaknesses. Past failures to accurately predict the character of future wars makes it worthwhile to reassess fundamental assumptions underlying the strategy.

Time for a Critical Rethink

As the Netherlands and other European nations update their Defense white papers, with special regard for the economic ramifications in the COVID-19 era, it is appropriate to take a critical look at the Third Offset Strategy. Notwithstanding the advantages of possessing a technological edge over adversaries, a more holistic approach for countries with smaller budgets is provided for below:

Identify Challenges. Innovation for the sake of innovation is not going to answer future strategic and operational dilemmas. A successful offset strategy tries to solve specific operational challenges and introduces technology as a means towards identified ends. The focus should be on responding to threats while decreasing vulnerabilities and not on countering adversaries' technological advancements as an end in itself.

Understand Context. Defense investment should not occur in a vacuum. Security threats take place in a wider context and often interact in complex and mutually reinforcing ways. Investment to counter one threat may influence the development, trajectory, and intensity of another threat. The U.S. and its allies will not be able to counter all threats simultaneously and to the same degree. It is essential that the U.S. makes apt strategic choices. How investment in one threat will influence the emergence or growth of another threat should be part of any strategic calculation on what threats to counter, when, and how.

[25] de Waard, "De nieuwe wapenwedloop." Original quote: 'We moeten beter voorbereid zijn op een grote oorlog, zodat een groot conflict niet ontstaat', zegt hoogleraar krijgswetenschappen Osinga.

Strike the Balance. Investment in military technology at the expense of conventional and asymmetrical defense capabilities does not protect against all vulnerabilities. Maintaining the full arsenal of conventional capabilities while investing in new capabilities presents a financial burden that states are either unwilling or unable to absorb. Countering future threats will require hitting the sweet spot between investment in conventional, asymmetric, and high-end defense technologies and capabilities. Preparation for possible future threats will be of, at least, equal importance as defense against known threats.

Leverage Capabilities. There is no one-size fits all response to security threats. To harness the full potential of novel technologies will require leveraging these capabilities in concert with other forms power projection. Employment of politics, economics and strategic alliances can act as force multipliers to facilitate favorable conditions that enhance the impact of technology.

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