

Research Paper

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US Project | July 2014

NATO: Charting the Way Forward



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1. Summary

The North Atlantic Treaty Organization (NATO) finds itself in one of the most pivotal moments in its 65-year history. In recent months, Russia's actions in Ukraine have raised serious concerns across its member states, reminding them that the organization must still be prepared to manage their collective defence. Deterrence and reassurance are as relevant as ever. At the same time, growing instability to Europe's south, particularly in the Middle East and North Africa, will be likely to demand continued investment in crisis-management capabilities and in partnerships.

All this is occurring while NATO draws down its operations in Afghanistan, its largest and most complex military campaign to date. NATO and its partners in the International Security Assistance Force (ISAF) in Afghanistan have achieved a number of important gains in spreading stability across Afghanistan and building Afghans' capability and capacity to address their own security challenges. But publics and parliaments are wary of expeditionary military operations after over a decade of action for what are perceived to be modest results at best.

In addition to these 'traditional' challenges for NATO, the alliance now needs to grapple with emerging 'non-traditional' threats such as cyber attacks, resource insecurity and the proliferation of weapons of mass destruction (WMD) – none of which can be addressed without significant multilateral cooperation.

At the same time, most military budgets across NATO have been declining since the end of the Cold War, prompting many to observe that Europe's future military capabilities are in serious jeopardy.¹ National funding for defence is likely to remain stagnant, if not decrease further in the coming years.² And polling suggests that public support, vital to reverse any declines in spending, is itself dissipating.³ Complicating matters, NATO members prioritize the various threats they face differently, largely as a function of their own geopolitical realities.

In order to bridge the gap between increasing security needs and stagnant or diminishing resources, NATO member states and the organization itself will need to make a number of choices, including how best to meet the diverse security priorities of its membership; what resources are needed in order to do so; how NATO should reposition itself to become more effective in applying its joint war-fighting and other capabilities; and how it can better explain its value and roles to domestic populations in order to garner much-needed support for change.

The NATO we need

Over its history, NATO has played a critical role in defending its members, promoting transatlantic relations, developing multilateral capabilities, improving allied interoperability and leading multilateral crisis-management operations. Looking forward, it must find ways to grapple with the complex international security environment that is emerging. This will require a multifaceted response to the Russian challenge and to instability in the Middle East, while also reconfiguring the NATO presence in Afghanistan and dealing with other newer defence issues ranging from energy

¹ Mark Urban, 'Nato's Anders Fogh Rasmussen sees power slipping away, BBC News, 4 February 2014, <http://www.bbc.co.uk/news/world-26019670>.

² On declining defence budget projections, see The European Commission, 'Towards a More Competitive and Efficient Defence and Security Sector: A New Deal for European Defence', July 2013, p. 35, available at: http://ec.europa.eu/enterprise/sectors/defence/files/communication_defence_en.pdf. Although, following the events in Ukraine, some of the Baltic countries have pledged to return to spending 2% of GDP on defence. See Richard Milne, 'Baltic states pledge more defence spending as US presses allies', *Financial Times*, 27 March 2014, <http://www.ft.com/cms/s/0/f5342e40-b5ae-11e3-81cb-00144feabdc0.html>.

³ The German Marshall Fund of the United States, 'Transatlantic Trends: Key Findings 2013', 2013, chart 16a, p. 29, <http://trends.gmfus.org/files/2013/09/Trends-2013-Key-Findings-Report.pdf#page=19>.

disruptions to cyber attacks. NATO must become significantly more flexible and agile if it is to play a role in addressing these differing, but often interrelated, security challenges.

In order to meet these challenges, NATO will need the capabilities to achieve five primary tasks: deterrence and reassurance, crisis management, resilience, early warning and intelligence, and public diplomacy. For example, deterrence and reassurance (among allies) is required to counter the challenges posed by Russia, WMD use, terrorism and cyber attacks. Crises in the Middle East are handled, primarily, through crisis management. At the same time, early warning and intelligence (gathering and sharing) are vital to prevent crises or attacks from taking place or to prepare for them. Resilience among the members, and with partners and neighbours, is necessary if they cannot be stopped. And none of the resources to accomplish these tasks will be available to NATO member states without much more effective public diplomacy to help explain to their citizens the alliance's enduring relevance.

Fortunately, NATO already possesses a number of institutional strengths, including its power as a political organization, its architecture for intelligence-sharing, and its structures for organizing and executing military coalitions. These can be leveraged to allow the alliance to address current and emerging challenges. But in order for it to do so, NATO must recalibrate the way it does business and the activities it prioritizes, finding more effective and efficient ways to utilize the significant resources at its disposal. This paper suggests six actions to help NATO do so:

- **Find ways to caucus smaller groups within NATO rather than requiring all 28 members to make all decisions.** NATO's 28 member states all have their own interests and appetites for risk. It is therefore hardly surprising that they perceive the emerging security landscape differently. Even in those areas where there is broad agreement about the nature of a threat, this does not necessarily translate into policy agreement on what must be done. Yet rather than being a source of weakness, these differences of opinion can become a strength if properly managed. Allowing groups of member states to focus on their specific priorities would allow the alliance to target multiple challenges simultaneously and take action, quickly, on all of them, thus sharing the burden more effectively. By creating more flexibility in operational and tactical decision-taking – while focusing consensus among NATO's 28 members on its strategic goals – NATO may not only enable smaller groups of allies to collaborate on critical, emerging challenges; it may also lead to pooling of defence resources within these subgroups, thereby realizing more efficiencies of spending. While groups of NATO members already act informally together, as demonstrated in Afghanistan and Libya, accepting and preparing for such an approach could carry benefits in areas such as planning, acquisitions and the speed of decision-making. Concerns regarding the impact on NATO's solidarity should obviously be expected and properly managed.
- **Enhance interoperability.** NATO's crisis-management operations, including in the Balkans, Afghanistan and Libya, have greatly improved the ability of NATO militaries to work with one another on the ground, at sea and in the air. However, with operations in Afghanistan winding down, it would be natural for this cooperative capacity to atrophy. In the light of declining defence spending, an even greater degree of interoperability among members, as well as between NATO and non-NATO militaries, will be required. NATO needs to enhance its joint training and operations (and find the resources to do so) as a substitute for the operations currently taking place in Afghanistan. It must develop new, and enforce existing, interoperability standards across the alliance, and conduct exercises that meaningfully test real-world operating conditions. It needs to emphasize working with partners and in areas to the east and south of Europe, focusing

on those most likely to be in the front lines in any action. The benefits would not just accrue to interoperability, but could also bolster NATO's deterrence capabilities.

- **Improve planning and positioning of forces together.** NATO's current defence planning process provides a mechanism for member states to discuss future challenges and to inform one another of the capabilities available to meet them. But there is no meaningful joint planning. If resources and responsibilities are going to be shared, and better decisions made on planning and operations, NATO needs to start facilitating collaborative planning discussions far earlier (i.e., before member states have made their decisions on priorities as well as capabilities, training and doctrine). Historically, action that enhanced allied cohesion was facilitated by work in the margins of NATO meetings by some of the larger members; they need to take up this role again. Given the planned cuts in NATO's command structures (a 30 per cent decrease of personnel from 2010 to 2015), NATO must also re-evaluate whether, in view of the expansion of diverse challenges it faces, this plan, agreed to in 2010, is still appropriate.
- **Develop better acquisition systems.** Since the end of the Cold War, and particularly since the 2008 financial crisis, the overwhelming majority of NATO's members have decreased their defence expenditures significantly. Yet requirements to perform expeditionary and other operations have increased, meaning that most have not had the resources to invest in future capabilities as robustly as their defence ministries might like. Bridging the gap between strategy and resources will require NATO members to streamline their acquisition systems and processes even further. It will also require them to make tough choices about their national defence industries and become more collaborative on procurement decisions: this could mean giving up national production capabilities where other members' industries are more efficient. That said, just improving systems is not enough; more financial resources are also needed. If members fail to halt the post-Cold War decline in military spending, they and the organization are unlikely to be prepared to meet the myriad security challenges they will face in the future.
- **Rebuild public understanding and support for NATO.** Currently, around 60 per cent of NATO's publics admit to knowing little or nothing about the alliance. Yet public support is vital if member-state politicians are to have the space to make some of the hard internal decisions on resources and to show to outsiders the will and resilience required for effective deterrence and reassurance. While public diplomacy needs to be led principally by the member states, it can and should be supported by NATO staff. The alliance needs to treat public diplomacy as a central task, as important as improving its military capabilities or its joint interoperability. In addition to facilitating and backing up member states' public diplomacy efforts, the alliance could also build capacity internally and among members and partners in 'offensive' public diplomacy (to counter that used by adversaries, such as Russia's narratives around its Ukraine operations).
- **Build on, and differentiate better, NATO's partnerships.** With defence budgets tightening, NATO needs to recognize and take advantage of the fact that many non-NATO states and other institutions have similar interests to those of members. The security challenges that NATO faces will require working with others – whether states or institutions – with similar goals and who bring different or additional resources to the table, from traditional capabilities to police and civilian assets. NATO needs to improve its working relationships with institutions such as the European Union, the United Nations and World Bank, as well as with like-minded and capable countries such as Australia, India, Sweden, Jordan and Finland (and vice versa). Such partnerships will need to be customized according to the interests and capabilities of each partner.

The upcoming NATO Summit in September 2014 is an opportunity for the organization's leaders to take a concrete step forward in addressing these challenges. There will inevitably have to be statements of solidarity in response to Russia's actions in Ukraine earlier this year, and a decision on what type of activity or presence NATO will want to have in Afghanistan after the end of formal NATO operations at the end of the year. However, it is also vital that NATO member states address the longer-term strategic challenges they face and how NATO must act to meet them successfully.

2. What Challenges Do the NATO Members Face?

For 65 years, the North Atlantic Treaty Organization (NATO) has served as a fundamental cornerstone for the security of the West. It has weathered many internal political storms, stood strong against powerful adversaries, and conducted crisis-management operations within and beyond Europe. It has served as an indispensable forum for dialogue among its members, and a platform for military cooperation between members and non-members. It is for these reasons that many see NATO as the most powerful and capable military alliance in the world's history. And it is also for these reasons that adversaries and allies alike are interested to see how NATO responds to the myriad challenges before it.

The world will therefore be closely watching as the 28 Heads of State and Government of NATO meet in Wales in September 2014. The international security landscape has evolved in a considerably more dangerous direction since the leaders last met in Chicago in 2012, and particularly during the last year. In 2010, NATO agreed upon a new Strategic Concept that articulated a broad set of roles and missions for the alliance. Unfortunately, the document is so general that it provides little guidance as new challenges emerge, leaving member states still debating the institution's responsibilities and priorities.

With the support of NATO's Public Diplomacy Division, the UK Foreign & Commonwealth Office, and the Canadian Department of National Defence, the US Project at Chatham House held three roundtables to discuss the way forward for NATO. The discussions culminated in this paper, which aims to inform debate leading up to the September summit in Wales.

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The paper briefly lays out the principal external challenges that NATO members face, what tasks are required of the institution, its current resources and capabilities, the gaps between strategy and capabilities, and what actions NATO needs to take to fill these gaps. Starting from the threats that the NATO member states prioritize, and remaining in the confines of the Strategic Concept, the paper is intended to offer a path forward for NATO. It provides guidance on how the alliance can move ahead in the coming years to address current and emerging challenges.

Over the past few months, events have challenged the assumptions that many NATO members have made regarding the stability of the international environment and, accordingly, their own national security. The grand strategic project to make Europe 'whole and free ... and at peace with itself', once considered complete, is now very much in question largely as a result of Russian aggression.⁴ To Europe's southeast, the Syrian conflict has metastasized to dangerous levels and has spilled over into Iraq, with profoundly worrying counter-terrorism implications for Turkey (a key NATO member) and Europe.⁵

⁴ President George H.W. Bush, 'A Europe Whole and Free', Remarks to the Citizens in Mainz, Rheingoldhalle, Mainz, Federal Republic of Germany, 31 May 1989, <http://usa.usembassy.de/etexts/ga6-890531.htm>.

⁵ Cheryl Pellerin, 'Intelligence Leaders Detail Global Threats to Senate Panel', *US Department of Defense*, 11 February 2014, <http://www.defense.gov/news/newsarticle.aspx?id=121644>.

Table 1: Comparison of priority national security threats among 10 NATO members

Threat	US	UK	France	Germany	Canada	Norway	Turkey	Italy	Poland	Spain
Top priorities										
Attacks on allies	•	•	•	•	•	•			•	•
International terrorism	•	•	•		•	•	•	•		•
Cyber security	•	•	•	•		•			•	•
Middle East/North Africa	•	•	•				•	•		•
Violations of national territorial integrity	•	•	•			•	•		•	•
WMD and missile proliferation	•	•	•		•			•	•	
Secondary priorities										
Russia/Eastern Europe		•		•		•		•	•	
Crises emanating from failed and failing states		•	•		•			•		
Organized crime			•				•	•		•
Resource scarcity							•	•	•	•
Tertiary priorities										
Climate change/natural disasters			•					•		
Migration and refugees							•	•		
Pacific	•				•					
Western hemisphere					•					•
Afghanistan				•						
Arctic						•				
Challenges of global trade				•						
Indian Ocean			•							
Latin America										•
Sub-Saharan Africa			•							
Space security	•									

Key

Top priorities: Areas of greatest degree of consensus (between six and ten members) that a given threat is a critically important priority.

Secondary priorities: Areas of agreement between three and five members that an issue is a critically important priority.

Tertiary priorities: Areas deemed critically important by only one or two members.

While it is absolutely vital that NATO members respond to the pressing nature of the above concerns, they must also keep in mind the longer-term strategic and future trends that will affect them. The organization needs to be able to react to the former while making progress on others, including over-the-horizon, critical issues such as grappling with natural resource constraints (particularly in energy) and cyber attacks.

Key national security priorities are largely a function of geopolitical realities. While there are some challenges on the importance of which the vast majority of NATO member states can agree, others are more a factor of specific interests or geography. Thus the urgency of the Russian threat diminishes the further from Russia’s borders a member is located. Similarly, the exigency of crises in North Africa is more palpable for Mediterranean members contending with refugee inflows stemming from instability in the region.

In order to understand whether, and how, countries differ in their views of the emerging threat environment, Chatham House asked national security experts how their respective countries prioritized their security requirements. Table 1, derived from a combination of their responses as well as relevant government policy statements, reflects the similarities and differences of opinion on critical national security priorities across the alliance.⁶

It is important to note that Table 1 reflects issues that both national security experts *and* national strategy documents deemed critically core interests of their countries. As such, it necessarily excludes other issues that are important, but not considered truly crucial by those surveyed. It is illustrative rather than definitive. In some cases the respondents did not prioritize issues such as ‘violations of national territorial integrity’, probably not because they are unimportant but because they are, in the minds of those commenting, so unlikely to occur as to be irrelevant.

Discussed below are the principal challenges that most member states studied here could agree are critical to their national interests. While this paper largely follows the organization of Table 1, some categories have been merged given the significant overlap, such as attacks on allies, violations of territorial integrity, and Russia; and crises emanating from failed and failing states, and Middle East and North Africa.

Top priorities

Attacks on allies

While Russia is not the only possible adversary for NATO members, it is certainly the most potent one today. Since the end of the Cold War, NATO has placed significant emphasis on engaging with it. In 1994, Russia joined the NATO-led Partnership for Peace, a programme designed to promote democratic values, strengthen military-to-military ties, and help reform security institutions in former Warsaw Pact countries. Building on that partnership, and despite frictions associated with NATO’s operations in the Balkans (and in Kosovo specifically), the NATO-Russia Council (NRC) was established in 2004 to promote transparency and cooperation between the two former adversaries, and to allow NATO and Russia to discuss matters of mutual concern. While NRC talks were suspended in 2008 following Russian incursions into Georgia, by 2010 the two parties had agreed to begin reconvening such meetings. Over the past few months, however, Russia has taken actions in Ukraine that emphasize that its interests go against the fundamental objectives of NATO, and show the continued high level of its distrust of the institution.

In February 2014, following the ouster of President Viktor Yanukovich in Ukraine, Russia invaded Crimea, in order to, in President Vladimir Putin’s words, protect ‘Crimea, [which] has always been an inseparable part of Russia’.⁷ Apparently in order to continue to ensure Ukraine remains an unstable buffer state, Russia has conducted large-scale military exercises (at their height involving approximately 40,000 troops) along their common border, making many in the region and beyond uncertain of its intentions regarding the acquisition of further territory. Russia’s activities along, and within, Ukraine’s borders have caused many NATO leaders to reconsider their post-Cold War assumptions about it, as well as about peace and stability in Europe more broadly.

⁶ See Annex to this paper for an explanation of the survey methodology as well as the overall data results.

⁷ ‘President Putin’s address to Parliament over Crimea’, *Russia Today*, 19 March 2014, <http://rt.com/politics/official-word/vladimir-putin-crimea-address-658/>.

Putin's use of asymmetric tactics, and the speed with which he was able to bring them to bear (thereby changing the facts on the ground before the alliance had the opportunity to respond meaningfully) set an entirely new challenge for NATO. By blurring the lines between 'civilian' and 'military' actors, utilizing a shrewd public relations campaign and conducting military exercises on the border with Ukraine without crossing it (with the exception of Crimea), Putin has made it extremely difficult for the alliance to formulate a rapid and coherent response. In so doing, he challenged directly the viability of NATO's security relationships with its partners.

While Putin has not directly tested the credibility of NATO's Article V, he has raised the level of uncertainty over whether the organization would respond adequately if he did so. He also made NATO's partners question whether they gained any tangible improvements in security from their relationship with it. Many believe that in the coming months, Putin will further probe the alliance's solidarity. And many NATO members and partners alike now worry that probing might in time lead to territorial loss.

While Putin has not directly tested NATO's Article 5 collective defence credibility, he has raised the uncertainty over whether NATO would respond adequately had he done so.

What makes this challenge difficult to manage are the levels of economic and energy interdependence between Russia and some European countries. Russian individuals and firms have invested heavily in Europe, making both sides increasingly reliant on one another and Europe loath to risk the economic consequences of sanctioning Russian entities or individuals (although Russia is more dependent upon Europe than the reverse).⁸ As such it becomes even more difficult to organize a coherent, cross-governmental response to Russia's assertive behaviour.

Given the urgency and attention that recent Russian moves have inspired within NATO and its member states, it is perhaps surprising that there is less strategic consensus among those surveyed about the degree to which it presents an overwhelming threat to national interests. However, this is likely to be due in large part to the economic and energy ties that Russia has with many of the member states, making it a necessary partner as well as a cause of concern. It also reflects the geopolitical realities of different member states: the further a NATO member is from Russia's borders, the less likely that the latter's moves will be seen as a critical and direct national security threat.

More broadly, protecting allies is perhaps today all the more pertinent given the broadening array of possible forms of attack, and the recognition that borders are porous – an attack against one can have real implications for its neighbours. However, strategic-level agreement belies some likely disconnects among allies as to what the Article V provision means in practice. With the rise of asymmetric threats and non-traditional challenges such as cyber security, serious questions have been levelled as to what today might constitute an attack on allies, and what the appropriate responses might be to those attacks.

Crises emanating from failed and failing states

Particularly since the end of the Cold War, NATO has become involved in a number of military operations designed to tackle the challenges posed by failing states.⁹ Susceptible to disruptive actors such as

⁸ Raoul Ruparel, 'EU and the Ukraine: What are the Limits of Europe?', *Open Europe*, 18 March 2014, http://www.openeurope.org.uk/Content/Documents/140318_OE_Briefing.pdf.

⁹ The Middle East and North Africa region (as listed in Table 1), while not necessarily encompassing all failed or failing states, does show many of the same characteristics as highly unstable states. As such we are including it within this broader category.

insurgent or terrorist groups, and in the absence of legitimate governance, these territories can be used as launching points for terrorist attacks and other regionally, if not globally, destabilizing activities (as was demonstrated in the 11 September 2001 attacks). As a result, NATO and its member states have conducted interventions in the Balkans and Afghanistan, as well as counter-piracy missions off the Horn of Africa. Unfortunately, over that period, the world, and particularly Europe's near neighbourhood, has become significantly less stable. Governments and civil society institutions are being shaken to their foundations and in many instances, terrorist and other radical groups are filling the void created by the absence of state institutions. Looking forward, instability is increasing across the Middle East and in sub-Saharan Africa – areas that are deemed critically important to several NATO member states.

While the region is outside the European theatre, most NATO member states have critical interests in the Middle East and North Africa (MENA). Among other things this is due to its proximity to Europe's southern and southeastern borders, cultural ties between citizens on either side of the Mediterranean and particularly between France and Algeria, energy supplies, shipping routes through the Suez Canal and around the Horn of Africa and, recently, operations in Iraq. Since the Arab revolutions in 2011, these interests have increasingly been at risk given the instability in the broader MENA region.

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Egypt, a long-standing ally of the United States, has been through six governments over the past three years and continues to be disrupted by competition between vastly differing groups, each with differing interests that would like to lead it in divergent directions. Despite a NATO-led intervention to protect Libyan citizens in anti-Gaddafi areas of Libya (most notably Benghazi), which subsequently led to the overthrow of the regime, instability in Libya continues.

Events in Syria are perhaps of most concern and raise tensions with regard to humanitarian, refugee and terrorism issues. The conflict has recently spilled into northern and central Iraq (which has remained unsettled following the exit of US and other foreign troops in 2011), and raised the spectre of a radical jihadist group, in this case the Islamic State of Iraq and the Levant (ISIS/L), once again having control over significant territory from which to operate against the West.¹⁰

Terrorism

Somewhat related to developments in the Middle East and North Africa and to failing states, terrorism remains a critical concern for many NATO member states. Yet for many this is not a new threat: Britain's experience with the Irish Republican Army (IRA) and the Spanish experience with Euskadi Ta Askatasuna (ETA) being notable examples. However, the catastrophic impact that newer terrorist groups can have, combined with the radical jihadist inspirations for such attacks, are relatively new. This was highlighted during the 11 September 2001 attacks on the United States perpetrated by Al-Qaeda. And despite interventions in Afghanistan and elsewhere to eradicate the Al-Qaeda threat, the organization has evolved into a series of loosely affiliated (or franchised) groups, each with its own objectives.

¹⁰ Martin Chulov, 'Isis advance threatens Iraq's very future, claims John Kerry', *The Guardian*, 23 June 2014, <http://www.theguardian.com/world/2014/jun/23/isis-threatens-iraqi-future-john-kerry-claims>.

Some states feel the threat of terrorism more than others, and the direction from which it emanates is different. For example, of particular concern to France is Al-Qaeda in the Islamic Maghreb, which has been working to destabilize key areas in North Africa, and which led to France's intervention in Mali. The United States and the United Kingdom are more focused on ISIS/L in Iraq and Syria as well as radical groups based in Afghanistan and Pakistan.

Cyber attacks

In 2007, following the relocation of a Russian war monument, Estonia experienced a massive 'denial of service' attack that crippled many of its governmental websites for several days, an act that was particularly damaging, as a relatively high number of Estonia's governmental functions are conducted online. While Russia denied involvement, it did suggest that Russian 'patriot' hackers beyond the state's control might bear some responsibility for the attacks.¹¹ Less visibly, but no less importantly, cyber attacks against allied governments, as well as private companies, are on the rise. In 2012, the United States alone contended with over 10 million attacks against its military networks every day.¹²

More broadly, cyber attacks appear increasingly to have become a feature of conflict; the escalation of physical hostilities between Russia and Ukraine has been mirrored by a commensurate increase in online attacks.¹³ They have also been used by other actors beyond the region including, allegedly, the Chinese and North Korean governments, and Israel and the US against Iran's nuclear programme.¹⁴ Given the increasing propensity for government systems, processes and information to be put online, this challenge is of growing concern to many.

WMD and missile proliferation

For decades, a central interest of NATO member states was to prevent and deter the use of weapons of mass destruction. This is still on the minds of most of them. However, while historically the fear was focused on Russia's potential use of nuclear weapons against NATO members, today it is on Iran (although given the recent concerns about Russian aggression discussed above, many countries are increasingly worried about Russia's recent moves to modernize its nuclear arsenal).¹⁵

The question of Iran's nuclear capabilities – whether they are truly civilian or military in nature – has been much debated since shortly after the overthrow of the shah's regime in 1979. Regardless of the nuclear programme's ultimate intent, Iran has also worked to improve its long-range ballistic missile capabilities, and several of its Shahab missile configurations are capable of reaching European soil.¹⁶ While there is little evidence to suggest that Iran would target Europe with a nuclear capability (if acquired), it appears that its desire for such a capability stems from the belief that it will both

¹¹ 'Estonia hit by "Moscow Cyber War"', BBC News, 17 May 2007, <http://news.bbc.co.uk/1/hi/world/europe/6665145.stm>.

¹² Zachary Fryer-Biggs, 'US military goes on cyber offensive', *Defence News*, 24 March 2012, <http://www.defencenews.com/article/20120324/DEFREG02/303240001/U-S-Military-Goes-Cyber-Offensive>.

¹³ Ben Farmer, 'Ukraine cyber war escalates alongside violence', *The Telegraph*, 28 May 2014, <http://www.telegraph.co.uk/news/worldnews/europe/ukraine/10860920/Ukraine-cyber-war-escalates-alongside-violence.html>.

¹⁴ Ellen Nakashima and Joby Warrick, 'Stuxnet was work of U.S. and Israeli experts, officials say', *Washington Post*, 2 June 2012, http://www.washingtonpost.com/world/national-security/stuxnet-was-work-of-us-and-israeli-experts-officials-say/2012/06/01/gJQAlnEy6U_story.html.

¹⁵ Nikolas K. Gvosdev, 'Russia Flexes its Nuclear Muscle: Moscow's Modernization Moves Might Derail the Obama Administration's Goal of a Less Nuclear World', *The National Interest*, 14 November 2013, <http://nationalinterest.org/commentary/russia-flexes-its-nuclear-muscles-9399>.

¹⁶ Ethan Bronner, 'U.S. plays down warning by Israeli over Iran's nuclear missiles', *New York Times*, 2 February 2012, http://www.nytimes.com/2012/02/03/world/middleeast/israel-warns-iranian-missiles-might-threaten-us.html?_r=2&scp=1&sq=Iran%20Yaalon&st=cse&.

enhance its security (against regime change by the United States or Israel, for example) and support its aspiration to regional leadership.

It is clear that a nuclear Iran would have a significantly destabilizing effect on its region. It is not in the West's interests to have any one power dominate the Middle East. And the likelihood of further proliferation would increase significantly were Iran able to gain nuclear weapons capabilities.

Critical challenges with less consensus

Insecurity of natural resources, particularly energy

Instability in the Middle East, combined with Russian aggression in its neighbourhood, have prompted many NATO member states to question the reliability of their energy supplies. This is particularly true with respect to Europe's reliance on Russian natural gas (which accounted for 34 per cent of its imports in 2012), as Moscow has been willing to use its leverage aggressively in the energy sector to advance its own strategic objectives. Notably, Russia shut off gas supplies to Ukraine in January 2009, and June 2014 – a tactic it has used with some regularity, including against Ukraine in 2006.¹⁷ While Russia cited commercial disputes in 2009, several observers at the time argued that the shutoff was a proxy for much more fundamental issues between the two countries, in particular Ukraine's attempts to forge stronger relations with the West.¹⁸

Furthermore, according to its 2030 Energy Strategy, Russia is working actively to diversify away from its reliance upon the European gas market for its exports. In particular, it is exploring options for building its infrastructure to support increased exports to China and the Central Asian states.¹⁹ If successful, this would translate into significantly less Russian dependence on Europe. Although Europe is working to further diversify its energy supplies, if it fails to do so adequately, it could in fact become more dependent upon Russia.²⁰

Organized crime

Given the comparative porousness of Europe's borders, and the relative ease of illicit transit across the Mediterranean Sea, it is hardly surprising that organized crime is of paramount concern to a number of NATO's members. Gangs and other organized crime actors can not only corrupt legitimate state institutions but also construct illicit trans-shipment networks for smuggling anything from drugs to weapons to people. Further, as gangs become more powerful, they can challenge state authority, especially as addressing their activities often blurs the lines between military and police responses. The US experience with Central America, and particularly Mexico, is a notable example of how serious organized crime can raise fundamental questions about the ability of a state to provide security and stability to its population, and have profound consequences for its relations with its neighbours.

¹⁷ 'Ukraine crisis: Russia halts gas supplies to Kiev', BBC News, 16 June 2014, <http://www.bbc.co.uk/news/world-europe-27862849>.

¹⁸ Andrew E. Kramer, 'Russia-Ukraine feud goes beyond gas pipes', *New York Times*, 4 January 2009, http://www.nytimes.com/2009/01/14/world/europe/14iht-gazprom.2.19349065.html?pagewanted=all&_r=0. See also Michael Ratner et al., 'Europe's Energy Security: Options and Challenges to Natural Gas Supply Diversification', Congressional Research Service, 20 August 2013, p. 5, <http://www.fas.org/sgp/crs/row/R42405.pdf>.

¹⁹ In May, Russian President Putin signed an agreement with China to enhance energy cooperation. See Keith Johnson, 'From Russia with Love (and a Discount)', *Foreign Policy*, 21 May 2014, http://www.foreignpolicy.com/articles/2014/05/21/from_russia_with_love_and_a_discount.

²⁰ John Lough, *Russia's Energy Diplomacy*, Chatham House, May 2011, https://www.chathamhouse.org/sites/files/chathamhouse/19352_0511bp_lough.pdf.

3. What Functions Are Needed to Address These Diverse Challenges?

Meeting the security needs laid out above will require NATO to focus on five major functions that, taken together, provide the capabilities to address them. These are:

- deterrence and reassurance,
- crisis management,
- public diplomacy,
- resilience, and
- early warning and intelligence.

For example, deterrence and reassurance (among allies) is required to counter the challenges posed by Russia, WMD use, terrorism or cyber attacks. Challenges stemming from instability in the Middle East are handled, principally, through crisis management. At the same time, NATO members should endeavour to prevent crises or attacks taking place, or to prepare for them adequately, through early warning and intelligence-gathering, and crucially, intelligence-sharing. The alliance must also mitigate the consequences of being unable to do so by building resilience among members but also with their neighbours and partners. And finally, NATO and its member states will require much more sophisticated public diplomacy capabilities if they are to explain to their citizens the alliance's enduring relevance as well as countering the narratives of adversaries.

Deterrence and reassurance

Defending the territorial integrity of all members remains one of NATO's foremost tasks. It will require the alliance to deter aggression as well as reassure members. However, deterrence was never, and will never be, easy to execute, requiring NATO to demonstrate capability and credibility.²¹

Complicating this challenge is the fact that deterrence needs to work against many types of actors, and the strategies for doing so can differ and require a variety of assets. Deterrence and reassurance are necessary tasks against states such as Russia as well as non-state actors including terrorist groups such as ISIS/L and Al-Qaeda.

Given the decline in military spending among NATO members over recent years, many have questioned whether the alliance has the capability to deter its adversaries. This is particularly true in the case of Russia where, as Secretary General Anders Fogh Rasmussen noted recently at Chatham House, 'since 2008, Russia has increased its defence spending by around 50 per cent while, on average, NATO allies have decreased theirs by about 20 per cent.'²² While NATO members together still spend 10 times more on their armed forces than Russia does on its military, the picture is significantly less imbalanced if one takes out the US contribution.²³

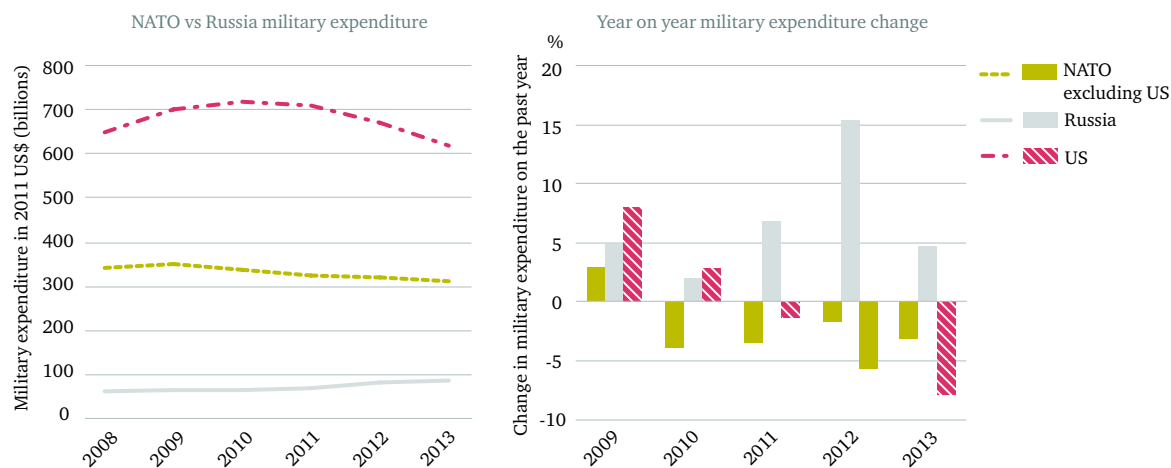
Perhaps of more concern, however, are worries over the alliance's will to use its assets and, given the size of the coalition at 28 members and the consensus decision-making structure, the speed with which it is able to do so. Following Russia's actions over Ukraine, many countries in Europe have found making decisions to act against it tough to make politically, given their dependence on it for energy supplies. Thus NATO must have the capability to target an adversary's critical points of vulnerability as well as to demonstrate its political resolve to take action.

²¹ See: Kathleen J. McInnis, 'Extended Deterrence in the Persian Gulf: The US Credibility Gap', *Washington Quarterly*, Summer 2006.

²² Secretary General Anders Fogh Rasmussen, 'Future NATO', Chatham House, London, 9 June 2014, http://www.nato.int/cps/en/natolive/opinions_111132.htm?selectedLocale=en.

²³ SIPRI, 'SIPRI Military Expenditure Database', 2014, http://www.sipri.org/research/armaments/milex/milex_database.

Figure 1: NATO and Russian military expenditure



Source: SIPRI, 'Military Expenditure' as of July 2014, http://www.sipri.org/research/armaments/milex/milex_database.

Many have suggested that in the past two decades, following the end of the Cold War, NATO has forgotten how to deter. Such lessons need to be relearned to restore credibility. However, while there are some key lessons from the Cold War experience that may be applicable for deterrence today, NATO and its member states must be careful not to over-rely upon that 'playbook'.

As the situation in Ukraine shows, adversaries, including in this case Russia, have also learned lessons from history, and are finding ways to work in the grey areas for which specific actions by NATO have not been defined and where divisions can potentially be created among the allies. NATO needs to prepare for contingencies – politically and militarily – that are 'blurry' (or non-linear, hybrid warfare), to respond to asymmetric tactics. It must understand the kinds of military capabilities, or combinations of capabilities, that will most effectively deter aggression and develop 'full-spectrum deterrence'. It is likely that a wide variety of tools, military (from Special Operations Forces to nuclear, and air and sea policing) and non-military, will be necessary. NATO will also need to coordinate its actions with non-military organizations such as the EU, the Organization for Security and Co-operation in Europe (OSCE) and the World Bank, that are better positioned to leverage economic and other instruments to bring greater pressure to bear on an adversary.

In addition to military resources, a robust public relations strategy will be necessary to underscore the alliance's political credibility, consensus and the international legitimacy of any actions taken. It will also have to respond to the public narrative of an adversary (something that Russia has used very effectively over the past decade, if not longer) and make transparent not just to elites but also to the public the intentions and objectives of the NATO response and limit any sense of provocation.

As noted, it is not just states that need deterring. So too do terrorist groups or other non-state actors that might use weapons such as cyber attacks against NATO members. In many respects these actors are harder to deter. It is often more difficult to prove that they are the instigator of any attack, and targeting them is more challenging as they often lack a clearly defined territory. Therefore, deterring them is likely to require fewer large-scale military capabilities but far more targeted resources, including, as will be elaborated below, intelligence and resilience. However, being able to identify and then act against these groups is a necessary part of the deterrence portfolio.

Crisis management

Crisis management will also remain a fundamental task for NATO. Since the end of the Cold War, it has become involved in or led a number of such operations. All of these missions – from Bosnia and Herzegovina to Kosovo and Libya – have been responses to mounting instability, and have translated into a variety of different mission types, from peacekeeping (Bosnia) to peace enforcement (Bosnia and Kosovo) to preventing mass atrocities (Kosovo and, to some extent, Libya). All these missions have required rapidly deployable expeditionary capabilities. And, with the exception of Libya, the initial intervention was followed by a longer-term ground force presence.

As noted above, today's crisis-management challenges are focused principally around the Middle East and North Africa. Yet the experience in Afghanistan, as well as other operations, indicates that success on the ground requires a comprehensive effort involving the provision of military security as well as commensurate improvements in local governance and, in some instances, economic conditions. These latter tasks are well beyond NATO's military remit. Therefore, the organization must not only be capable of performing expeditionary military operations; it must also be able to work closely and effectively with other partners on the ground, including host governments, other international organizations such as the United Nations, the EU or the African Union, non-governmental organizations and non-NATO partners, in order to manage crises effectively and prevent their recurrence.

Ensuring the longer-term success of future NATO crisis-management operations will still require a number of capabilities that are rapidly deployable, sustainable and able to operate effectively in the grey areas that characterize that space between war and peace which is most often found in crisis-management scenarios.

Ensuring the longer-term success of future NATO crisis-management operations will still require a number of capabilities that are rapidly deployable, sustainable and able to operate effectively in the grey areas that characterize that space between war and peace which is most often found in crisis-management scenarios. These include intelligence-gathering capabilities focused on understanding the interpersonal and inter-tribal dynamics of local populations as well as personnel capable of helping military forces plan, liaise and coordinate with non-NATO actors on areas outside its core competence.

As with deterrence, crisis management also requires quick decision-making in order to respond to swiftly changing environments. This is true in the political and military arenas. NATO must find ways to improve on its decision-making structures and processes, to allow it to respond more effectively to such events. While much progress has been made (as Secretary General Rasmussen noted recently, it took six months for NATO to agree to respond to the events in Bosnia, but only six days to respond to those in Libya²⁴), much more is still needed. This is particularly true with respect to how NATO's crisis-management operations are conducted: political-level consensus has often been required for approval on operational or tactical-level matters, often constraining the ability of military commanders to act – or react – quickly to changing developments on the ground.

²⁴ Rasmussen, 'Future NATO'.

Resilience

A necessary, yet often overlooked aspect of defence planning pertains to a state's ability to withstand and recover from a catastrophic attack or accident. By demonstrating that such an event would not critically impair its functioning or change its decision-making, the rationale for an attack is ultimately undermined. Building resilience is therefore a critical task for NATO as a whole, as well as for its partners; NATO can and should assist with the latter.

Building resilience within NATO

Given the myriad strategic challenges that NATO members face, resilience to threats must be built in a number of areas, including withstanding an attack on a member's territorial integrity as well as the ability to recover from cyber and terrorist attacks. It further includes managing the consequences of restricted energy supplies and economic shocks or downturns, which can often be used as an instrument of leverage against NATO members (or partners). Increasingly, given the instability on NATO's eastern and southern flanks, member states must also be able to handle potentially significant migration and refugee flows.

In many, if not most, cases NATO will not take the lead on activities to build resilience. It must partner with other agencies, including the justice ministries, foreign offices, treasuries and intelligence agencies of member states, in order to build a cohesive and coherent resilience strategy. NATO must also work with other multilateral organizations, such as the United Nations, World Bank and EU as it does so.

Effective consequence management does have an important military component, particularly in the event of a catastrophic attack where military forces are often called upon to support first responders, such as fire brigades and police. But there are also aspects of resilience for which the military must lead cross-governmental emergency responses. Building the capacity to respond to and counter a radiological or nuclear device starts with the military. So too, resilience in the cyber world requires strong engagement between the military, civilian government and private sector.

One of the most important aspects of resilience, particularly among NATO members, is political in nature. While there is a strong role for the military in building resilience in advance, it is often the political response to an attack, which the military can support, that matters most. Military actions provide the reassurance to politicians that they will be able to withstand such an attack. But this requires significant political coordination and collaboration among allies and partners before a crisis takes place. Without this, political leaders are left responding on the hoof and are thus more uncertain at times when what is most needed is clarity. This, however, can be provided if there is a firm understanding of appropriate procedures in advance. NATO should thus consider testing more routinely the North Atlantic Council's ability to respond to a crisis (perhaps in coordination with others such as the EU), particularly through scenario-based exercises on matters that are likely to require a strong military component, such as a radiological or nuclear attack.

Building resilience with partners and neighbours

As the events in Ukraine have shown, NATO also needs to strengthen further the resilience of its immediate neighbours and other friends and partners, not least with respect to their own military and security capabilities. NATO has already done much work in this area: over the past two decades, it has built working relationships with several countries, particularly former Soviet states but also

Iraq and Afghanistan, in order to build their defence institutions and underscore key principles, such as civilian authority over military instruments. These activities are broadly labelled ‘security sector reform’. In so doing, NATO members have also established valuable military-to-military connections and partnerships.

Instability along Europe’s periphery is due in part to weakening state institutions. As government entities become less capable of managing internal security, non-state actors – including terrorist and insurgent groups – are finding ways to fill the vacuum. Thus it is important for NATO to invest in enhancing and supporting the security establishments of its neighbours. Recent events in Iraq, where the Iraqi Security Forces collapsed in the face of a smaller group of ISIS/L fighters, demonstrate not only how difficult it can be to build and sustain security institutions effectively, but also the importance NATO must give to such missions. Failure to build effective institutions can have significant strategic repercussions for NATO and its member states.

Building the capabilities of NATO’s partners and neighbours thus has the benefit of minimizing the chance that members might be called on to act outside NATO’s geographic area. It also ensures that NATO can augment its capabilities through good relationships with militaries beyond its membership wherever this is needed or useful. Furthermore, as threats and challenges are not necessarily constrained by borders, the resilience of NATO’s partners has significant repercussions for that of member states. Building this resilience in traditional and non-traditional areas is thus a vital task for NATO to meet current and future challenges.

Early warning and intelligence

The ability of NATO and its member states to predict when the next crisis will occur has been somewhat lacking; as General H.R. McMaster noted in May 2012, ‘We have a perfect record in predicting future wars [...] And that record is zero percent.’²⁵ The tendency to predict and prepare for the next attack on the basis of the manner in which the last crisis unfolded is strong. It is vital that NATO learns from, and builds on, lessons from Afghanistan, Libya and Ukraine. But the alliance also needs to draw from much of the longer-term thinking that it and its member states have been doing to focus on the less immediate but still tangible threats ahead. This requires better intelligence and early-warning capabilities.

Many NATO member states, including the United States, have recognized the decline of their intelligence on, and understanding of, Russia since the end of the Cold War. While it is impossible to say whether recent events could have been prevented had there been more and/or better intelligence and early warning, it is likely that actions could have been taken early that might have either deterred Russia or prevented the *fait accompli* in Crimea and protected the eastern part of Ukraine from what might now develop into a civil war. Equally, improving the understanding of events taking place in the Middle East and North Africa (and working with other countries in the region and further afield to do this) in order to prevent conflicts from breaking out or to mitigate them will be increasingly important.

Another lesson learned from the recent events in Ukraine is that while the threat there was not on the screens of NATO or of many Western European countries, those members that are geographically closer to Russia were very aware of it and of scenarios that might unfold. It is thus necessary not just to have intelligence, but also to be able to share it among all members. It seems clear from

²⁵ Micah Zenko, ‘100% Right, 0% of the Time’, *Foreign Policy*, 16 October 2012, http://www.foreignpolicy.com/articles/2012/10/16/why_the_military_cant_predict_the_next_war.

recent events that a better balance is needed. At the same time, even if the intelligence is shared, the member states and NATO must be willing to act on it. Sharing intelligence inevitably causes some security concerns, however, bearing in mind, for example, that a senior Estonian defence official was discovered to be a Russian mole (four Russian moles have been found in Estonia's government in recent years).²⁶

It is necessary not just to have intelligence, but also to be able to share it among all members. It seems clear from recent events that a better balance is needed.

Finally, as seen in the operation in Libya, intelligence, surveillance and reconnaissance capabilities are significantly lacking among NATO member states apart from the United States. The ability to know what is happening on the ground and then to be able to define the right response and target it accurately is a vital part of military operations, particularly when they are being conducted in a civilian environment.

Public diplomacy

While NATO and its member states are often quick to underscore the importance of effective strategic communications, in practice their public diplomacy efforts tend to be fairly reactive and are often focused on communicating existing programmes and priorities to NATO societies at large. The latter is certainly necessary but must be significantly enhanced: improving transparency between NATO's military instruments and the public is essential, particularly if members want to build support for reversing declines in defence spending. NATO needs to support member states in building an argument for the alliance and explaining why shared resources and shared burdens are so vital to addressing the traditional and non-traditional challenges that members face.

However, this is insufficient. Public diplomacy today also has another role. During the past decade of operations in Afghanistan, ISAF forces learned how imperative it is to counter the media narratives of adversaries. Winning the support of locals required ISAF, alongside the Afghan government, to be an agile and effective communicator of its progress, intentions and objectives while simultaneously refuting the arguments articulated by the Taliban and other insurgent groups on the ground. Russia's behaviour with respect to Ukraine has underscored the urgency with which member states (supported by NATO) must become more effective at 'offensive' public diplomacy, even beyond the capabilities developed for Afghanistan. Russia uses major global media outlets to propagate its narratives in order to gain legitimacy for its illegal annexation of Crimea, as well as its aggressive behaviour on the border with Ukraine. Unfortunately, NATO has, by many accounts, been slow to counter Russian arguments and narratives, thus blurring the clarity of logic and weakening the will to act in many countries.

This type of competition is likely to be an enduring aspect of conflict in the future. While the front line of public diplomacy must continue to lie with the member states (publicity is more effective when considered at a local level), NATO should play a critical role in supporting and, if appropriate coordinating, its members to counter adversaries' narratives more effectively while advancing their own.

²⁶ Michael Weiss, 'The Estonian Spymasters', *Foreign Affairs*, 3 June 2014, <http://www.foreignaffairs.com/articles/141521/michael-weiss/the-estonian-spymasters>.

4. What NATO Brings to the Table

The challenges with which NATO must grapple are considerable and the tasks that it must accomplish diverse. However, they do not constitute as great an obstacle as might at first appear. Many of the characteristics that are required for deterrence are similar to those needed to provide crisis management or to build resilience. Public support is required for all these tasks to be fulfilled to varying degrees. Thus there is significant overlap with respect to the necessary elements to fulfil the defined tasks.

NATO already brings many assets to the table that contribute to these functions. In some cases, it is uniquely qualified and able to achieve these tasks. These assets make it the most relevant organization for its members to meet many of the challenges they face today and will face in the future. Some of its most important strengths are outlined below.

Common values

NATO's greatest strength is the common values that the member states hold, which lead them often to have similar interests, bring legitimacy to the organization, and have allowed the alliance to weather crises successfully over the years. These values are underscored in NATO's founding document, the Washington Treaty. They include the belief in democracy and the rule of law, the security and freedom of its member states, and the principle of collective defence. They create a political and policy basis for an unprecedented level of military cooperation among the 28 member states.

Political legitimacy

NATO, while principally a military organization, is also an important political actor. While the assets it brings to the table are in the military domain, it is the ability of the leadership of the member states, all Western democracies, to come together and build political agreement for action that makes the institution so important today and gives its activities such legitimacy. Accordingly, while NATO's assets will remain in the military space, its value as a political entity that is looked up to and to which non-members aspire should not be dismissed. It is also in this area that many have concerns for the future as NATO's will to act is increasingly questioned. In time, however, if NATO's decision-making and its coordination with other institutions can be enhanced, this strength could become even more central as it provides a forum or path for bringing assets from other organizations to bear.

Military capabilities

While it is true that there is always room for improvement in terms of how NATO conducts its business, it remains the world's premier security organization, with military capabilities more effective than any of its potential adversaries. Member states often underestimate the capacity and capability of their military might, not just in terms of raw numbers, but also, following the coalition operations in Afghanistan, of the ability to prosecute military campaigns jointly. At its best, NATO allows its member states to contribute to operations in a manner that makes it more than the sum of its parts.

Command and control

One of NATO's greatest assets is its command- and control-system, with which it manages the military units operating under its authority. Supported by the International Military Staff (IMS), the system is the only truly integrated multinational military command structure in the world.²⁷ The importance of this accomplishment is hard to overstate. Over its 65-year history, the IMS has allowed members to exercise, train, plan and deploy together. It is quite flexible, capable of simultaneously managing a number of different operations, in a variety of different sizes and configurations. For example, in 2009 NATO was simultaneously responsible for counter-piracy operations, an Iraqi Security Force training mission, stability operations in the Balkans, counter-terrorism exercises in the Mediterranean, Baltic air-policing operations, and commanding and controlling over 100,000 ISAF personnel in Afghanistan.

Intelligence- and information-sharing

NATO has also provided its member states with an architecture for intelligence-sharing. While this can, and should, be improved, the fact that this sharing exists *at all* is a testament to the level of mutual trust and confidence allies have built over the years. Furthermore, through operations in Afghanistan, NATO has built a reasonably effective architecture through which information is shared with non-NATO partners.

Joint operations and interoperability

In large part owing to successes with the international military structure and intelligence-sharing, NATO has become an invaluable platform for NATO and non-NATO countries to operate together. Critically, these activities have taken place across all the military domains from air-patrolling to counterinsurgency and stability operations, maritime policing and collaborative cyber-defence exercises. Building on the operations and exercises conducted over the past two decades, NATO's militaries have an unprecedented level of experience in working together, both on the ground in challenging environments and at NATO headquarters to resolve political and policy disagreements on pursuing security objectives.

²⁷ UK Joint Delegation to NATO, 'NATO Summit in Wales – 100 days to go', 27 May 2014, <https://www.gov.uk/government/world-location-news/nato-summit-in-wales-100-days-to-go>.

5. What Are NATO's Limitations?

While NATO brings many capabilities to the table, it cannot do everything. Its strengths are not sufficient to achieve the tasks laid out above. And the fact that the institution comes with a number of challenges complicates its task. There are three main problems to which NATO must find solutions (or get around) in order to meet these growing security challenges and fulfil the tasks laid out for it.

The need for non-military solutions

National militaries alone cannot address many of the security challenges identified in this paper. While there is in many cases a vital role for the military, meaningful management of these issues and their implications requires a more comprehensive, cross-governmental response. For example, a critical component of deterring Russia includes economic sanctions and a reduction in Europe's energy dependence upon it. The military toolkit is necessary but not sufficient for the task. Equally, with regard to Middle Eastern instability, economic and developmental support will be a vital part of conflict prevention. Humanitarian assistance will also be required to manage refugee or migrant flows and to mitigate the spread of any conflict.

These are assets that NATO does not, and should not, control. Instead, it must work much more closely with its non-military partners in order to achieve collective security goals. However, NATO can still provide a coordinating and supporting function or, at a minimum, can help build coherence among the responses of its members, for example with regard to public diplomacy efforts.

Diverging political will and different security priorities

It is not surprising that NATO's 28 member states, each with its own interests, appetite for risk, history and geopolitical realities, perceive the emerging security landscape differently. And even in those areas where there is broad agreement about the nature or character of a threat, this does not necessarily translate into policy agreement regarding what must be done to address it. For example, while all countries involved in ISAF believed that the cultivation and trafficking of narcotics were a key threat in Afghanistan, there was considerable disagreement among them as to how they should be tackled.

Furthermore, operations in Afghanistan and elsewhere demonstrated that each country has its own appetite for risk, which was revealed in the form of different caveats, or national restrictions on the use of its forces in-theatre. While these caveats have proved a significant constraint for NATO's military commanders, ultimately they are an expression of the fact that not every member is willing to take on the same degrees of risk, particularly to their ground forces. It is worth noting that some at times also invoked caveats in order to compensate for the fact that their respective forces were inadequately trained and equipped to perform some of the required missions in Afghanistan.

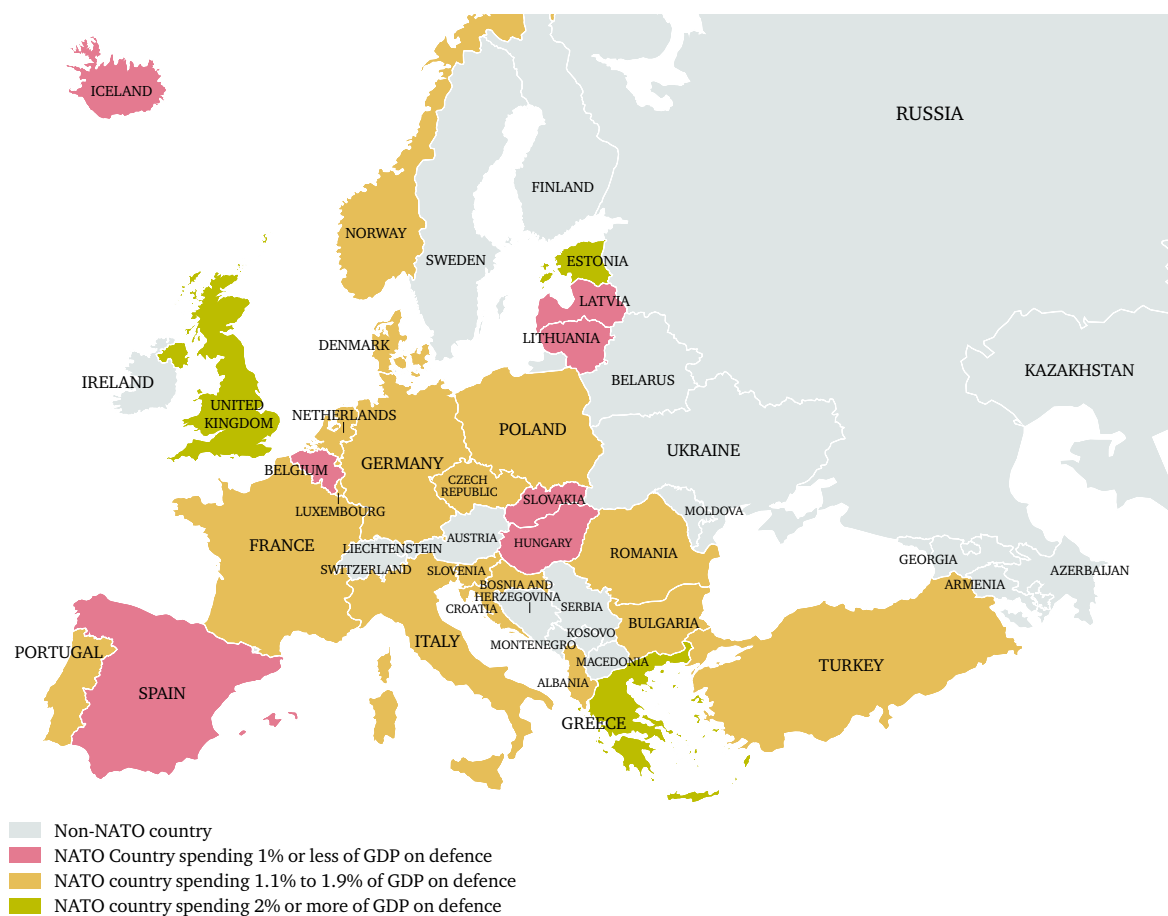
Finally, with the memories of the First and Second World Wars and the Cold War fading, the publics and at times elites in many countries no longer value the role of their militaries. They see themselves as peaceful countries in largely peaceful regions and therefore the need for building up the military is diminishing, when held up against that for jobs and the economy, or spending on education, social security and healthcare. This lack of public support for involvement in any security challenge beyond the borders of members is leading in many cases to an unwillingness on the part of leaders to argue for such a role or to insist on one. Thus a lack of political will to act arises. This showed itself most clearly in Germany's abstention from the Libya operation. Only 37 per cent of Germans approved

of intervention by international forces in Libya and 30 per cent said they were optimistic about the stabilizing effects that intervention would have.²⁸

Declining defence spending

While it is true that NATO militaries retain significant capabilities and effectiveness, serious questions have arisen as to whether that will remain true in the future, particularly given the wider range of security challenges they will face. This is for two principal reasons. First, NATO's European members have consistently decreased their defence budgets since the end of the Cold War, and particularly after the financial crisis in 2008. Despite the fact they agreed to spend a minimum of two per cent of their GDP on defence in 2006, only four members of NATO – Estonia, Greece, the United Kingdom and the United States – met that target in 2013, with France and Turkey falling just shy of it.²⁹ More recently however, in the wake of recent Russian aggression some, notably the Baltic states, are revisiting their defence spending levels.

Figure 2: European NATO countries' defence spending as a percentage of GDP



Source: SIPRI, 'Military Expenditure' as of July 2014, http://www.sipri.org/research/armaments/milex/milex_database.

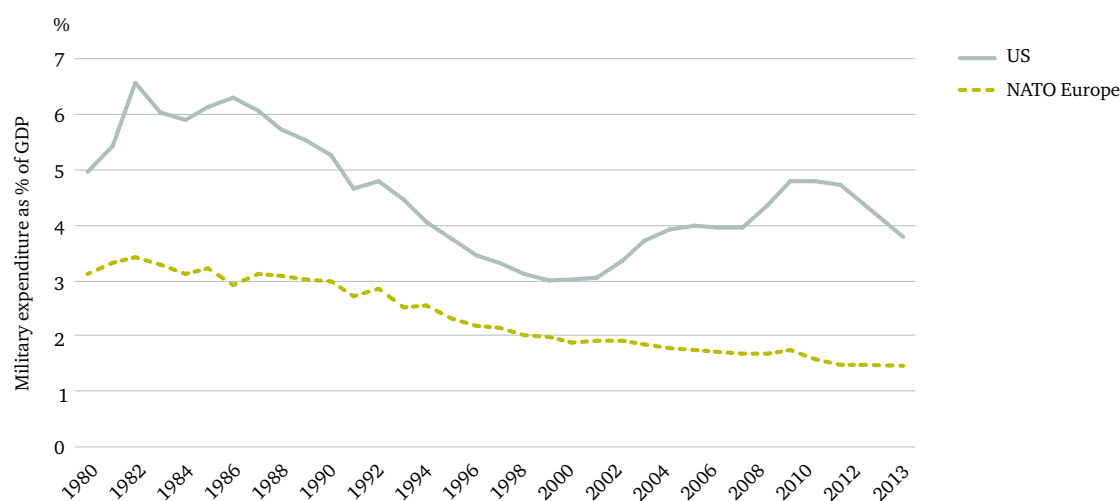
²⁸ The German Marshall Fund of the United States, 'Transatlantic Trends: Key Findings 2011', 2011, http://www.gmfus.org/publications_/TT/TT2011_final_web.pdf.

²⁹ David Alexander, 'Ukraine crisis highlights NATO defence spending problem: Hagel', Reuters, 2 May 2014, <http://www.reuters.com/article/2014/05/02/us-usa-nato-hagel-idUSBREA410EX20140502>.

Compounding the problem is the fact that downward spending trends have not been accompanied by a greater rationalization of defence spending or defence industries across Europe. Member states continue to protect their own, often duplicative, defence-industrial bases and create policies and strategies (and make acquisitions) that are independent of their neighbours and allies.³⁰ This is despite the fact that policy-makers have consistently signalled, at least politically, their intention to collaborate more effectively on defence acquisition matters. Meanwhile, industry actors are unable to devote resources to research and development (R&D), and new technologies until they have clear guidance from their customers about whether there will be sharing (in which case there might be opportunities for mergers or co-production) or whether they will be independent.

While the results have been only somewhat damaging to date, that is unlikely to remain true in the future. The challenge is compounded by the fact that a number of European NATO states spend over 50 per cent of their military budgets on personnel and less than 15 per cent on defence investment, including procurement and R&D.³¹ Furthermore, the United States' 'pivot' to Asia, and its across-the-board defence budget cuts ('sequestration') are significantly constraining its ability, politically and militarily, to compensate for capability gaps emerging from reductions in European defence expenditure. Looking ahead, NATO's member states will need not only to increase spending on defence, but also to find even greater efficiencies in their defence spending through other activities, including better collaboration with allies on defence acquisition, particularly on critical capability shortfalls such as strategic lift, air-to-air refuelling, drones, ISR and precision munitions.

Figure 3: NATO military expenditure as a percentage of GDP: US vs Europe



Source: SIPRI, 'Military Expenditure' as of July 2014, http://www.sipri.org/research/armaments/milex/milex_database.

³⁰ For more detail on these dynamics, see Antonio Missiroli, 'Enabling the Future, European Military Capabilities 2013–2025: Challenges and Avenues', EU Institute for Strategic Studies, 6 May 2013, <http://www.iss.europa.eu/publications/detail/article/enabling-the-future-european-military-capabilities-2013-2025-challenges-and-avenues/>.

³¹ European Defence Agency, 'National Defence Data 2012 of the EDA Participating Member States', February 2014, <http://www.eda.europa.eu/docs/default-source/finance-documents/national-defence-data-2012.pdf>.

6. What Improvements Are Needed?

NATO is an absolutely vital actor in addressing the challenges laid out in the first part of this paper. It is the central player in achieving effective deterrence and crisis management. And it plays a significant (and sometimes the main) role in building resilience, contributing to early warning and intelligence, and supporting the role of member states in public diplomacy.

NATO brings notable strengths to the table that should not be underestimated. Its military power is unmatched even while it is hobbled by processes that slow its response or limit its efficiency. The legitimacy and credibility it brings to the table, based on its common values, are strengths that are self-evident as non-members urge a closer partnership following Russia's assertiveness.

However, it also faces challenges to which it must find solutions. It needs to increase its resources in the military and non-military spheres and partner with others to bring them to bear. And it needs to explore ways to make faster decisions to respond to events before they get out of control.

In order to overcome the different obstacles and to meet its growing needs, NATO must become significantly more flexible and agile than it has been before. It has been able to adapt to new security requirements emerging in Afghanistan and the Balkans, for example. But agility in the future will mean an ability to manage simultaneously even more diverse and complex security challenges. NATO will need to find new or additional capabilities to meet each of the five 'task' areas outlined above: deterrence and reassurance, crisis management, public diplomacy, resilience and early warning and intelligence.

In order to overcome the different obstacles and to meet its growing needs, NATO must become significantly more flexible and agile than it has been before.

Shaping NATO so that it possesses the characteristics outlined above is, in many ways, more about improving its business practices than significantly increasing resources allocated to defence matters (although increasing defence budgets, or at least halting their decline, is also required). In other words, NATO will go a long way towards accomplishing this vision if it is allowed to become smarter in the way it manages itself and its portfolio of responsibilities.

Yet what, specifically, should NATO do to improve its flexibility? It must focus on improving its ability to act in areas that are broadly applicable to addressing a variety of the security challenges facing its members, while simultaneously underscoring its political credibility in terms of being able and willing to act in its interests. These areas include, but are certainly not limited to, devising ways to streamline decision-taking, enhancing interoperability, revisiting command and control structures, improving early warning and intelligence capabilities, and prioritizing public diplomacy capabilities.

NATO's internal changes

Consider lowering the threshold for some decision-making to less than 28 members

As discussed above, countries have different national security priorities based in large part on their own geopolitical realities, interests and histories. At the same time, as very few can afford to field full-spectrum capabilities, especially in the wake of fiscal austerity, they will tend to emphasize one role over others. Poland, for example, is likely to prioritize collective defence over crisis management,

while others might do the reverse. Given the myriad tasks that the alliance must accomplish, a new form of burden-sharing, wherein smaller groups of NATO members take the lead on tasks most critically important to advancing their own security interests, may be required to take advantage of these differences. In so doing, advances in any one area will meaningfully improve the alliance's collective capabilities to address flexibly any number of contingencies. Specifically, while NATO's consensus principle for undertaking any particular strategic-level decision should remain, it is worth considering whether consensus between the 28 members is required for more operational and tactical issues. The alliance needs to consider what the threshold for 'sub-28' decision-taking might be, as well as for which issues this sort of decision 'caucusing' might be most appropriate.

Without careful management, these differences in priorities could become centrifugal forces that tear the alliance apart. But, as NATO's track record suggests, it is capable of managing these dynamics. Through initiatives such as Smart Defence, smaller groups of countries are encouraged to collaborate on acquiring defence goods and matériel. Such differentiation is already taking place in the field. The operations in Libya were undertaken by a limited group of NATO and non-NATO countries and, in the case of Afghanistan, key national security leaders met in smaller groups based on the region of the country in which they were operating to discuss specific challenges.³²

While solidarity is critically important, it can be expressed in a variety of ways beyond the 'in together, out together' mentality that has largely governed NATO's business practices. Enabling NATO to be the kind of adaptable actor that members require means touching on sensitive matters of national sovereignty on the one hand and allied solidarity on the other. Taking decisions at less-than-28 would mean members having to give up some of their sovereignty. Yet that risk must be balanced against the fact that NATO members are increasingly unable to act alone; and without greater agility in decision-making among allies it may become quite difficult for them to advance their own specific objectives. Clearly there must be limits to this concept; however, where smaller groups have the interests, capabilities and will to act and while others' interests are not (or not significantly) affected, models that allow them to do so under the NATO umbrella should be found.

Perhaps more problematically, NATO is understandably reluctant to make any move that might be perceived as eroding the political solidarity among member states and the credibility and legitimacy that come with this (as well as, of course, the deterrence effect). This is, however, a manageable challenge. Allies need one another in the long term, but from a military perspective not all of them are necessarily required to act in every operation or contingency. Such a military division should not necessarily presage a political split. An explicit split might, in fact, provide benefits on both sides. Fewer different militaries in an operating environment can actually be easier to manage logistically (assuming there are sufficient assets). At the same time, politically signalling a decision to act, while not necessarily putting boots on the ground, might also be easier for leaders.³³ Thus, rather than defining 'burden-sharing' in crude terms such as defence investment or national troop allocations, NATO might more usefully consider whether members are sufficiently investing in the capabilities needed to address their own, differing security priorities, in a manner that enhances overall allied security. NATO will need to be careful to ensure this does not mean that some never provide assets, but this arguably should be easier to resolve than the consequences of not acting at all or too late for NATO as a whole.

³² Donna Miles, 'Gates to Meet with Allies, Discuss Afghanistan Mission', American Forces Press Service, 20 November 2008, <http://www.defence.gov/news/newsarticle.aspx?id=52034>.

³³ In the case of the Libya operation, this would have meant that Germany could have approved the operation at the outset, but still not engaged in it militarily.

Improve interoperability

Over the past two decades, most military intervention operations have been conducted in a multilateral context – if not in the initial invasion phases, then during follow-on stability operations. Given fiscal austerity, and the commensurate reductions in full-spectrum military capabilities across the alliance, and the nature of the challenges its members will face, it is likely that all NATO military operations – from deterrence to crisis management to capacity-building – will continue to be conducted in a coalition context. Yet each member has its own strengths and weaknesses, comparative advantages on the battlefield, doctrine, training and logistics. As a result, orchestrating the contributions and synchronizing them to achieve effects on the ground is extremely difficult. Thus improving interoperability among members and with partners becomes even more critically important. The ‘Connected Forces’ initiative, announced at the Chicago Summit in 2012, is an important step towards this aim, particularly post-Afghanistan. Yet there are a number of further steps that members, and the alliance itself, can take to improve interoperability:

Undertake an interoperability top-down, bottom-up review. NATO and its member states need to take a hard look at how they do business across their respective defence enterprises and determine whether their practices help or hinder interoperability with likely coalition partners. While states will be loath to change long-held processes, if they expect and want NATO allies to provide resources and collaborate, they will increasingly need to explore how to facilitate convergence between their systems. Questions to such an end include:

- Does military doctrine effectively prepare members’ forces to operate in a coalition context?
- Are members purchasing equipment that can ‘plug and play’ with other coalition partners’ capabilities?
- How do members’ legal restrictions on the use of force enhance or detract from coalition coherence?
- What capabilities shortfalls consistently arise when prosecuting operations and how can they be addressed collectively?

Prioritize multinational exercises. All too often, interoperability is thought of as a problem that requires technological solutions. While these might be necessary, they are not the answer to improving cohesiveness across a multinational force. Familiarity with the similarities, differences and comparative advantages between NATO members is required, all of which can be built through multinational exercises. Effective exercises can also help members identify and solve operational-level kinks (such as differences in information- and intelligence-sharing) prior to testing in the battle space. Accordingly, recent initiatives to rotate US Brigade Combat Teams through NATO training facilities should be enhanced, and mirrored in the air and maritime domains. For example, NATO should consider undertaking exercises that better mirror real-world, 24/7 conditions. Exercises will be particularly important as activities wind down in Afghanistan and the opportunities to work together, which over the past decade have significantly enhanced NATO’s interoperability, will soon be lost.

It is also vital, given recent events, to ensure that when exercises take place, more resources are brought to bear by more allies. The recent Steadfast Jazz exercise in November 2013, while bringing together NATO countries, saw very small contributions from a number of them, including the United States,

which supplied 160 personnel, and Germany, which supplied none.³⁴ This weakened its impact on improving interoperability and its potential deterrence effect. It will be particularly important that such exercises include some of the more vulnerable NATO members as well as the alliance's partners, and that they take place in those regions where operations are most likely to be needed (such as on the periphery of NATO). Public discussions regarding concerns over 'provoking' potential adversaries (such as Russia) are overrated and set a precedent that such adversaries can restrict the actions of the alliance. To counter such a trend, NATO needs to conduct multinational exercises with greater regularity.

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Identify and learn from sources of friction in coalitions. Improving the way militaries fight requires effectively capturing and disseminating the lessons learned from operations. The same is true for improving how NATO members fight alongside one another. Allied Command Transformation (ACT) has the lead within NATO for development of doctrine, training and so on for the alliance, and in this capacity can do more to promulgate standards and lessons learned across the 28 members. In particular, the Joint Analysis and Lessons Learned Center (JALLC), which reports to ACT, has worked to share best practices among militaries in areas such as strategic communications and civilian–military coordination. But to really improve allied interoperability, the JALLC should focus more proactively on understanding the sources of friction that arise when countries work together in the battle space. In turn, those lessons should be pushed to NATO's operational headquarters and member states' capitals in order to better inform defence planning and preparation for multinational operations.

Use the NATO Response Force to implement interoperability standards. While NATO has its own standardization agency whose remit is to develop common standards so that allies can 'plug and play' together, their implementation is a largely national responsibility. As a result, national contingents often find themselves unable to work effectively with those of other NATO members; incompatible communications platforms are one notable example. Without a 'forcing function' requiring member states to adopt these common standards, implementation remains uneven. NATO therefore ought to consider using its force-certification process, particularly NATO Response Force certification, as a mechanism to promulgate common standards. It should also consider how to develop and implement such standards for maritime and air domains.

Plan and position together

Currently, NATO's defence planning is a largely mechanistic process in which national capabilities are inventoried, and then matched to planning scenarios. This is necessary but not sufficient if it is to address emerging challenges meaningfully. NATO's member states must work much more collaboratively in their own national strategic reviews as they respectively pursue their own defence planning processes. This will not only help ensure that the alliance has a better understanding of future defence priorities and national trade-offs, but also enable it to look across its diverse

³⁴ Judy Dempsey, 'What NATO's Steadfast Jazz Exercises Mean for Europe', Carnegie Europe, 31 October 2013, <http://carnegieeurope.eu/strategieurope/?fa=53467>. The US army states that 250 troops were provided. 'Exercise Steadfast Jazz', US Army in Europe, <http://www.eur.army.mil/SteadfastJazz/>.

portfolio of defence activities and flag areas of under-investment early on. Member states need to be able to resolve together how they will meet not only their own national needs but also the needs of the broader coalition. Achieving a more effective planning process would also involve building an enhanced capability for early warning and, crucially, intelligence- and information-sharing among allies. NATO must then develop better mechanisms by which members' civilian and military capabilities are meaningfully inventoried and matched against those requirements.

Another planning consideration for NATO is whether its current 'Level of Ambition', its top-level guidance regarding what its command structures ought to be prepared to do, sufficiently captures the scope and breadth of the contingencies that the alliance must be prepared to conduct. Currently, the Level of Ambition is defined as:

NATO being able to provide command and control for two major joint operations (such as the NATO-led operation in Afghanistan) and six smaller military operations (such as Operation Active Endeavour in the Mediterranean) at any one time.³⁵

Yet this Level of Ambition was agreed under very different strategic circumstances. NATO would therefore be wise to consider whether these are the right planning parameters, especially as it is increasingly likely that it will need to perform crisis management, collective defence and defence capacity-building operations simultaneously.

Years of defence cost-cutting have resulted in a significant whittling down of NATO's command structures. At the Prague Summit in 2002, it decided to reduce its number of command centres from 39 to nine. The most recent reduction in NATO's command structures was decided upon in 2010; by the end of 2015, it is expected to realize a reduction of 30 per cent of its personnel.³⁶ Yet all of these decisions to reduce its military footprint across Europe were taken under the assumption that Russia was an increasingly benign actor. The alliance should therefore consider whether all its decisions to reduce command structures are still appropriate. As a review is conducted on how to improve interoperability (see above), one of the questions that should be explored is whether NATO's military structures are sufficiently sized and structured to meet the diverse needs of its members.

Finally, a key part of deterring an increasingly aggressive Russia is likely to involve revisiting NATO's basing and posture decisions across Europe. Allies' stationing of their troops in Central and Eastern Europe is one way to ensure that an attack, or probe, on NATO's eastern flank is an attack on all. Doing so, however, must not come at the expense of NATO's ability to rapidly respond to crises in the Middle East and North Africa. Pre-positioning of equipment across Europe is being considered, so that allies can more rapidly respond to either contingency. This is a necessary, but not sufficient, step. NATO members must consider what kind of posture, including forward stationing of multinational troops in Central and Eastern Europe, will send the right political signals to Russia while simultaneously improving their collective capacity to act in crises.

Buy together

At the end of the day, these initiatives will matter little if NATO cannot muster the hard defence capabilities necessary to underscore that it is a serious security actor. And doing so will be increasingly difficult, especially if defence budgets continue to decline. At a minimum, declines in defence budgets

³⁵ The North Atlantic Treaty Organization, 'Secretary General's Annual Report, 2011', 26 January 2012, http://www.nato.int/cps/en/natolive/opinions_82646.htm.

³⁶ The North Atlantic Treaty Organization, 'Allied Command Operations' http://www.nato.int/cps/en/natolive/topics_52091.htm.

must be halted. At the same time, NATO and its member states must become vastly more effective when it comes to resourcing critical military capabilities. In part, this will follow from an improved planning and strategy formulation at NATO; allies might therefore be able to compare and collaborate upon future capability acquisition and divestment. However, as defence budgets remain stagnant at best, NATO ought to consider whether its current budgetary arrangements for common funding are structured to maximize efficiencies: there might be fiduciary decisions wherein consensus ‘at 28’ decisions might not necessarily be required.

Augment and centralize public diplomacy

If NATO is to achieve any of its ambitions, it must secure greater political and public support in its member states. Followers of NATO discussions will readily note that this is an objective that is as enduring as it is elusive; that publics simply do not ‘get’ the importance of defence and national security matters. For example, around 60 per cent of the publics in NATO countries admit to knowing little or nothing about the alliance.³⁷ Looking forward, NATO must shake this pernicious attitude. Improving NATO’s public diplomacy capabilities is a necessary step, but it must be accompanied by a shift in mindset regarding the role and centrality of public diplomacy. Relations with publics and, critically, members of parliaments must be prioritized as a central, rather than ancillary, effort. Without support for NATO among the public, it will be hard to persuade parliaments and leaders to take the necessary steps, and make the financial decisions, that NATO needs to ensure its strength. Nor, without a clear understanding of NATO’s value, will leaders be able to make even small steps towards sacrificing their current absolute sovereignty to realize the benefits of coordination.

Improving NATO’s public diplomacy capabilities is a necessary step, but it must be accompanied by a shift in mindset regarding the role and centrality of public diplomacy. Relations with publics and, critically, members of parliaments must be prioritized as a central, rather than ancillary, effort.

Arguing the case for NATO is something that is best done at a local level and therefore should be the responsibility of each member state. However, there are lessons learned that can carry across between states, and some arguments and activities that can be used among many, if not all. To that end, NATO needs to enhance its public diplomacy capabilities, and recognize these activities as centrally important to all alliance efforts, in order to facilitate this shift in mindset and priorities among member states. It must engage much more meaningfully with the NATO Parliamentary Assembly, prioritizing its interaction with that group as a central effort. It is worth noting that NATO’s annual public diplomacy budget is relatively modest (€10 million) in comparison with the European Commission’s annual communications budget of €500 million (including information offices in all member states).³⁸

NATO and its member states must also think creatively and collaboratively about how they can best augment their own public diplomacy capabilities to more effectively counter their adversaries’ narratives. The views that NATO articulates must be consistent with the will and intentions of all 28 member states, and this makes it somewhat difficult for it to be too forward-leaning. But certainly more can be done to help member states more effectively contend with the dynamics of

³⁷ NATO Roundtable conducted at Chatham House, 9 May 2014.

³⁸ Ibid.

contemporary information warfare and improve their own strategic communications. In this respect, NATO needs also to think of this as a capability that it can provide to members and to NATO's partners, along with other more traditional training and capacity-building.

Increasing military capabilities beyond NATO

Given the transnational nature of the challenges facing the allies, as well as the often-limited utility of military force in addressing these challenges, NATO must also, as stated above, serve as a platform for collaboration with partners beyond the alliance itself. It must possess the capability to tailor its partnerships to the contours of the actor with which it is working.

NATO must expand its mandate for improving interoperability among allies to improving coordination and interoperability with the broader community of international actors with a stake in the achievement of common security objectives – from crisis management on the ground to pursuing collective defence strategies in headquarters. It must continue to identify partners with similar interests in particular areas and work on unique, tailored strategies to build interoperability in these areas of mutual concern.

As the recent collapse of the Iraqi Security Forces demonstrates, NATO must also enhance its longer-term efforts to build capacity and reform host-nation security institutions through efforts like NATO's training missions in Iraq and Afghanistan. Where possible, NATO needs to continue to build the capabilities of other nations, particularly in its periphery or in other areas of direct interest to member states, if it is to achieve its goal to enhance security and minimize the chance that it will be needed to support stability beyond its borders.

Bringing non-military capabilities to bear in collaboration with others

Even if NATO seeks to cultivate deeper ties with other international organizations and non-NATO partners, the reverse may not be the case. For example, cooperation between the European Union and NATO has previously been weak, even to the point of working at cross-purposes at times (albeit inadvertently – the situation in Ukraine being a notable example). Building trust and cooperation among international organizations will take time, and NATO will need to examine its own internal processes to determine whether it is effectively encouraging other non-NATO partners to collaborate and what more it might do. This is especially true with respect to strategy formulation and planning, an issue that became critically important as participation in ISAF grew well beyond NATO alliance membership.

It is worth noting that more effective collaboration between the European Union and NATO would go a long way towards advancing European, and transatlantic, security objectives. The major stumbling block towards achieving that cooperation, however, is the Cyprus issue. NATO, including key leaders in member capitals, must therefore renew efforts to resolve the Cyprus issue as a matter of urgency.

There are other actors with which NATO should engage, such as the OSCE, the Organisation of Islamic Cooperation (OIC), the World Bank, the IMF and the Association of South East Asian Nations (ASEAN). These organizations bring other assets to bear beyond the military, not least of which can be additional legitimacy and deterrence. And it is not just other institutions with which NATO should explore relationships but other governments with non-military assets – and even, potentially, non-governmental organizations. It will often need to work on the ground with these types of organization and, to the extent that it has effective working relationships, this could make significant differences in the efficacy of the response.

7. Conclusion

NATO continues to be a vital organization that brings together the transatlantic partners to pursue their mutual interests of freedom, security and prosperity. However, these interests are increasingly vulnerable to a variety of old and new threats, the interconnections of which are becoming more complex.

With the end of operations in Afghanistan, the recent events in Ukraine, and more broadly the changing trends in the security arena, from the use of new techniques or tools such as ‘hybrid warfare’ or cyber-attacks to new challenges in energy and economic areas, NATO needs to do more and to do it more effectively. Its long-standing challenges remain, but the way they are sometimes manifest has changed. And this means that NATO needs to change with them. Its mission is just as important as it has always been, but how it achieves that vision needs further reflection.

Part of the answer is more resources – NATO’s member states need to reverse the downward trend in military spending. But much can be done to better focus NATO against the new threats, find efficiencies, and rethink its processes to respond more effectively to the challenges in new ways. Fundamentally, despite decreasing resources, NATO needs to become more agile and flexible.

The upcoming Wales Summit on 4–5 September 2014 is an action-forcing event that can provide NATO with a new path forward. This opportunity must be grasped. While NATO will undoubtedly need to make some strong statements in order to underscore its capability and credibility in response to the Russian threat, more critically, it must lay the foundations for a future alliance that is capable of managing the new challenges it faces today and in the future. This paper aims to contribute to this conversation.

Annex: National Threat Perceptions Methodology

In order to begin understanding how nations prioritize the different national security challenges they face, the Chatham House research team conducted a preliminary multi-phase survey:

- In the first instance, the national security and defence statements of ten different NATO members – the US, UK, Canada, Italy, Turkey, Poland, France, Germany, Norway and Spain – were reviewed. From this review, a list of national security priorities (‘attacks on allies’, ‘organized crime’ and so on) was derived.
 - Once the list was developed, weight was assigned (0–3) to the different threats, based on the degree of emphasis placed on the threat within the strategy document.
- Next, the Chatham House team asked national security experts from across NATO capitals to review the list, and to assign what they felt to be their nation’s prioritization of the different challenges and regions. Thirty anonymous surveys were completed.
 - Participants were asked to assign each challenge or region to one of four levels of priority:
 - blank if the threat was not a priority,
 - X for a lesser priority
 - XX for a medium priority
 - XXX for a high priority
 - Participants were also given the option to add in a threat their country prioritized that was not listed, and to also assign it a relative weight consistent with the above guidelines.
 - Expert survey results were then assigned a numerical weight, from 0 to 3.
- Each survey result was then recorded individually, by member state, and combined with the relative score assigned by the official national strategy documents of a given country. Based upon feedback from roundtable experts on research design, the results were averaged using a weighted mean, giving greater relative weight to the results of expert surveys.
- Any threat for a nation that received an averaged weight of between 2 and 3 was deemed a ‘high’ priority, and included in Table 1 in the report. As such, that table only reflects those issues believed to be *critical* national security priorities. The actual data results are detailed below.

It should be noted that owing to the limitations of this research, and in particular the small sample size, these data should be treated as illustrative and a basis for further research. More work is required to refine this data set, particularly expanding the sample size, which is beyond the scope of this research project. Yet given the expertise of the experts surveyed, all of whom are noted national security professionals, these preliminary results are instructive.

Table A1: Comparison of national security priorities of 10 NATO members, March–May 2014

	USA	UK	France	Germany	Canada	Norway	Turkey	Italy	Poland	Spain
Themes										
Violations of territorial integrity	2.07	2.33	2.00	1.56	1.67	2.00	2.78	1.00	2.33	2.00
Crises emanating from failed and failing states	1.93	2.33	2.67	1.56	2.00	1.33	1.78	2.50	1.33	1.75
Attacks on allies	2.60	2.05	2.67	2.11	2.33	2.00	1.22	1.50	2.33	2.25
International terrorism	2.60	2.52	2.67	1.33	2.33	2.00	2.56	2.50	1.33	2.75
Organized crime	1.33	1.52	2.33	0.67	1.00	0.67	2.00	2.75	1.00	2.25
Climate change and natural disasters	1.07	1.86	2.33	1.56	1.67	1.33	0.78	2.25	1.67	1.50
Resource scarcity, including energy security	1.20	1.19	0.33	1.89	0.67	0.33	2.22	2.50	3.00	2.25
Migration and refugees	0.40	1.10	1.33	1.44	0.67	1.33	2.67	3.00	1.00	1.75
Space security	2.07	1.24	1.33	0.44	0.67	0.33	1.11	0.25	1.00	0.25
Cyber security	2.73	2.43	2.67	2.33	1.67	2.00	1.33	0.75	2.67	2.25
Pandemics	0.67	1.67	1.00	0.78	1.33	0.33	0.00	0.25	0.67	0.25
Civil nuclear disaster	1.07	0.90	1.33	0.67	0.67	0.67	0.00	0.50	1.00	0.75
WMD and missile proliferation	2.60	2.24	2.00	1.67	2.00	1.00	1.89	2.25	2.33	1.75
Challenges to global trade	1.33	1.29	1.00	2.33	1.33	0.67	0.78	1.25	0.67	1.50
Piracy	1.53	0.76	1.00	0.44	0.67	1.00	0.00	1.75	0.67	1.50
Counter narcotics	0.13	0.19	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00
Homeland Defence	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Regions										
Sub-Saharan Africa	0.60	1.29	3.00	0.67	0.67	0.33	1.22	1.50	0.67	1.00
Russia/Eastern Europe	1.27	2.24	1.67	2.11	1.67	2.33	1.67	2.75	3.00	1.50
Middle East/North Africa	2.60	2.38	3.00	1.11	1.67	0.67	2.78	3.00	1.33	3.00
Afghanistan	1.73	1.81	1.00	2.11	1.33	0.67	1.44	1.25	1.00	1.00
Indian Ocean	0.73	0.76	2.00	0.44	1.00	0.00	0.00	0.50	0.67	0.00
Arctic	0.93	1.19	0.33	0.44	1.33	2.67	0.00	0.25	1.67	0.00
Pacific	2.47	0.67	1.67	0.67	2.00	0.00	0.00	0.25	0.67	0.75
Western Hemisphere	1.60	1.05	0.67	0.89	2.33	0.33	0.67	0.75	0.33	2.75
Western and Central Europe	0.53	0.95	1.00	0.00	1.00	0.00	0.00	0.00	0.00	1.50
Eastern Partnership countries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Latin America	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.25

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Acknowledgments

This paper is the culmination of a series of roundtables, interviews and other research that has taken place at Chatham House during 2014.

The authors are grateful to Dr Robin Niblett, Dan Fata, Dr Janine Davidson, Martin Michelot, Dr Christian Mölling and James de Waal for their comments and reviews. This project also benefited from the assistance of Courtney Rice, Richard Gowing, Stephanie Popp, Rory Kinane, Dr Jacob Parakilas, Margaret May and Dr Nicolas Bouchet from Chatham House.

In particular, the authors would like to thank NATO Public Diplomacy, the UK Foreign & Commonwealth Office and Canadian National Defence for their generous support that made this project possible.

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