

Research Paper | Summary

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NATO: Charting the Way Forward

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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.

About the Authors

Xenia Wickett is the Director of the US Project and the Acting Dean of the Academy for Leadership in International Affairs at Chatham House. From 2009 to 2011, she was the Executive Director of the PeaceNexus Foundation in Switzerland. Prior to this, she was Executive Director of Harvard Kennedy School's Belfer Center for Science and International Affairs, Director of the Project on India and the Subcontinent, and a member of the Board of the Belfer Center. From 2001 to 2005, she worked in the US government, including at the State Department on issues ranging from non-proliferation to homeland security and South Asia. She also helped to set up the Homeland Security Office in the Office of the Vice President, and was Director for South Asia at the National Security Council.

Xenia studied at Oxford University and received a Master's Degree at Harvard University's Kennedy School. She is the author of numerous articles and op-eds, as well as several reports for Chatham House: *Prepared for Future Threats? US Defence Partnerships in the Asia-Pacific Region*, *The Next Chapter: President Obama's Second-Term Foreign Policy*, *Elite Perceptions of the United States in Europe and Asia* and *Asia-Pacific Security: A Changing Role for the United States*.

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Kathleen has written commentary and articles on national and international security issues in publications including the *Atlantic Monthly*, *Defenseone.com*, *Foreignpolicy.com*, the *Washington Quarterly*, *Defense News*, *Warontherocks.com*, and the *Washington Times*, and was a contributing author to several CSIS studies and reports. She was awarded her MSc in International Relations from the London School of Economics in 2002.

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