



**Atlantic Council**

BRENT SCOWCROFT CENTER  
ON INTERNATIONAL SECURITY

# **NATO** **IN AN ERA OF GLOBAL** **COMPETITION**

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# NATO

**IN AN  
ERA OF** GLOBAL  
COMPETITION



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# FOREWORD

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**T**he transatlantic community faces several challenges of historic proportions. When the North Atlantic Treaty Organization convenes its leadership summit in Wales this September, it will confront one of the most serious sets of challenges since its birth in 1949 over how to respond to a newly aggressive Vladimir Putin, whose Russia has annexed Crimea and continues to apply increased security and economic pressures not only on Ukraine but also on other neighboring countries.

At the same time, security threats proliferate across the Middle East, further destabilizing and inflaming a region that borders Europe. Sectarian violence overwhelms Iraq even as Syria enters the fourth year of its civil war, with no end in sight. Western intelligence agencies record a rapidly growing number of foreign fighters in the region, raising the prospect of trained terrorists with Western passports.

Even as the threats escalate, defense budgets and domestic political will to tackle these rising challenges have been contracting among NATO countries. NATO may remain the most successful alliance in history—having unified the West against the Soviet challenges after World War II, having embraced Europe’s new democracies at the Cold War’s end, and having embraced new challenges thereafter in the Balkans, Afghanistan, and Libya. Yet if NATO doesn’t adjust rapidly to these new threats, it risks irrelevance.

The Atlantic Council commits itself to asking the tough questions required by historic times that will be increasingly turbulent, disruptive, and competitive. As an alliance of democracies, how do NATO leaders rally their populations around the tough decisions that are necessary? As a transatlantic institution forged for a different era, can NATO recharge its batteries and rethink its focus in a rapidly changing world?

It is in that context that we undertook the eighteen-month effort to address these questions with our Norwegian partners. Events on the ground severely challenged the experts we convened and the project team even as they worked through drafts of the attached report. The findings are compelling and excellent, but—as it is with the Alliance as a whole—continuous work will be required to keep up with a world that frequently confounds the best minds.

Our hope is that, through this work and the influential community we convene, we can help NATO countries not only to react to events but also to proactively shape the future. What galvanizes the Atlantic Council is a conviction that the Atlantic community’s importance as a stabilizing factor grows in just the sort of uncertain world we face today. There is no better time for this exploration of NATO’s strategic tenets and how it should approach its future roles, missions, and capabilities.

This project on “NATO in an Era of Global Competition” is a joint effort between the Atlantic Council and the Norwegian Institute for Defense Studies (IFS). We owe enormous thanks to Michael Mayer, senior fellow at IFS, and his impressive team for their input, insight, and intelligent contributions. Thanks as well to the Atlantic Council team that led this project: Barry Pavel, an Atlantic Council vice president and director of our Brent Scowcroft Center for International Security, Simona Kordosova, and Robert Gramer. Scowcroft Center Deputy Director Magnus Nordenman, among other roles, served as rapporteur. Thanks in particular to Atlantic Council Senior Fellow Ian Brzezinski and board member Walter B. Slocombe for their substantive leadership.

Most importantly, we thank the Norwegian Ministry of Defense for their partnership in this significant, ongoing work. In particular, we want to thank Svein Ejfestad, Arild Eikeland, John Andreas Olsen, Keith Eikenes, and Christine Engh Fjeldstad. Our many interactions and conversations throughout this project have been highlights of this effort. Norway demonstrates every day its commitment not only to a strong NATO but a strong transatlantic relationship in all its dimensions.



**Frederick Kempe**  
Atlantic Council President and CEO

# EXECUTIVE SUMMARY

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**A**s NATO winds down its long combat operation in Afghanistan, the Alliance is facing a new and dynamic security environment that is more strategically constraining and competitive than at any time since the end of the Cold War. This is spurred by a set of long-term trends that are driving a transformation of global arrangements and power relationships and is further reinforced by fiscal austerity and uncertain political leadership on both sides of the Atlantic. Furthermore, along with these long-term challenges, increasing turbulence in the Middle East and the Ukraine crisis mean that NATO today has serious security concerns to tend to on the immediate periphery of Alliance territory.

In this new strategic context, in order to remain a credible Alliance and a relevant platform for transatlantic security cooperation, NATO must seize the moment to realign its priorities toward a renewed focus on collective defense and deterrence. NATO must do this while at the same time retaining its ability to carry out crisis management operations and cooperative security efforts in regions close to Alliance territory or of special interest to the transatlantic community. However, collective defense and deterrence must take on a broader definition in the twenty-first century and must incorporate new capabilities and a broader scope of challenges.

The chance of an all-out conventional armed invasion of a NATO member remains remote, but it is more plausible than even six months ago. Along with traditional defense and deterrence challenges, NATO should now expect that challenges to the territorial integrity and security of NATO members will lie in a “grey zone,” with potential adversaries using a range of means—including military, political, information, energy, covert, and economic tools—to test allied determination and political will. Unless NATO updates its concepts and approaches to collective defense and deterrence and launches a concerted effort to build sustained and robust support for NATO among Alliance publics, these challenges likely will prove extremely difficult for the transatlantic community to meet.

In order to prepare the Alliance for such challenges in a post-ISAF world, the Alliance should consider:

**A Renewed Transatlantic Bargain.** Now is the time for a dialogue on the need for and substance of a new transatlantic bargain. European NATO members are now, understandably, focused on security challenges to the Alliance’s east and south. However, it will be difficult to sustain long-term US interest in NATO if the Alliance is reduced to being solely about territorial security issues in and close to Europe.

**Political Consultations.** NATO is a political-military alliance and must fulfill its mandate as the essential forum for consultations and coordinating transatlantic security among its members. This will strengthen Alliance cohesion, unity, deterrence, and preparedness for crisis management.

**Fully Utilize NATO’s Political Guidance.** NATO’s 2010 Strategic Concept remains the primary document guiding NATO’s core tasks and directions for the foreseeable future. However, NATO should leverage its Comprehensive Political Guidance as a vehicle to implement new agreements formulated under the auspices of the Strategic Concept.

**Rebalancing the Force Mix.** Now is the time to consider the force composition and balance across the Alliance to ensure that NATO has robust and credible air power and naval assets, along with deployable ground forces, at its disposal for future contingencies. Naval forces and air forces, in particular, play a leading role in collective defense and deterrence scenarios. These forces are inherently suited for a wide range of crisis management operations and could serve as a vehicle for continued cooperation with NATO partner countries on maritime security and other efforts.

**An Ambitious Exercise Schedule.** NATO must embark on an ambitious effort to conduct exercises of ground, air, and naval forces in and around Europe that would emphasize both traditional defense contingencies and demanding expeditionary operations. This effort must be closely coordinated, integrated, and carefully planned in order to not only maximize training and capabilities development, but also to have the appropriate political effect. An exercise program along these lines would maintain the high level of interoperability achieved through operations in, for example, Afghanistan and Libya and would also signal the Alliance’s commitment to defend all of its territory and its continued ability to deploy forces to advance common transatlantic interests.

**Horizon Scanning.** NATO must put in place a strong capacity that can continually scan the strategic horizon for emerging global trends that may impact Alliance security. The results should be integrated into NATO’s planning processes in order to be fully relevant to and supportive of Alliance decision-making.

**Enhancing Regional Expertise and Situational Awareness.** Rapidly emerging crises, such as the Ukraine crisis, the war in Georgia, and the Syrian civil war, point to the need for the Alliance to have an up-to-date understanding of security challenges and threats in its neighborhood or of special interest to the transatlantic community.

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# INTRODUCTION

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**T**he world is at an inflection point, reminiscent of other key junctures in recent history such as 1914, 1945, and 1989; such periods determined peace, power, and the future trajectory of the world for following decades. If the twentieth century was largely focused on transatlantic relations, then it is quite likely that the twenty-first will be remembered as the Asia-Pacific century. Furthermore, it is clear that history did not end at the dawn of the twenty-first century. Instead, NATO will have to operate in a more competitive, dynamic, and disorderly world.

The project on “NATO in an Era of Global Competition” was conceived and informed by a strong sense that the Alliance was entering a new chapter with the drawdown in Afghanistan and the onset of fiscal austerity across the transatlantic community. Furthermore, tectonic shifts in global politics and power, with emerging (and reemerging) state and nonstate players, meant that NATO would now have to operate in a much more dynamic, constrained (in political, financial, and geopolitical terms), and strategically challenging environment than at any time since the end of the Cold War. Therefore, this project was first and foremost focused on the future of NATO’s core mission of collective defense and deterrence in a rapidly changing world. While there are, of course, other issues—including the future of its partnership agenda and how the Alliance should approach further enlargement—that NATO must grapple with, they were outside the focus of this particular effort.

The recent Ukraine crisis has confirmed the urgency of the project’s main theme of collective defense and deterrence in the twenty-first century. This report provides long-term recommendations for how the Alliance should approach and organize itself in order to effectively carry out its core tasks in a turbulent and competitive world. This does not mean that NATO ought to be a global Alliance, but NATO must understand the global environment in which it will continue to operate and that all NATO members are part of a highly integrated global economy.

The project on “NATO in an Era of Global Competition” is a joint effort by the Atlantic Council in Washington, DC, and the Norwegian Institute for Defense Studies in Oslo and is generously supported by Norway’s Ministry of Defense. This project has drawn on the expertise and experience from a broad set of experts, former officials, and thought leaders from across the Alliance on both sides of the Atlantic. Along with analysis, research, and interactions with senior officials, the project also has had a substantial outward-facing component, with three public conferences arranged in Washington and one in Oslo. This report draws together and synthesizes the insights, conclusions, and recommendations developed and discussed throughout the project.

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# THE TRANSATLANTIC ALLIANCE TODAY

In operational terms, the last decade has been the most active in NATO's sixty-five-year history. Since the beginning of the twenty-first century, NATO has sustained a consistently high operational tempo, with close to thirty operations. It waged two major air campaigns—Operation Allied Force over Serbia and Kosovo in 1999 and Operation Unified Protector over Libya in 2011. NATO invoked Article 5 for the first time in its history in response to the September 11, 2001 attacks on the United States. The Alliance is suppressing piracy off the horn of Africa and is the key actor in the long-term counterinsurgency and stabilization and reconstruction efforts in Afghanistan. These operations are no small feat for an Alliance that many declared inert following the end of the Cold War.

The International Security and Assistance Force (ISAF) mission in Afghanistan stands out as a true test of the mettle of the Alliance. Although the ISAF mission has cost a considerable amount in blood and treasure as the Alliance sought to combat international terrorism and stabilize Afghanistan, it also has proven the resilience and determination of the Alliance. In spite of predictions of crumbling support among NATO members, the Alliance members committed themselves to an out-of-area mission far away from the borders of NATO for over a decade. Furthermore, the ISAF effort served as an effective, albeit far from perfect, driver of military transformation of NATO member forces, which now are battle-tested, interoperable, and expeditionary at an unprecedented level. ISAF also influenced the creation of a number of common capabilities, such as the C-17 Strategic Airlift Capability initiative. However, the end of the ISAF mission does not mean that NATO can rest on its laurels. A number of global factors and recent events are now putting pressure on the Alliance's cohesion and capabilities, and are prompting a rethink of its priorities.

## Transatlantic Austerity

The transatlantic community is still struggling to recover from the 2008 global recession and the Eurozone crisis. Most NATO members have made drastic reductions in their defense spending in an effort to restore fiscal balance, which has had dangerous and long-term effects on the Alliance's militaries. In a little over two years, European defense spending shrank by over \$45 billion—almost the equivalent of the annual defense budget of Germany—leaving the United States with an increasingly larger share of total transatlantic defense spending (at 75 percent today, up from 50 percent ten years ago). US

defense spending also has begun to decline and likely will remain at lower levels for the foreseeable future.

The economic slump across the transatlantic community has left publics with less appetite for an active role for NATO beyond its immediate borders. Furthermore, many members of NATO on both sides of the Atlantic are struggling with contentious domestic politics and lack of political will. All of this makes strategic leadership very challenging and calls into question the credibility and long-term viability of the transatlantic bond. Important efforts to further solidify the transatlantic community, such as the Transatlantic Trade and Investment Partnership (TTIP), are now under threat. The success of extremist far-right and far-left parties in the recent EU parliamentary election shows how people's dissatisfaction with their countries' domestic policies can have a disruptive effect on the transatlantic community. The United States also is divided along strong partisan lines, making its global leadership uncertain and its priorities unclear. Moreover, Americans are, understandably, war-weary, making the case for US international leadership a harder sell to the American public.

Finally, there is a generational change in the leadership of both Europe and the United States under way that could weaken the transatlantic linkages. Many of those who nurtured and led the transatlantic community through the end of the Cold War and the era of uncertainty during the 1990s are now departing the

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Undeclared Russian soldiers guard a military base in Perevalne, Ukraine. The Ukraine crisis brings additional urgency to the issue of NATO's future in a post-ISAF world. Photo: Wikipedia (Creative Commons).

scene, leaving the transatlantic community with less of a clear memory of what NATO has meant for transatlantic and global peace and security. Indeed, this was one of the key points made by then-Secretary of Defense Robert Gates during his farewell speech in Brussels in 2011.

### The Ukraine Crisis and the Arab Awakening

Outside factors also are putting pressure not only on NATO but the broader transatlantic community and its ability to lead and advance its interests in the twenty-first century. The Arab Awakening—the uprisings across the southern Mediterranean rim and the broader Middle East—has proven a continuing challenge to the transatlantic community, and brought NATO into action once again, this time over Libya in Operation Unified Protector (OUP) in 2011; an operation with a UN mandate, regional support, and in cooperation with partners, and to shore up Turkey's borders with the deployment of Patriot missile batteries, dubbed Operation Active Fence in 2013. But the Syrian civil war, and the inability of the world to adequately respond, underscores the type of demands placed on transatlantic leadership in an age of austerity and troubled domestic

politics. Furthermore, the Middle East is still very much influenced by anti-Western fundamentalism, which could spawn further terrorism and hostile governments.

Finally, Russia, using conventional military forces, special forces, provocateurs, information operations, cyber tools, and economic and political pressure, annexed Crimea and continues to threaten the stability of Ukraine by undermining the central government's rule over its eastern regions. This, along with the previous Russian war with Georgia in 2008, calls into question the fundamental European security arrangements established in the wake of the Second World War. Several NATO members are understandably concerned that they may be the future targets of Russian pressures, provocations, and shows of force, which would have a real and significant implications for NATO's strategic credibility. The Ukraine crisis suggests an alternative future that is quite different from the one that NATO members have built their forces, exercises, and plans for over the last decade. It casts a new light on Russia's ongoing military transformation and Moscow's vision for the former Soviet Union space.



## GLOBAL TRENDS

While NATO is currently facing uncertain and turbulent environments directly to its east and south, as well as difficult budgetary challenges and contentious domestic politics, the Alliance also must keep an eye on the horizon. A number of global trends will present both new challenges and opportunities for NATO and the broader transatlantic community. As identified by the US National Intelligence Council in its *Global Trends 2030* report, key global trends that will impact the transatlantic community, as well as the rest of the world, include the rapid shift of power to the Asia-Pacific region, emerging disruptive technologies, shifting demographics, and the global energy revolution.

### Emerging Asia

The rise of Asian powers has already altered the contours of the international security landscape, with the current US rebalance to Asia, which has prompted many European allies to question the US commitment to European security.

As Asian nations grow more prosperous, their economic power is being translated into hard military power. In

2013, Asia spent more on defense than Europe for the first time in centuries, according to the International Institute for Strategic Studies. Furthermore, as Asian nations grow in wealth and stature, they will naturally project their power in order to safeguard their interests and advance their agendas both regionally and across the globe. The Chinese Navy has participated in counter-piracy operations off the Horn of Africa and competed an ambitious evacuation of its citizens in Libya just ahead of NATO's OUP. The Chinese Air Force also has exercised with the air force of a NATO member, Turkey, on Turkish territory. For NATO, this means that emerging powers will increasingly operate in regions of interest to the transatlantic community. This could challenge Alliance interests, but, if managed properly, it could also provide an opportunity to extend security cooperation to new partners. Finally, the possibility of rising resentment against the West among the emerging Asian nations should not be discounted. If this development takes hold, it could severely complicate the relationships between the West and these countries.

### Disruptive Technologies

The rapid and unpredictable pace of technological development will continue into the foreseeable future. Breakthrough developments in information technology, robotics, additive manufacturing, energy technology, and bioengineering will affect the transatlantic Alliance and its members at the political, strategic, and operational levels. Emerging technologies are a double-edged sword. They will bolster the capabilities of nonstate actors from private corporations and nonprofit organizations but also of illicit networks and terrorist organizations. These technologies enhance information sharing and individual empowerment, but this also means that they have the potential to foment political upheavals and regional instability. Indeed, information technology played important supporting roles in the Arab Awakening and in the ouster of then-Ukrainian President Viktor Yanukovich. Disruptive technologies foster economic growth across the globe, but at the cost of dealing deadly and sudden blows to legacy industries in, for example, manufacturing and energy, which could contribute to future shifts in national and regional wealth and power. In short, the empowerment of many using such technologies is something that Alliance members should welcome, but, at the same time, NATO should be prepared for an even more turbulent, "Westphalian Plus" world as individuals and groups take their place as actors on the global stage alongside nation-states.

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A drone touches down on a US aircraft carrier. Drones are one example of disruptive technologies that are increasingly capable and rapidly proliferating, even to nonstate groups. Photo: Wikipedia (Creative Commons).

Disruptive technologies will spur advances in operational concepts, battlefield tactics, and military equipment, which could generate future revolutions in military affairs. The twenty-first century is poised to see new iterations of emerging military technologies altering both tactics and strategy. This could reinforce the transatlantic community's current military advantages, if it is dedicated to maintaining its military technology edge, but also render them obsolete if emerging powers employ them in innovative and unanticipated ways.

### Changing Demographics

The developed world is rapidly aging, while the developing world's youthful populations burgeon. The developed world will increasingly struggle to find enough resources to care for an aging population. This demographic trend threatens to stunt economic growth and, by extension, reduce defense spending. Conversely, the emerging powers have a willing and energetic cohort of young workers to sustain economic growth for many decades to come. However, a young population also can prove restive and violent if rising economic, social, and political expectations are not consistently met by their governments. If this is not successfully managed, the changing global demographics will become a challenge for emerging powers and could instigate disorder and social upheaval that could spread across national borders. Indeed, this set of factors helped drive, and continues to drive, the unrest across the Middle East.

### The Energy Revolution

The shale gas revolution currently underway will rearrange global energy production patterns. OPEC's leverage will be diminished as the Western Hemisphere becomes the center of gravity of global oil and gas production. This will also affect global strategic

priorities. The United States is on track to achieve energy self-sufficiency, impacting future military postures and global alliance arrangements. In part as a response to the recent events in Ukraine, many European countries are also altering their energy supply patterns. This, along with export of US energy supplies to Europe, may gradually weaken Russia's political leverage while reinforcing transatlantic bonds over the coming decade. However, this process is far from complete and does not yet enjoy broad-based support across the transatlantic community. On the other hand, emerging powers, with rapidly growing energy demands, will assert themselves through power projection and forward presence in order to safeguard energy supplies for their growing industrial production. There is a burgeoning Asia-Middle East energy nexus, with ever growing linkages between Middle Eastern energy producers and Asian energy consumers, the consequences of which remain to be seen. This dynamic can be expected to lead to more forward-leaning global military postures in the coming decades.

### The Wild Card: The Future US Role in the World

The United States will remain the primary actor shaping international affairs, but the degree to which it capitalizes on this role remains uncertain. Whether the United States chooses to remain deeply engaged across a range of international issues and regions or reduces its commitments for a time to focus on domestic issues will do much to shape global arrangements, the orientation and behavior of potential adversaries, and alliance structures. In short, the future role of the United States on the world stage is a wild card when considering the long-term global security environment.

## CURRENT AND FUTURE CHALLENGES

**L**ong-range global trends and recent events along Europe's periphery provide clear indications that the transatlantic community is entering a prolonged period in which the global operating environment will be more uncertain, turbulent, and more demanding than at any other time since the end of the Cold War. This period also could prove challenging to the current structures of global governance, as well as national and local governments in sensitive regions, such as the Middle East, Africa, and South Asia. This is coupled with a fiscally and politically challenging environment for most allies on both sides of the Atlantic. This combination of global trends and current difficulties will test NATO politically, militarily, and strategically for decades to come, but it will also offer new opportunities to revitalize the Alliance for the twenty-first century.

The strategically permissive global environment that emerged in the immediate aftermath of the fall of the Soviet Union allowed NATO to take on difficult and at times high-risk crisis management and cooperative security tasks outside of Alliance territory, from Bosnia and Kosovo, to Libya and the Horn of Africa, to Afghanistan. In the future, crisis management and cooperative security efforts should remain important tasks for NATO, but there is a clear need to move collective defense and deterrence up on the Alliance priority list in order to fully respond to the more dynamic and constrained strategic environment.

### NATO's Battle for the Narrative

Sustained support for NATO among Alliance publics will be a key component to its long-term survival and effectiveness, but NATO still grapples with strategic communications and messaging challenges. Support for NATO expeditionary operations remained relatively steady throughout the post-Cold War period. However, NATO's post-Afghanistan roles and missions must be better understood and enjoy stronger support from

the publics concerned. It is also a prerequisite if the Alliance nations will ever have a chance to reverse the downward trend in defense spending.

When considering the long-term justification for NATO's continued existence and as the bedrock for continued collaboration between the United States and Europe on transatlantic and global security issues, it is important to remember that NATO is but one component, albeit a central one, to the broader transatlantic relationship. The United States and Europe collaborate on many other fronts outside the NATO framework, including on climate change, human rights, regulations and standard setting, and trade. Indeed, TTIP is one of the top items on the transatlantic agenda right now.

### Defense and Deterrence in an Age of Hybrid War

Collective defense and deterrence in the twenty-first century context is a formidable task. Answering the fundamental question of "detering whom from doing what?" is challenging considering the wide range of threats from nonstate actors, unforeseen enemies, and rapidly developing crises. A decade-long major NATO operation in Afghanistan was unthinkable in the year 2000, a NATO operation in Libya seemed farfetched in 2010, and few could have predicted the chain of events then-Ukrainian President Viktor Yanukovich would catalyze by backing out of an association deal with the European Union in November 2013.

Collective defense and deterrence remains the cornerstone of NATO, but the Alliance must reconsider fundamentally how to interlay its current defense and deterrence capabilities to deal with future threats. Advanced conventional and nuclear capabilities remain relevant across the spectrum of conflict, but NATO also must expand its toolkit and consider how to tackle nontraditional but potentially lethal challenges from both state and nonstate actors.

The Russian invasion of Georgia in 2008 and the Ukraine crisis showcase the potency of hybrid warfare. This is an approach that combines conventional military forces with information operations, provocateurs, cyber, and economic measures that would test NATO's ability to reassure its members and dissuade an increasingly assertive Russia. Conventional attacks on NATO members remain a remote possibility (Article 5 remains highly credible in this narrow regard), but hybrid warfare occurs in a grey zone that

## NATO STILL GRAPPLES WITH STRATEGIC COMMUNICATIONS AND MESSAGING CHALLENGES.



lies just below the threshold of a traditional Article 5 response.

In this context, NATO must simultaneously maintain its traditional defense and deterrence capabilities while developing approaches to deter “grey zone” acts of coercion and aggression. NATO members should develop sustained approaches to counter potential adversaries’ use of corruption, bribery, and sophisticated propaganda to influence their societies. NATO must consider unconventional defense and deterrence scenarios, such as a local mayor (backed by a foreign power) inciting social unrest and thereby triggering a “peacekeeping mission” by that same foreign power.

Aggression through hybrid warfare cannot be met by NATO alone. The Alliance can wield key tools, such as special forces, intelligence, and strong political support, but an effective response also will need to include elements that reside with national or regional organizations (such as the EU). These elements include effective law enforcement, border and immigration enforcement, and a robust civil society.

Beyond hybrid warfare, NATO also must consider challenges in new domains and by nontraditional actors. Unexpected scenarios include cyberattacks and attacks against space assets held by a NATO member, or a bio attack by an undeclared adversary. When considering defense and deterrence in a post-Afghanistan world, NATO must expand its tool kit to include traditional tools (conventional and nuclear forces, along with missile defense), emerging technology tools (defense of cyber infrastructure and instruments as well as space and counter-space capabilities), and nonmilitary tools (for example, energy and economic policies and instruments).

NATO has three core missions: collective defense, crisis management, and cooperative security. Collective defense is and will remain the most important of these because it speaks to the fundamental interest of the Alliance—peace in Europe and the territorial integrity of all of its members—and is the bedrock of the Alliance’s political, military, and strategic credibility.

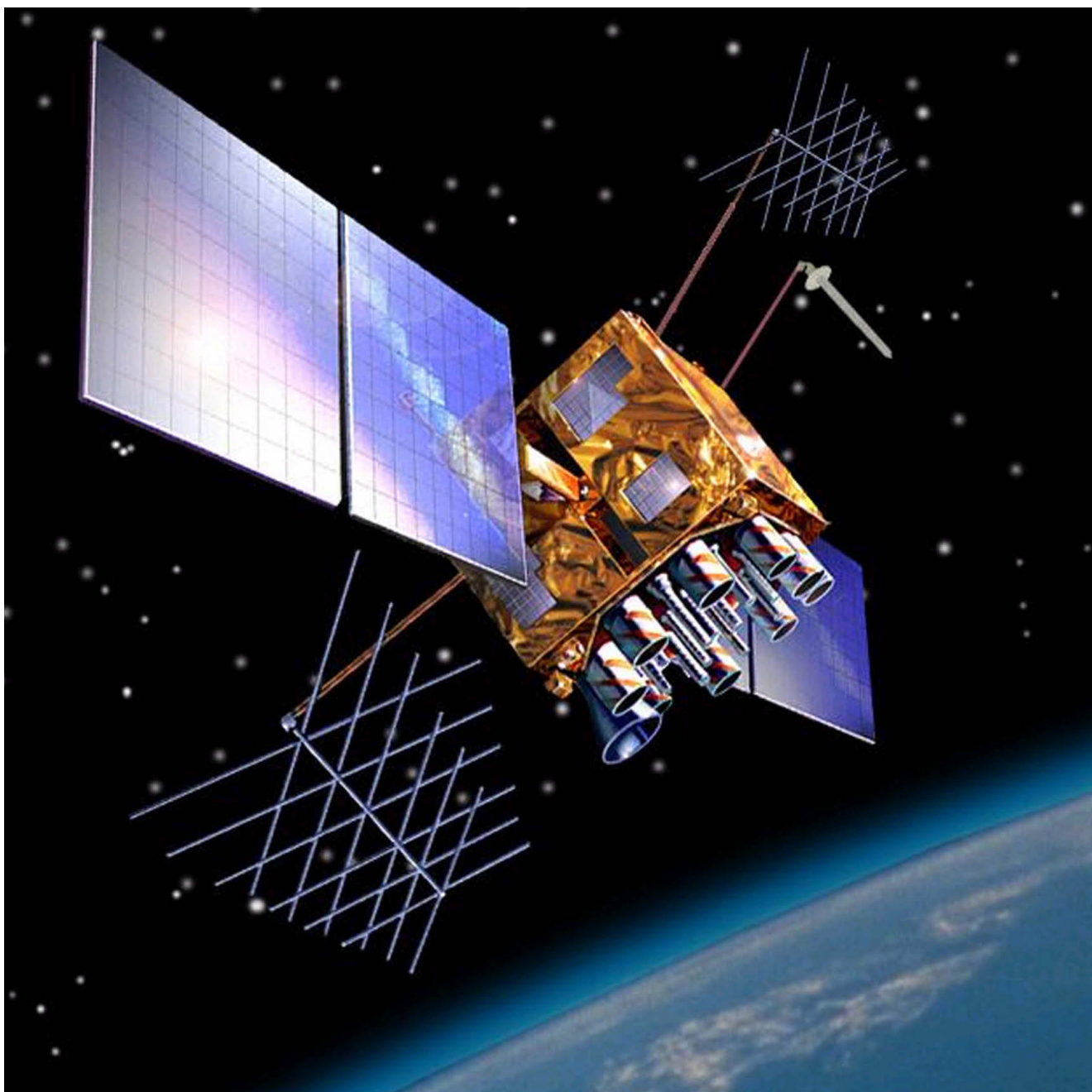
### The Mediterranean Rim and the Middle East

The Mediterranean rim and the Middle East is an important concern for the Alliance and its members’ security. Even if NATO’s focus moves away from crisis management, continued turbulence in the Middle East can, and almost certainly will, test the Alliance’s core interests. The civil war in Syria already has resulted in hundreds of thousands of refugees fleeing over the border into southern Turkey, and tens of thousands of Syrians are currently seeking asylum in Europe. The unrest along the Mediterranean rim also could

## NATO MUST SIMULTANEOUSLY MAINTAIN ITS TRADITIONAL DEFENSE AND DETERRENCE CAPABILITIES WHILE DEVELOPING APPROACHES TO DETER “GREY ZONE” ACTS OF COERCION AND AGGRESSION.

be a collective defense and deterrence challenge for the Alliance. Indeed, NATO has already responded by bolstering the air defenses in Turkey. There is also a real possibility that foreign fighters returning from Syria to their European homes could spawn a new wave of terrorism in Europe and North America. Also, Libya’s enduring instability could affect regional security in the Mediterranean with surging migration from North Africa to Europe or fighting once again breaking out in North Africa. In other words, along its southern flank NATO faces a blend of challenges that requires collective defense responses, crisis management, and cooperative security efforts. NATO’s 2011 operation over Libya also holds important lessons for how the Alliance might best respond to contingencies of that character; with a UN mandate, together with partners, and by involving regional organizations and stakeholders to bolster the legitimacy of the effort.

Few signs indicate a return to stability in the Middle East and North Africa. Emerging powers, driven by the need to secure energy supplies, are likely to expand their engagement (including military) in the region in the coming decades. Finally, NATO planners, leaders, and member states also must consider worst-case scenarios in the broader region such as Iran acquiring a nuclear weapon, in spite of the best efforts of the international community to stop it, or Pakistan losing control over its nuclear arsenal.



Space assets are key enablers for NATO operations and vital to, among other things, the global communications architecture. They may also be targets in future conflicts. Photo: Wikipedia (Creative Commons).

### NATO, Emerging Powers, and Asia-Pacific Security

The global power shift to the Asia-Pacific region will test the transatlantic relationship in ways that many in Europe and North America fail to understand. As both an Atlantic and Pacific power, the United States (and Canada to a lesser degree) has clear and immediate security and defense interests in the Pacific region, while Europe's interests are primarily economic. But Europe should monitor security developments in Asia, where regional tensions have global implications. Emerging Asian powers are also more directly asserting their interests

in regions closer to the transatlantic area, such as the Middle East, North Africa, and the Arctic. There is also a distinct difference in the European and North American strategic approaches to Asia. The United States sees the region through a maritime lens, while Europe views Asia across the great landmass of Eurasia. This fundamentally informs priorities and mindsets about challenges and opportunities for the transatlantic community in Asia. Finally, future contingencies in the Asia-Pacific region involving the United States, and/or Canada, such as a ballistic missile attack by a rogue nation on Hawaii, Guam, or the North American west coast, would be grounds for an Article 5 response by NATO.



# THE WAY FORWARD

**N**ATO's Strategic Concept, adopted in 2010, anticipated many of the trends and challenges discussed in this report and addressed many of the actions that NATO needs to take to be prepared for the future. However, the concept was developed and adopted at a time when the Alliance was largely consumed by high-intensity operations in Afghanistan, and the transatlantic community was in the middle of the worst stretch of the financial crisis. The end of the ISAF mission and the current transatlantic context presents an opportunity to recommit NATO to prepare itself for emerging challenges.

NATO does not need ambitious new initiatives and projects after launching its Smart Defense and Connected Forces Initiatives. Instead, it should focus its efforts on improving existing initiatives and maximizing their impact through closer coordination among members. To properly position itself to meet twenty-first-century challenges, NATO should implement the following recommendations about strategy, capabilities, exercises, and managing surprise.

## Strategy

**A Reanimated Transatlantic Bargain.** Now is the time for a renewed dialogue on the need for and substance of a new transatlantic bargain. European NATO members are now, understandably, focused on security challenges to the Alliance's east and south. However, it will be difficult to sustain long-term US interest in NATO if the Alliance's security scope is reduced to the immediate European neighborhood. Europeans seek a credible US commitment to European security while the United States desires partners and allies for action on global security challenges of common interest. A new transatlantic bargain would need to outline how the United States can credibly demonstrate its commitment to European peace, security, stability, and prosperity and mobilize Europeans as US partners for global action. The recently announced European Reassurance Initiative by the Obama administration could serve as an important first step in this process.

**A Renewed Intra-European Commitment to Common Security.** European NATO members understandably have diverse perspectives on current security challenges and their relative priority. Broadly speaking, NATO's eastern and northern members have focused on the emerging challenges stemming from Russia, while NATO's southern members are concerned about turbulence and violence along the southern rim of the Mediterranean. Therefore, it is crucial that Europe's

NATO members recommit themselves to NATO's broad security, be it in the form of crisis management and response along NATO's southern edge or collective defense, deterrence, and reassurance along NATO's eastern border.

## THE END OF THE ISAF MISSION AND THE CURRENT TRANSATLANTIC CONTEXT PRESENTS AN OPPORTUNITY TO RECOMMIT NATO TO PREPARE ITSELF FOR EMERGING CHALLENGES.

**Winning the Battle of the Narrative.** NATO must launch a concerted effort to create and sustain a public narrative of its current and future relevance to European and American security. Robust public support is not only key to the continued existence of the Alliance but is also crucial to any effort to reverse the current decline in transatlantic defense spending. Strong public support for NATO also plays a role in collective defense and deterrence, which is especially important in an era of sophisticated information operations and hybrid warfare.

**Political Consultations.** NATO is a political-military Alliance and must fulfill its mandate as the essential forum for consultations and coordinating transatlantic security among its members. This will strengthen Alliance cohesion, unity, deterrence, and preparedness for crisis management. Better consultation and coordination will also produce valuable contributions for the effectiveness of NATO, at practically no additional financial cost. Issues

to be addressed include the proliferation of weapons of mass destruction, emerging defense technologies, and key global events. In an unpredictable world, the importance of the consultative mechanism is greater than ever. To date, some NATO members have resisted the Alliance taking full advantage of this mandate. Considering the pressing strategic issues at hand for NATO, this resistance must now be overcome.

**Fully Utilize NATO's Political Guidance.** NATO's 2010 Strategic Concept remains the primary document guiding NATO's core tasks and directions for the foreseeable future. However, NATO should leverage its Comprehensive Political Guidance as a vehicle to implement new agreements formulated under the auspices of the Strategic Concept.

### Capabilities

**Rebalancing the Force Mix.** Due to the protracted ISAF mission, NATO member militaries have focused on bolstering their ground forces and counter-insurgency capabilities. These will remain relevant moving forward, but the Alliance should increase the focus on developing and maintaining robust and credible air and naval assets for future contingencies. Naval forces and air power, along with deployable ground forces, will play a leading role in collective defense and deterrence and are inherently suited for a wide range of crisis management operations. Additionally, naval forces also will serve as a vehicle for continued cooperation with partner countries in efforts such as maritime security. This should be linked closely to further developing NATO's maritime strategy, which deserves additional attention and a high profile. Other key capabilities moving forward include robust air defense, effective intelligence, surveillance, and reconnaissance assets for contested environments, and precision strike capabilities. These capability-building efforts should be coupled with a review of host nation support arrangements, pre-positioned equipment, and the stationing of forces across the Alliance.

NATO also must carefully monitor the member force mix in order to ensure a full spectrum of capabilities. Pooling and sharing of capabilities and specialization are two good concepts for maximizing the return on defense investments—but not if the effort leaves NATO with capabilities gaps. The framework nations concept currently under development could prove helpful in organizing and integrating capabilities across NATO member militaries.

**Aligning National and NATO Priorities.** National defense priorities must be aligned better with the NATO defense planning process to ensure that NATO does not face a sudden capabilities gap. This would also reduce duplication across the Alliance and bring increased coherence to the defense planning process.

**The NATO Response Force (NRF) and Collective Defense.** NATO should consider how the NRF could play a larger role in the context of collective defense and deterrence. Originally conceived as a transformation engine and for crisis management, the NRF could now and in the future function in a capacity not unlike the Allied Command Europe Mobile Force–Land, which was active between 1960 and 2002.

**Create a Pool of Personnel for the NATO Command Structure.** Recent operations have shown the need to streamline NATO command and control capacities in case of a crisis. Creating a “stand-by” pool of personnel from across the Alliance who can rapidly be inserted into the NATO command structure would be a cost-effective way to improve NATO's ability to quickly reinforce command and control functions for defense and deterrence efforts, as well as crisis management operations.

**Give NATO's Joint Forces Command a Regional Orientation.** This would allow each command to build up regional expertise, situational awareness, and collaboration with regional players. It also would allow each command to focus on preparing for the most feasible regional contingencies.

**Create a NATO Cyber “Exercise Range.”** While the United States and United Kingdom lead the world in cyber capabilities, other NATO members, especially those with limited resources, are lagging behind. Creating a NATO Cyber “Exercise Range” would enable NATO members to test and exercise their cyber capabilities under a NATO structure, and feed lessons learned and new concepts into the Alliance. It would also send an important signal about the Alliance's seriousness about cyber defense and security, in addition to ensuring cyber experts across the Alliance shared the same levels of expertise.

**Institute a Senior Cyber Committee at NATO.** This working group (not unlike NATO's current Nuclear Planning Group) would consist of technical experts, policy personnel, and military representatives and would meet regularly to discuss cyber security in an Alliance context.

**Missile Defense Tests.** Already underway for some time, transatlantic missile defense will become more important in the years to come. This is due not only to the rapid proliferation of ballistic missile technology to a range of state and nonstate actors, but also because the effort has clear and tangible linkages to both European and North American security.

The United States should consider moving some of its regularly scheduled missile defense tests to the European theater (such as the Mediterranean) in order

to enable European allies and NATO to participate more easily and benefit from the lessons learned and test results. This could create de facto NATO live-fire missile defense tests at marginal cost. NATO should also survey all European satellite and sensor capabilities in order to determine what systems could be easily integrated into the missile defense structure. This could expand the European missile defense network and involve additional allies at relatively small cost. European sensors could also be linked to the North American Aerospace Defense Command (NORAD).

**Augment NATO's Planning Capacity.** NATO must emphasize planning for future contingencies while taking into account the full spectrum of NATO capabilities and missions. This is crucial, not only for NATO's ability to be prepared, but also for reassuring allies and enhancing deterrence against potential adversaries.

### Exercises

**An Ambitious Exercise Schedule.** Moving forward, exercises will be key to NATO's future. They validate contingency plans, sharpen and prepare forces, reassure allies, and demonstrate capabilities and commitments to potential adversaries. NATO must embark on an ambitious effort to exercise ground, air, and naval forces in and around Europe. Exercises must be coordinated, synchronized, and carefully planned in order to maximize training and capabilities development and to have the appropriate political effect. An exercise program would not only preserve the high level of interoperability achieved through operations in, for example, Afghanistan and Libya, but it would also signal the Alliance's commitment to defend all of its territory and its continued ability to deploy forces to advance common transatlantic interests. Exercises involving US forces in eastern Europe have now taken on a valuable defense and deterrence role in the wake of the Ukraine crisis. Exercises are not inexpensive, but Allies could use some of the "peace dividend" generated by the end of the ISAF mission and apply it toward participation in NATO exercises.

**Consider Exercises in the United States.** US forces should continue to exercise with their European friends and allies on European soil. However, European NATO members also should consider conducting exercises in the United States. This would allow European forces to use the world's largest and most sophisticated training ranges and demonstrate European commitment to supporting key US security priorities.

**Reintroduce Large Exercises.** Smaller exercises may reinforce the notion that the Alliance is past its prime and that its members are not committed to tackling serious security challenges. Larger exercises on an

annual basis would be high-profile events, which could by itself serve as a deterrent but also raise the profile of NATO among transatlantic publics.

**Turn National Exercises into Alliance Efforts.** Smaller national exercises can easily be incorporated into NATO's exercise schedule and would benefit from Supreme Headquarters Allied Powers Europe (SHAPE) input and NATO feedback mechanisms. This would also increase the overall number of annual Alliance exercises.

### Managing Surprise

**Horizon Scanning.** NATO must learn to be comfortable with surprise and rapid change in the twenty-first century. But there are measures that NATO can take in order to reduce the chances of surprise and to better understand the transatlantic and global operating environment. NATO must better use its Emerging Challenges Division and Allied Command Transformation to continually scan the strategic horizon for emerging global trends and power shifts that may impact Alliance security. The results should be integrated into NATO's planning processes to ensure that the Alliance learns and benefits from these efforts.

**Enhancing Regional Expertise and Situational Awareness.** Rapidly emerging crises—most recently, the Ukraine crisis—indicate that the Alliance requires an up-to-date understanding of security challenges and threats in the regions surrounding Alliance countries or of special interest to the transatlantic community. Alliance members must bolster national intelligence sharing within NATO structures to ensure a broad-based understanding of emerging crises.

NATO MUST  
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## CONCLUSION

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**N**ATO is emerging from over a decade of costly warfighting in Afghanistan. But the Alliance that entered Afghanistan over a decade ago faces an entirely different world as it draws down in 2014. Today, the strategic landscape is far more competitive than only a decade ago, while resources are more constrained by the transatlantic economic slump. This is not only a challenge for NATO but also an opportunity.

In parallel, NATO must now address its political strategy in order to build long-term support for its roles and missions. It must bolster its capabilities in a fiscally challenging environment and launch an ambitious exercise effort in order to preserve interoperability and signal its determination to provide credible collective defense and reassurance to all of its members. Perhaps most importantly, the transatlantic Alliance must learn how to be comfortable with strategic surprise. This is not easy, and it will require not only flexible strategies, planning, and capabilities, but also political leadership and imagination.

At heart, NATO is an alliance of nations that share similar values and ideals, even despite occasional differences in policies. A NATO that confidently takes on the new challenges and equips, trains, plans, and politically prepares for the era of global competition will not only defend transatlantic security but also advance its ideals globally.

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IN 2014.

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