NATO's
STRATEGIC CHALLENGES
THE ALLIANCE STRIVES TO MAINTAIN INTEGRITY IN AN UNCERTAIN GLOBAL ENVIRONMENT

World leaders pose for a photo as they converged on Chicago in 2012 for a NATO Summit that emphasized issues such as overseas operations, missile defense, cybersecurity and smart defense.

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At the Lisbon Summit in November 2010, NATO adopted a New Strategic Concept – a key political document of the Alliance that identifies the purpose and tasks of NATO, assesses the international security environment and defines relations with other actors. The new Strategic Concept modernized NATO, demonstrated unity among Allies and set an extremely ambitious agenda for the future. In turn, the Chicago Summit in May 2012 – the biggest NATO meeting in history – provided a unique opportunity to assess progress in implementing the new Strategic Concept.[1]

The main purpose of this article is to assess the 2010 NATO Strategic Concept in the context of Chicago Summit decisions and initiatives, thus identifying the main challenges for the Alliance in upcoming years. It will explore NATO in light of the cooperative security model, developed by Richard Cohen and Michael Mihalka. The system of cooperative security is characterized by various formal and informal institutions and consists of highly interdependent democratic states that are related by common values and close practical cooperation.

COOPERATIVE SECURITY AND NATO

According to Cohen, the cooperative security system includes four "concentric rings" connecting different dimensions of the system: (1) individual security; (2) collective security; (3) collective defense; and (4) promoting stability.[2]

1. Individual security is focused on human security aspects (human rights, democratic values, well-being, etc.). Security is considered broadly and includes various parameters of economic welfare and sustainable development. It is an internal ring of the system, considered as some sort of "social glue" that ensures internal systemic stability. From the NATO perspective, the Allies are considered to be liberal democracies committed to key principles of human rights. NATO's rhetoric and activities have a strong element of collectiveness based on common values.

2. Collective security defines the internal side of the system in terms of security between sovereign states. This dimension includes various forms of cooperation between countries in areas such as terrorism, organized crime and natural disasters. The Alliance can be considered the most important institutional and political expression of the trans-Atlantic link, based on the principle of indivisible security between North America and Europe. Various channels of NATO political consultation help maintain the strategic integrity of the system. The Alliance has a

wide network of formal and informal mechanisms for coordination, as well as practical cooperation in various fields.

3. Collective defense is directed toward the external dimension of the system, focusing on defense from external aggression. Members of the system commit to ensure credible defense and effective response to external threats. In practice, it can be institutionalized as various mechanisms and interstate agreements of collective defense. NATO is based on Article 5 establishing a mechanism for deterrence and collective defense, which prevented external military aggression during and after the Cold War. NATO, as a military organization, ensures its efficiency by maintaining an integrated military structure, common defense planning mechanisms, a rapid response force, nuclear deterrence, an integrated air defense system and other capabilities.

4. Promoting stability entails preventing instability outside the system. Potential sources of instability can be eliminated using various political, economic, diplomatic and military measures. In practice, it can be realized as a commitment to protect specific values (such as human rights), prevent evolving threats (WMD proliferation) or enable various institutional confidence-building mechanisms.

Dialogue and cooperation play substantial roles in NATO strategy. They allow the Alliance to enhance a zone of "stability and security" beyond its territory, preventing the emergence of new threats. Crisis management operations, enlargement policy, partnership programs and practical cooperation (for example, common exercises and training) directly contribute to stability projection beyond NATO.

2010 STRATEGIC CONCEPT

One could argue that the 2010 Strategic Concept offered no fundamental change. Despite the substantial transformation of the international security environment since 1999, the key provisions in both the 1999 and 2010 Strategic Concepts remain unchanged: collective defense, effective deterrence, the indivisible trans-Atlantic link, security consultations, partnerships, an open door policy and crisis management remain crucial elements of the Alliance.

The 2010 Strategic Concept can hardly be considered a new strategic vision. The document is more evolutionary than revolutionary; it is focused on generalizations about NATO transformation and the strategic security environment during the previous decade.

Yet, the new strategy clearly demonstrated the relevance and importance of NATO. It reflects a modernized NATO that can hardly be labeled a "relic of the Cold War." The actual process of preparing the Strategic Concept was no less important than the document itself, as it provided the Allies an opportunity to "synchronize clocks," renew security commitments and demonstrate solidarity. Importantly, the new Strategic Concept focuses on new threats, including cyber defense and energy security.

The new concept is unique in its ability to strike a proper balance between barely compatible notions: (1) the model of regional organization versus a global spectrum of activities and partnerships; (2) commitment to an open door policy versus a difficult enlargement process; (3) considerable attention to security "at home" versus commitment to substantially improve relations with Russia; and (4) a vision of a nuclear-free world versus maintaining nuclear deterrence.

The 2010 concept set a highly ambitious agenda in areas such as improving NATO-European Union relations, boosting cyber security, developing civilian capabilities, cooperating with Russia, enhancing partnership with the UN and creating a missile defense system. The document is also highly influenced by lessons learned from NATO operations in Afghanistan: the Alliance is committed to strengthen crisis management, ensure broader involvement of partners in the operational decision making process, etc. The global spectrum of NATO's activities is also reflected in the assessment of the strategic environment, which delves into such fields as ecology, climate change and natural resources.

In terms of cooperative security theory, NATO can be seen to have chosen the model of a multifunctional security structure that combines collective security and collective defense on the one hand with an active policy of crisis management operations and partnerships. With regard to the individual security dimension, NATO's role remains modest. Common values, human rights and economic welfare are important elements of NATO's political rhetoric; however, their role remains limited in practical initiatives.[3] Actual implementation of such an ambitious menu is particularly challenging in light of the current fiscal environment and shrinking defense budgets.

BEYOND CHICAGO

The Chicago Summit provided a unique opportunity to assess NATO's progress in executing the new Strategic Concept. On the one hand, several important successful developments can be highlighted:

- **First,** NATO agreed to end the Afghan combat mission and fully transfer security responsibility to Afghan authorities by the end of 2014. A new mission of a different nature will be conducted in post-2014 Afghanistan. Moreover, NATO agreed to "provide strong and long-term political and practical support"[4] to Afghanistan, focusing on training, advising and assisting Afghan security forces.
- **Second,** the Alliance declared interim operational capability of its missile defense system, which provides limited capability to defend NATO's populations, territory and forces against a ballistic missile attack under NATO command and control arrangements.
- **Third,** NATO made an important step forward in terms of implementing the Smart Defense initiative, defined by the NATO secretary-general as a "renewed culture of cooperation"[5] aimed at

greater prioritization, specialization and multinational development of capabilities countries couldn't afford on their own. NATO's agreement on "NATO Forces 2020," decisions to acquire Alliance Ground Surveillance capability and to provide continuous air policing for the Baltic States are among the highlights of Smart Defense in Chicago.[6]

- **Fourth,** the Chicago Summit focused on the vital role of NATO partners, reflecting the spirit of the 2010 Strategic Concept. The successful operation in Libya demonstrated that partners are "essential to the military and political success"[7] of NATO. In Chicago, a unique meeting with 13 core partners was organized, highlighting the importance of their political and financial support. Finally, NATO sent a positive signal to aspirant countries (such as Georgia), encouraging them to continue reforms and emphasizing that NATO's door remains open.

On the other hand, the Chicago Summit also revealed some crucial challenges that will be further assessed from the perspective of the cooperative security model, focusing on (i) collective security, (ii) collective defense and (iii) stability projection dimensions.

BUDGET CUTS AND INTERNAL COHESION

With the decrease of operational tempo in Afghanistan, NATO will have to find new "internal glue" to maintain interoperability and Allied capacity to work together. To address this issue, the secretary-general proposed the idea of the "Connected Forces Initiative," intended to complement Smart Defense by focusing on such areas as expanded education and training, increased exercises (especially with the NATO Response Force), better use of technology and enhanced connections with NATO partners.[8]

Such an approach sounds good in theory, but in light of fiscal austerity and defense cuts the future of this initiative remains vague. Uncoordinated budget cuts during the past several years, among large and small NATO countries, had a substantial impact. European NATO Allies "have reduced their military spending by almost 20% as a percentage of real GDP, while their combined GDP has grown by approximately 55%."[9] Accordingly, critical military capabilities are affected, as well as the ability to respond to new security challenges, deepening the problem of matching NATO's capabilities to its ambitions and potentially crippling Allied interoperability.

Smart Defense, often portrayed as a way to address fiscal challenges, is not a silver bullet either. It is criticized for lack of content, providing just one more label for already existing capabilities and projects (such as missile defense) without creating any added value. Moreover, as defense spending is a sensitive political issue, nations are reluctant to "share sovereignty and national industrial interests in defence procurement,"[10] thus limiting the potential of multinational cooperation and specialization.

These problems are even more amplified by the growing capability gap between Europe and the U.S. The U.S. was responsible for 72 percent of total Allied defense spending in 2012, up from 68 percent in 2007.[11] Moreover, in 2010, "only eight NATO countries allocated more than 20% of their defence budgets to modernisation, and 16 European Allies spent 50% or more of their resources on personnel costs."[12] Such trends are worrying for NATO, especially in light of the U.S. strategic pivot to the Asia-Pacific region and recent decisions to cut its own budget by $487 billion over a decade and withdraw a substantial number of troops from Europe.

As a result, sensitive questions about burden sharing, greater European responsibility and the movement toward a "two-tiered" Alliance are likely to re-emerge. Low public support for defense spending and engagement in operations might put additional pressure on NATO's internal cohesion and trans-Atlantic link.

COLLECTIVE DEFENSE

In Chicago, NATO leaders approved the Deterrence and Defence Posture Review (DDPR), which was mandated in Lisbon to define an appropriate mix of nuclear, missile defense and conventional capabilities.

The DDPR brought some clarity to NATO nuclear policy that had not been firmly defined in the 2010 Strategic Concept. The fundamental dilemma concerns the future of U.S. substrategic nuclear weapons located in Europe. The U.S. nuclear presence is an important practical expression of that nation's commitment to European security. It supports the principle of indivisible security, helps maintain a strategic balance with Russia, contributes to deterrence and ensures nuclear burden-sharing among the Allies.

On the other hand, maintaining such nuclear weapons (and various supporting capabilities, such as dual-capable aircraft) is a considerable financial burden, and its military value is questionable. Moreover, some NATO countries face public and political pressure to remove nuclear weapons. According to the DDPR, nuclear weapons are a "core component of NATO's overall capabilities for deterrence and defence alongside conventional and missile defence forces."[13] Moreover, the report states that the "Alliance's nuclear force posture currently meets the criteria for an effective deterrence and defence posture," implying that current nuclear policy is valid.

Many challenges remain, however. The DDPR identifies several further tasks, such as ensuring "the broadest possible participation of Allies concerned in their nuclear sharing arrangements," developing and exchanging "transparency and confidence-building ideas with the Russian Federation," and considering what "NATO would expect to see in the way of reciprocal Russian actions to allow for significant reductions in forward-based non-strategic nuclear weapons assigned to NATO."[14] In other words, NATO still has an ambitious and challenging nuclear agenda, especially with regard to Russia's greater stockpiles of nonstrategic nuclear weapons in Europe.

Missile defense is another crucial dimension of NATO deterrence. The New Strategic Concept pays substantial

Sixty heads of state gather in May 2012 in Chicago to address global defense issues and NATO's evolving role, including the conflict in Afghanistan, missile defense and cyber security.

The DDPR, in turn, recognizes the importance of conventional forces in the fields of collective defense, crisis management, meeting new security challenges and providing visible assurance of NATO's cohesion. However, in addition to defense budget cuts, NATO still faces important dilemmas regarding expeditionary versus conventional forces development, the practicality of the NATO Response Force, lack of modernization and research and development in Europe, and the need for intelligence, surveillance and reconnaissance capabilities.

Finally, NATO will face a major challenge in terms of boosting its cyber defense capacity. According to then-U.S. Secretary of Defense Leon Panetta, the progress NATO has made so far "is not sufficient to defend against the cyber threat. The alliance needs to consider what its role should be in defending member nations from cyber attacks. We must begin to take the necessary steps to develop additional alliance cyber defense capabilities."[18]

PROMOTING STABILITY

One of the three core tasks identified in 2010 NATO Strategic Concept is "crisis management," a concept tested during NATO's Libya mission. According to the secretary-general, operation "Unified Protector" demonstrated "the strength and the solidarity of our Alliance even in the middle of an economic crisis."[19] NATO swiftly and successfully achieved its operational objectives, but Libya also exposed deficiencies in the Alliance's approach to crisis management:

- **First,** while all Allies supported the mission politically, only eight of 28 NATO nations participated in combat operations. That imbalance once again revealed crucial burden-sharing issues within NATO. Internal solidarity was also challenged by Germany's abstention on UN Security Council Resolution 1973, which authorized the campaign.
- **Second,** while European allies assumed political leadership and provided considerable military assets, "the success of that operation depended on unique and essential capabilities which only the United States could offer."[20] Libya demonstrated that European countries lack critical assets such as drones, surveillance and aerial refueling.
- **Third,** while Libya showed the crucial role of Arab partners (such as Qatar and the United Arab Emirates), closer engagement with Middle Eastern and North African countries is burdened by post-Arab spring political turmoil in this important region.

attention to this capability, a "core element" of NATO's collective defense. In Lisbon, NATO made two crucial decisions: To create its own missile defense shield while inviting Russia to cooperate in this endeavor. Importantly, the DDPR states that missile defense can complement the role of nuclear weapons in deterrence but can't replace them entirely.[15] The success of NATO missile defense depends mostly on U.S. determination to finance and implement the European Phased Adaptive Approach, the key element of the NATO system. Close cooperation between U.S. and European missile defense host countries (Spain, Turkey, etc.) will be crucial. Equally important is the development of effective command and control.

Meanwhile, essential political contradictions remain in improving cooperation with Russia. Russia insists on creating a joint missile defense system based on geographic responsibilities, whereas NATO's vision is "two independent but coordinated systems working back-to-back."[16] According to Russia, NATO's system is designed to contain and thwart Russia. Therefore, Russia not only seeks a formal, legally binding agreement with a set of military-technical criteria that would limit the flexibility and adaptability of the NATO system, but threatens to deploy offensive weapons aimed at destroying U.S. missile defense installations in Europe.[17] This standoff is crucial and could potentially spill over to other areas of NATO-Russia relations.

With regard to conventional NATO deterrence and defense, the latest Strategic Concept clearly expresses NATO's political will to conduct a policy of visible assurance (exercises, training, military planning) aimed at reassuring member states of NATO's readiness, credibility and commitment to defend against a wide range of threats.

Enhanced cooperation with various regional organizations (such as the Arab League, the Gulf Cooperation Council, the African Union or ECOWAS) remains vital.

NATO also faces major geopolitical challenges. China's defense spending has soared by 189 percent since 2001, Russia's by 82 percent and India's by 54 percent.[21] Moreover, since 2008, China's economy has surpassed in size those of Germany and Japan and now is the world's second largest. No European country is expected to be among the top five economies by 2020.[22] With the return of Vladimir Putin, Russia has firmly defended its geopolitical position in the post-Soviet space; NATO is still troubled by instability in the Balkans, the Mediterranean and the Middle East, including the explosive situation in Syria.

In light of the shifting global economic center of gravity, the U.S. shift to the Asia-Pacific, the changing nature of military conflict, the continuing proliferation of weapons of mass destruction and remaining terrorism threats, NATO will face challenging strategic choices that will influence its policies and capabilities. It is not clear, for example, if Europe will be willing and able to join the U.S. in focusing on Asia. Despite the New Strategic Concept's emphasis on building partnerships, the Alliance does not have productive relations with China, India, Brazil and other rising powers.

Cooperation with the EU is unsatisfactory as well. The Strategic Concept stresses the need for a productive strategic partnership between NATO and the EU by enhancing practical cooperation in areas such as international operations and capability development. However, progress remains constrained owing to unsolved political issues, first and foremost disagreements among Turkey, Greece and Cyprus.

Finally, NATO will face an enlargement challenge. In Chicago, then-U.S. Secretary of State Hillary Clinton said that "this summit should be the last summit that is not an enlargement summit."[23] However, NATO encounters many problems here as well, as Georgia remains partly occupied by Russia, Macedonia is unable to resolve its name issue with Greece, and Bosnia and Herzegovina is still in the process of addressing an immovable defense property situation.

CONCLUSION

During the past several years, NATO has achieved a high level of proficiency in "talking the talk." The Allies agreed on a new Strategic Concept and NATO endorsed a wide range of supporting initiatives (Smart Defence, Connected Forces Initiative, Deterrence and Defence Posture Review, NATO 2020) aimed at coping with the challenging fiscal environment, new security threats, reduced military capability, high operational intensity and the upcoming post-Afghanistan era. The fundamental question is if NATO will be able to "walk the walk" in terms of actual execution of these initiatives.

The implementation of the New Strategic Concept has faced many substantial challenges. Looking through the prism of the cooperative security model, these challenges are evident in every main dimension of NATO activities.

With regard to collective security, NATO is likely to face a problem of declining internal cohesion and effectiveness as a result of substantial and uncoordinated defense budget cuts, the growing financial and technological gap between the U.S. and Europe, and the U.S. shift toward the Pacific region. Smart Defense has to become much more than another "bumper sticker" slogan to ensure real change in developing and sharing the critical capabilities needed to address threats.

The dimension of collective defense and deterrence also remains challenging because of remaining uncertainties about nuclear policy, a lack of cooperation with Russia in missile defense and diminished conventional capacity. On the other hand, as demonstrated by Libya, NATO still retains an unmatched capability to project power, supported by a unique multinational command structure. Enhancing cyber defense capacity will remain one of NATO's crucial objectives.

Finally, in terms of stability projection, NATO has gained substantial experience in Afghanistan. However, much work needs to be done to improve partnerships, deal with rising powers, improve geopolitical thinking, continue the fight against terrorism and build consensus on the future enlargement of the Alliance. ☐

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