



# NDC Research Report

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## The Transatlantic Link after Chicago

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The summit is over and the heads of state and government have decided on a large number of issues on NATO's agenda. Limiting assessment of the event to occasional griping that the results were meagre and that it was primarily a photo opportunity in President Obama's campaign for re-election means missing the point. Not every NATO summit can be a truly historical one – even if NATO representatives sometimes suggest otherwise. Nevertheless, even without ground-breaking deliverables it seems prudent that at least every two years the Alliance's political leaders gather to give guidance for NATO's further evolution.

There was a set of questions, though, which the heads of state carefully omitted from their discussions in the "windy city", namely the points raised so forcefully in June 2011 by outgoing Secretary of Defense Robert M. Gates when he gave his farewell speech in Brussels. How can the transatlantic link be kept stable in times of financial cuts? How can burden-sharing be achieved in a more balanced way? How can European NATO members, in particular, be recommitted to the principles represented by the Atlantic Alliance? These questions are all the more pressing since a number of developments have in the meantime brought the issue of the growing mismatch between NATO's ambitions and available resources even more to the fore.

Against this background, it is useful to examine the post-Chicago outlook under three main headings. First, which trends will have a noteworthy influence on the transatlantic security community in the coming years? Second, what will be the consequences for NATO's further development? Third, what steps can be taken to help stabilize the transatlantic link in the coming years?

### **I. Decisive Trends and Developments**

Among the vast number of security policy developments, seven seem particularly noteworthy since they entail considerable potential for transatlantic friction and/or are largely underrepresented in the debates on NATO's future.

The first of these decisive trends is that the transatlantic community is experiencing a financial crisis which – particularly with respect to Europe – differs in at least three ways from economic recessions of the past. First, it is unique in its order of magnitude. Second, this crisis is different in that it hits even NATO's "big spenders", who in the past were able to continue investing significantly in their armed forces even during periods of economic downturn. Third, the current crisis is not predictable in its duration. Indeed, for the problem countries in the south of Europe it might

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take decades until balanced national budgets will be achieved. Some are already speaking about the need to face a new “Thirty Years’ War”.

For the United States too, the financial problems are severe. However, favourable demographic conditions (higher birth rate, lower average age, immigration) should enable the US to bottom out more rapidly. In many European countries, though, ageing societies, neglected structural reform of the welfare state and accumulated debts add up to a severe obstruction to economic growth. As a result, despite political rhetoric, there is not the slightest chance for higher defense expenditures in any major NATO member state. Deep cuts in NATO’s military capabilities will be inevitable.

A second likely development resulting from the reduction of military forces is that NATO’s military leaders will become even more risk-conscious when it comes to military operations going beyond self-defense or the preservation of vital interests. When asked by their political masters, they might advise against military interventions to protect civilians or to stabilize regions outside of Europe. As a result, the hierarchy of NATO’s three core missions codified in the new Strategic Concept – 1. self defense, 2. crisis management, 3. cooperative security/partnership – will change. Military crisis management will fall behind, whereas partnership will become even more important. Partnerships can, at least conceptually, help avoid interventions in two ways. Close cooperation with partner countries might defuse smoldering crises, and the training of partner countries’ forces can enable regional actors to take security and stability into their own hands.

A third particularly worrisome trend, stemming from the financial crisis, is the danger of regional instability within NATO itself. Drastic austerity measures in those countries which have so far lived beyond their means might destabilize entire societies and render states ungovernable. The current outburst of violence and chaos in Greece could merely prove the harbinger for other countries in the south of Europe. Irrespective of whether mass unemployment and lack of prospects (particularly among the young) are self-inflicted or not, they will determine daily life in these regions. It is highly unlikely that electors will consistently vote as reason dictates and accept that policies must focus on the objective needs of economic recovery. Instead, nationalist or xenophobic movements will probably gain ground – again, Greece can be seen as a precursor. Ideologists with simple answers for complex questions will come to the fore, looking for scapegoats outside their own countries on whom they can conveniently blame self-caused problems. As a result, domestic violence could spread over national borders, leading to regional crises and tensions among neighbors. The danger of a “Balkanization” of southern Europe might not be an overstatement, given that for the time being many austerity measures have merely been announced or approved but their implementation has still to come.

Fourth, and partly out of the current debate, a looming challenge for transatlantic relations is posed by developments in the Arab world. Notwithstanding NATO’s successful Libya operation, the entire MENA region (Middle East and Northern Africa) remains highly volatile. Even if what has been called the “Arab Spring” increasingly seems to be turning into an “Islamic Winter” in which religious dogmatism and societal deadlock prevail, developments have far from run their course. Further uprisings or violent protest will surely occur. Despite the already mentioned risk-consciousness of military decision-makers, Libya has set a precedent. Thus, the public in many NATO countries might cause political pressure by demanding military action in response to media exposure of unrestrained cruelty against civilians. In such cases the Alliance will always be confronted with the painful debate about whether and when an intervention would be prudent, and who is going to contribute to such a mission.

Geographically linked to events in the Arab world is a fifth problematic development for the transatlantic link, namely Iran’s effort to develop nuclear weapons. A nuclear Iran could strain transatlantic cohesion in four ways. First, it would revitalize the debate in NATO on the future role of nuclear

weapons and the credibility of US deterrence commitments for European members of the Alliance. Ideas of nuclear reductions championed in some NATO capitals might come to a halt. Second, should Washington take, support or endorse military action to prevent Iran from going nuclear, a fierce and divisive debate within NATO on the legitimacy of such a step is likely to follow. Third, given that Iran shares a border with Turkey, any severe crisis could escalate to an Article 5 case, challenging the Alliance with sharp controversy about commitments and contributions. Fourth, even a non-Article 5 escalation, for instance in the event of Iran blocking the Strait of Hormuz, would confront NATO with painful decisions on how to react collectively to such a vital threat.

Despite a number of symbolic resets, a sixth trend confronting the transatlantic link is a constant worsening of the NATO-Russia relationship. Missile defense cooperation remains controversial because of irreconcilable positions on both sides. NATO's Eastern member states still harbor concerns vis-à-vis Russia. In turn, Moscow's often harsh words and deeds vis-à-vis its neighbors or former allies are hardly likely to alleviate historical worries about Russia. On the international scene, particularly in the MENA region, Russia has lost much of its former influence and seems to limit its policy to sheer obstructionism. Most importantly, with regard to its economic, military and societal modernization, Russia has lost ground and is currently occupying an international position lagging well behind its pretensions of being at eye level with NATO. As the gap between aspirations and realities in Russia is likely to widen, the leadership in Moscow might feel tempted to compensate what seems to be a hidden inferiority complex by showing even more confrontational behaviour vis-à-vis NATO. This would spark recurrent debates in NATO about who is to blame for having lost constructive contact with Russia, and how to bring Moscow back towards a more cooperative attitude.

Lastly, there is Washington's frequently mentioned "pivot" towards the Asia-Pacific region. Despite its prominence, this trend seems less worrisome for the Euro-Atlantic community. The shift of US attention away from Europe does not devalue the American engagement in NATO, but is a logical consequence of the geostrategic changes of recent years. The list of unfinished business in Europe has become constantly smaller, whereas the rise of China and India requires a stronger US presence in the Asia-Pacific region. Most NATO members understand this need and appreciate that Europe remains the largest stationing ground for US forces abroad. Still, the American shift will be accompanied by less US enthusiasm for European affairs and a stronger concentration on domestic issues – something the Alliance will have to cope with.

## **II. Consequences for the Transatlantic Link**

It is worth noting that, despite the unencouraging prospects stemming from some of the trends discussed above, the overall outlook for preserving the transatlantic link and the relevance of NATO seems rather positive.

Indeed, the Alliance's classic function – swift and decisive military action together with others – is likely to increase in importance. The marked effects of future defense cuts will extend even to those member states which in the past could afford to maintain considerable intervention forces. Once confronted with a need for significant military action, all NATO members – with the sole exception of the United States – are in future likely to face the alternative of either acting in the framework of NATO or not acting at all. Even a coalition of the willing composed of NATO and non-NATO countries will hardly be able to execute a major military intervention without recourse to NATO, and thus ultimately to US military capabilities. This will mean that NATO will increasingly assume the function of the "enabler" or "facilitator" for common military action outside the Alliance's geographical borders and beyond Article 5 missions.

The importance of NATO's enabler function became apparent in the Libya operation. Despite Libya's

proximity to Europe, the situation there did not seem to be of major strategic relevance for the United States. A few NATO members pressed for a military intervention and persuaded the Alliance to agree to such a mission. (France had initially preferred the European Union, but soon realized that this would not have led to a sustainable military operation.) Washington, however, after initial engagement withdrew from a position of leadership. The result was a seven-month-long NATO operation in which European members of the Alliance bore the brunt of the military activities. The United States provided military and logistical support which, while critical for the mission's success, was fairly limited in relation to America's vast military power: the cost for the seven months in Libya resembled the price tag for one week of US military presence in Afghanistan.

In this sense, Libya can be regarded as a model for future burden-sharing in NATO and for a new transatlantic bargain, as it offers a glimpse of how to distribute responsibilities. In other words, in all "wars of necessity" – i.e. self-defense according to Article 5 of the Washington Treaty – NATO members can firmly count on US commitment to its allies. By contrast, "wars of choice" – military interventions for crisis management purposes in the European neighbourhood – will require the Europeans to lead and execute most of the operations on their own. This should be possible even in times of austerity, bearing in mind that a significant factor in Europe's military weaknesses in Libya was the non-participation of key European NATO states and their refusal to make their military capacities available. A NATO with all members on board would be militarily much better off.

Indeed, a NATO in which Europe could bank on American commitment and at the same time assume military responsibility for crises in adjacent regions would benefit both sides of the Atlantic. It would enable the United States to maintain its powerful influence in and on Europe, and to use its European military bases as major hubs for its global military activities. In turn, Europe would continue to enjoy the protection from external threats offered by the US, as the only existing superpower.

However, in the light of the challenges posed by the economic downturn in Europe, this equation needs to be enriched by another factor. In addition to its role as a protector from external threats, the United States will also have to act – through NATO – as an internal stabilizer. As far back as the Cold War, major disputes between NATO members (Greece and Turkey) might have led to wars within NATO if Washington had not used its weight to reduce such tensions. In the event of possible frictions or hostilities resulting from the financial crisis, Washington would once more have to play the role of the "benign hegemon" in NATO, bringing political pressure to bear with a view to ensuring the internal stabilization of the Alliance.

### **III. Political and Military Requirements**

To further evolve with a view to coping with the upcoming challenges and functioning as a stable transatlantic link, the Alliance must fulfil at least three military and political requirements.

#### ***a) Smart Reductions***

Severe reductions in NATO's military capabilities might be inevitable, but they need to be executed in a coordinated way. Currently, each Alliance member decides on its own cuts without taking the reductions of other member states into account. Unless NATO manages to achieve a more synchronized approach, it could lose crucial military capacities simply because no one thought of keeping them up. In addition to NATO's "Smart Defense" approach, there is the urgent need for a "Smart Reductions" initiative so as to ensure that, after the cuts, the sum of all remaining capabilities will add up to an effective military force.

#### ***b) Interoperability***

NATO's role as a facilitator for common military action requires keeping up interoperability at all levels: procedures, standards, capabilities, education, language. This holds all the more true as the

combat operations in Afghanistan will be terminated by 2014 at the latest. Thus, 28 NATO members and 22 partner countries will lack the daily practice of military cooperation. To keep up fighting power which can be rapidly activated (as was the case in Libya), ways have to be found to exercise cooperation without ongoing military operations. Secretary General Rasmussen's "Connected Forces Initiative" points in this direction. However, so far it is more a catchword brought to the fore in a public speech than a viable concept.

***c) A Strategic Perspective***

Despite the Euro crisis and its domestic challenges, Europe needs to take a strategic perspective which goes beyond its geographical borders. Some European NATO members have such a view, others – even key members – do not. Washington hardly expects Europe always at its side when it comes to global military actions – even the military preconditions for this level of engagement are lacking. In addition, despite ritual requests for greater European financial commitment, most decision-makers in Washington are aware that an increase of defense budgets is not in the cards. They do, however, expect European members of the Alliance to realize that energy supply, access to raw materials and the protection of the global commons are as essential for Europe as for the United States. Such vital interests cannot be preserved solely by diplomacy, arms control, soft power or a "culture of restraint". Instead, they might require the use of military force – not as a panacea, but as a supporting element together with non-military means.

Moving forward in tackling these three requirements could be seen as a task for the post-Chicago period, and would help to stabilize the Euro-Atlantic security partnership. The results could be assessed at the next NATO summit, in about two years' time.