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## STUMBLING BLOCKS TO NATO'S STRATEGIC ADAPTATION INITIATIVE

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STRENGTHENING TRANSATLANTIC COOPERATION

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# 1 From Pivot to Anchor: Has Europe Become More Responsible?

## Europe's Strategic Responsibility is More than the Sum of its Defense Budgets<sup>1</sup>

Discussions about the strategic responsibility of European powers are too often limited to defense spending and outdated capabilities. Quantitative measurements, such as the 2 percent and 20 percent NATO pledges, have become the first standards for evaluating the commitment of the European partners to their security. Linking their ability to take a fair share of the security burden to the mere increase of defense capabilities does not reflect the real European contribution to the transatlantic partnership, and inaccurately narrows the issue to a zero-sum game between security consumers and security providers.

European allies have largely followed up on commitments made during the 2014 Wales Summit; 23 out of the 28 NATO countries have stopped reducing their defense budget, and key partners such as France and Germany have demonstrated political willingness to assume a greater role in collective defense initiatives. This European effort is the first step in a long process to build the capabilities necessary for a more equitable balance of security responsibilities with the United States. The current insecurity, with major crises at Europe's doorstep, can be compared to 1999 and the ongoing conflict in Kosovo. That crisis led to a quasi-parity of contributions to NATO between the United States (55 percent) and the European allies (45 percent). A similar trend can be expected as the threats to Europe's east and south directly threaten the security of most European allies. However, bigger budgets are not the only way to become more responsible individually and collectively.

<sup>1</sup> This policy paper is the product of a workshop of the Transatlantic Security and the Future of NATO project organized by The German Marshall Fund of the United States in Warsaw on May 19-20, 2016. The arguments presented here are partly based on the content of the discussions. The authors thank the participants for their input and suggestions.

Partners have undertaken various forms of engagement that ensure the security of Europe and its neighborhoods, and these should be used in assessing their strategic responsibility. The participation of multinational armed forces in the military exercises that are part of NATO reassurance measures is crucial, not least because of their strong symbolic and political meaning. The involvement of troops from Mediterranean countries in the exercises in the Baltic, and vice-versa, for example, affirms the transatlantic solidarity on which the Alliance is built. Expressions of responsibility are not limited to NATO. Some European countries have become more involved in UN peacekeeping operations, and France's invocation of article 42.7 of the Treaty on the European Union after the November 2015 terrorist attacks in Paris were an attempt at uniting all EU countries in the fight against the self-proclaimed Islamic State group (ISIS). Similarly, European partners' unity toward Russia after the annexation of Crimea, despite the economic costs of the sanctions, is a positive sign.

The challenge for the EU is to sustain this unity, as countries like Germany and France increasingly look to ease Russian sanctions. Indeed, the sanction regime has also highlighted the complex articulation of strategic responsibility and sustainability. European efforts to take on more of the security burden reinforce the transatlantic partnership only if they can be maintained politically and economically in the long-term. The credibility of Europe's commitment to ensure more of its security largely depends on human and financial resources, and therefore on domestic issues and the support of the populations and governments.

Finally, European strategic responsibility will also improve through constructive dialogue at the transatlantic level. From a European perspective, Washington has focused too much on quantitative

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*European countries have to decide on the level of strategic autonomy they want and are comfortable with achieving within the transatlantic partnership.*

measurements and needs to also express what it expects from its allies qualitatively. U.S. expectations have to be adapted to the different capabilities of European countries. While the U.K. and France should be able to work independently, and thus have the tools to act as leading powers in case of crisis, smaller allies — for instance in Northern and Central Europe — are assessed by their ability to organize themselves in their neighborhood and coordinate their actions. Thus the strategic ambitions of the different European countries should be adapted to expectations beyond simply an increase of the defense budget.

#### **Are Europeans Ready to Talk about Strategic Ambitions?**

European allies have taken steps to increase their strategic responsibility within the transatlantic partnership. But it remains unclear what level of engagement and responsibility is sufficient to create a more secure Europe. As the United States starts thinking of ways to offset its risks, European powers need to identify their strategic ambitions in order to see how they will fit into this multi-region strategy. The current efforts seem to focus on dealing with security issues in Europe and its neighborhoods, without having the ambition to fix the security order itself. Whether European powers can become more responsible depends on how we are defining “responsibility.”

European countries have to decide on the level of strategic autonomy they want and are comfortable with achieving within the transatlantic partnership. This ambition defines the objectives in terms of building a reliable industrial and technological base as well as the need to rearrange the bureaucratic and institutional procurement processes within the EU and NATO. The purchase of key strategic airlift and intelligence-surveillance-reconnaissance (ISR) capabilities continues to be a well-identified priority for European powers to

gain more independence from the U.S. military, a lesson learned especially from the 2011 Libya operation where the Europeans had to rely on U.S. strategic enablers, most notably aerial refueling capabilities and ISR, in order to efficiently carry out the operation. Similarly, European failures to heed the signs of instability in its neighborhoods and in anticipating future crises have structurally weakened European partners’ credibility as security providers. The lessons learned from the Ukrainian crisis should lead to major investments to gain the necessary tools and warning systems in order to improve conflict management and prevent similar strategic surprises.

The release of the European Union Global Strategy (EUGS) provides a unique opportunity to clarify the ambitions of the EU’s diplomacy and foreign policy. From a pragmatic perspective, building capabilities is useless without a common strategy that defines how and why to use tools. The strategy helps identify the challenges and devise responses to different scenarios. More symbolically, the EUGS also proves that the EU can think and engage with long-term and global issues, as well as articulate defense and socio-economic interplay, including the very important integration of development policies into the larger question of European security. However, European powers need to address the role of the EUGS in accompanying the EU’s strategic adaptation to the current environment. The strategy document should not remain a theoretical description of the international security environment, but be concretely used as a preparatory action for defense and procurement planning. The possibility of working on a European white paper regarding defense and security should be discussed as a follow-up of this process, one that will necessarily address the issues of overlap and cooperation with NATO.

For NATO, the results of the Warsaw Summit have helped clarify the ambition of the Alliance

for the coming years. While the reinforcement of common defense was naturally the key outcome of the summit, it will be equally important to set high standards for the other two pillars of NATO, and underline connections between all three. The commitment of European allies to crisis management and common security initiatives will be a good indicator of their global strategic ambitions. As the Russian revisionist actions have brought geopolitics back into European security thinking, the successful implementation of the decisions made during the 2016 NATO Summit will be the expression of European willingness to maintain a certain level of intensity in completing the tasks of collective security and territorial defense for the foreseeable future.

Transatlantic institutions therefore have great opportunities to reaffirm their goals and strategies in the coming months, and the joint declaration signed by the EU and NATO will provide a necessary framework for institutional cooperation, on top of creating a baseline of expectations that the two should deliver on.

Finally, the need to better define the strategic ambitions of European allies, and of Europe as a whole, is all the more relevant as some initiatives

may appear too ambitious and potentially counterproductive. The well-worn idea of the creation of a European army may, for instance, prevent further developments because it fuels Euroskeptic discourses — such as seen in the British EU referendum campaign — and still stumbles over simple but important questions of usability and deployment. The EU Battlegroups, for example, have yet to be used in operation despite their having been numerous opportunities for their deployment since they become operational in 2007. This makes it harder to see how broader cooperation within the EU itself can pick up momentum in the current context. Similarly, the goal of joint defense procurements may be extremely difficult to achieve in the short or middle-term, and should not be made a priority at this point, even if individual countries can move ahead as they see fit in respect to the NATO Defense Planning Process. Avoiding an over-ambitious agenda is also a matter of method: the EU and NATO each have their institutional rhythm for reforms and developments, and a pragmatic approach requires step-by-step advancement rather than imagine sudden and deep strategic transformations.

*The commitment of European allies to crisis management and common security initiatives will be a good indicator of their global strategic ambitions.*

## 2 Squaring Adaptation with Expectations: Smooth Sailing for the NATO Ship?

*The resulting gap between the priorities of the foreign policy establishment and the public have fueled the populist rhetoric growing more common on European and U.S. political stages.*

### **The Increasing Effect of Domestic Politics on Transatlantic Foreign Policymaking**

**A**s the transatlantic security environment has been transformed, foreign policy has become a more contentious domestic issue. The multiplication of crises in the European neighborhoods, in addition to the ongoing effects of the economic crisis, has triggered heated political debates within transatlantic societies over the proper responses to these challenges. The resulting gap between the priorities of the foreign policy establishment and the public have fueled the populist rhetoric growing more common on European and U.S. political stages, which challenges the basic terms of the transatlantic security partnership.

The U.S. presidential campaign has provided an archetypal illustration of this divide. On one hand, the political establishment's perspective has changed significantly over the last years, as Europe, which was always considered strategically crucial, has shifted from being the most stable region in the world to a center of security concerns. The calculus has therefore changed, and a more active foreign policy is being promoted to prevent the aggravation of the current crises. On the other hand, the popular argument over the unbalanced nature of the deals passed between the United States and its allies has grown louder. While the sense of a "raw deal" not only concerns Washington's European partners, NATO and transatlantic security cooperation are a prime target.

This division has led the transatlantic strategic community to consider a series of "worst case scenarios," which could constitute game-changers for the future of the Alliance. One of these has already come to pass, and three remain. On June 23, 2016, the referendum on the EU in Britain resulted in a vote for Brexit; the consequences to date have already been seriously unsettling, though

the process moving forward remains unclear. The U.S. 2016 elections and finally the French and German general elections in 2017 will also be decisive moments for the transatlantic partnership, potentially overshadowing the positive outcomes of the NATO Summit and the EUGS. The first two votes may be the most consequential for the Alliance: the unpredictable implications of the Brexit for the European project are particularly worrying as the EU is already faced with a serious crisis of legitimacy, and Donald Trump's promises to profoundly renegotiate the cost of the U.S. engagement in European security are followed with great apprehension by European partners experiencing direct threats in the East and the South.<sup>2</sup>

These "worst case scenarios" should not, however, prevent the allies from considering other consequences around these four key events. First, the U.S. elections will provide an opportunity to consider the constraints of long-term economic and strategic interests on U.S. foreign policy. The capacity of the new president to fundamentally rethink the terms of the transatlantic partnership is indeed a subject of debate. The transatlantic strategic community should also consider the implications of an absence of strategic surprises, and its potential implications for the partnership. For instance, the success of pro-European mainstream parties in the French and German general elections in 2017 may create momentum to engage in ambitious initiatives at the European level, and give a new legitimacy to the Franco-German couple. The U.S. elections may also lead to the victory of the foreign policy establishment, and a significant reinvestment of U.S. foreign policy toward European security. This decision would likely be a trade-off and eventually come at the expense of U.S. engagement in the Middle

<sup>2</sup>This policy paper was written before the UK European Union membership referendum of June 23, 2016.

East and Southeast Asia. The same foreign policy establishment, if it chooses to rethink U.S. President Barack Obama's moderate approach toward Russia in favor of a more assertive attitude, could jeopardize the coordination between the United States and Europe, as it would be more difficult to reach a consensus among European partners. Similarly, victories of mainstream political candidates in 2017 may still challenge current cooperation in foreign policy issues, especially with regards to Russia.

The deepening links between domestic politics and foreign policy call for more legitimacy in the foreign policymaking process. In order to design sustainable strategies, transatlantic leaders should not respond to complex situations with more complex solutions, but rather adopt a pragmatic approach to the crises, and try to reduce the perception gap between the establishment and the populations. This implies that decision-makers rebuild confidence in foreign policy decisions, both by explaining to their public that conflict management requires sustained resources and defining a comprehensive approach to crises, balanced with more immediate concrete results that their populations can appreciate.

### **The Significance of the East-South Division in NATO's Strategic Adaptation**

As transatlantic allies are working on the implementation of the decisions made at the NATO Summit in Warsaw, the threats faced by the Alliance in the European neighborhoods are often divided between an Eastern Flank, which corresponds to the conventional and hybrid threat posed by the Russian revisionist foreign policy in Eastern Europe, the Baltic region, and the Caucasus, and a Southern Flank, which includes terrorism, migration and refugee flows, and failed states in the Mediterranean and the greater Middle East and North Africa (MENA) region. This simplified

division of the security challenges has been greatly discussed in recent years, and continues to be used to explain differing priorities among transatlantic partners. Reconciling the two perspectives was identified as one of the objectives of the summit, with the idea that transatlantic solidarity could be at risk if an agreement on a balanced response to the two flanks was not reached.

In many ways, however, the current line of division is no longer a geographical one, and the question of the South-East perception gap has already been resolved, at least as far as political will is concerned. NATO has indeed shown its commitment to reassurance measures in Eastern Europe as well as its ability to help coordinate transatlantic intelligence regarding terrorism and to provide capabilities for improved border control and protection in the Mediterranean. The current discussions instead focus on the level of ambition of NATO's strategic adaptation, as well as on the division of labor among transatlantic partners. The United States is particularly attentive to find the right balance between being more engaged in European security, and continuing to encourage its European allies to take on more responsibilities.

While the question of balancing between the two "flanks" has gradually been resolved, the South-East divide remains relevant to understanding NATO's long-term roles in transatlantic security. Indeed, NATO has been increasingly "regionalizing" itself, with sub-groups of allied countries focusing their military and pooling-and-sharing efforts on the risks and threats that are closest to their borders. The challenge is therefore to encourage regionalism while maintaining the EU's and NATO's core. More than geography, it is the nature of the threats that distinguish one flank from another. NATO's involvement in the South does not need to mirror its engagement in the Eastern Flank, but rather be adjusted to the specificities of the crises. In the East, the Alliance is facing more conventional

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issues, which can be addressed with the Allied Command Operations' (ACO) traditional toolbox. The use of hybrid tactics has led the debate on the modernization of transatlantic strategy and capabilities, but it has not put in question the relevance of NATO to face this threat, which remains largely state-centered. In the South, the roots of the security crises are more complex, including economic and development issues, non-state extremist groups, and failed-states. The utility of NATO's military capacity is therefore disputable, but it is neither desirable nor realistic to rule out a role for NATO in the South, as terrorism and refugee flows are the most salient issues for transatlantic politicians. The Allied Command Transformation (ACT) can help develop adapted tools to reinforce NATO's role in addressing the crisis, whereby it can be particularly efficient in supporting better suited institutions, providing

transfer of expertise and training, and eventually being able to deliver on security sector reform based on the extensive knowledge that NATO Allies have developed. The UN and regional organizations such as the Arab League, the African Union, and the EU have the legitimacy and more relevant political capabilities to take the lead in the South. For NATO, the priority should be to bolster existing initiatives and enhance the coordination with regional partners and civil society organizations rather than designing new solutions. In the end, the challenges in the East are a question of connectivity among allies, whereas the challenges in the South are an issue of connectivity with regional partners. In both cases, the aim should be to strengthen these relationships.

# 3 (Re)Defining the Scope of NATO's Levers

## Transatlantic Security Between NATO and National Responsibility

Contemporary threats have strong political and economic roots, for which defense and military means offer only a limited part of the solution. As a primarily military alliance, NATO cannot tackle all aspects of transatlantic security, but it does also assume a non-military role at the international level and can support political organizations as well as directly provide useful political tools. The Warsaw Summit therefore had to answer military questions related to the modernization of transatlantic hard-power, cybersecurity, nuclear deterrence, and anti-access/area denial capabilities. But the scope of NATO's non-military role will also need to be discussed in the coming years. Establishing clear and transparent limits to NATO's political responsibilities may also help promote national responsibility, and encourage transatlantic leaders to work at the national level for transatlantic interests.

NATO's political role is crucial to strengthen the global effects of transatlantic security decisions. This can be fostered by reinvesting in two unique NATO assets. First, the ability of the Alliance to set norms and rules provides a strong tool in constructive dialogue with other powers on security issues. New technologies and international terrorism are contemporary opportunities to reaffirm the normative power of transatlantic actors, and NATO can serve as a platform of discussion and policymaking for these issues. While revisionist challengers have brought geopolitics back into NATO's direct strategic environment, it is important not to abandon the universal aspiration of the transatlantic partnership. Second, the role of partnerships should not be marginalized as the Alliance refocuses on collective defense. The operations in Afghanistan have created an outstanding network of partners that

can still be mobilized to support non-military solutions, for instance to impose economic sanctions. Stronger security ties with specific partners such as Australia, New-Zealand, and Japan can also be encouraged via NATO, and reinforce the transatlantic position at the global level. These partnerships are a two-way relationship, and the Alliance needs to show what it can do for its partners as much as what is expected from them. The Warsaw Summit provided an opportunity to further discuss the investment that Allies are ready to make in the future in order to maintain, and enhance, the cooperation with regional institutions and states beyond NATO's territory.

Strengthening the political role of NATO remains, however, a sensitive issue for some Allies who are reluctant to engage in a "NATO-ization" of transatlantic issues. For instance, the EU-U.S. platform is often preferred in order to avoid over-militarizing transatlantic discussions. It is therefore important to ensure that the issues that are not dealt with at the NATO level find solutions at another level of decision-making.

Being transparent about the limits of NATO's political capacity can encourage the Allies to face their responsibilities at the national level. In the contemporary security environment, national leaders must reinforce their political, economic, and defense capabilities in order to protect transatlantic interests without relying on the Alliance. The resilience of transatlantic societies, which is central in the fight against hybrid tactics and terrorism, comes under the competency of individual states before all. NATO cannot create the economic generators for greater forces and infrastructure stability, and even the EU can only do a part. The initiative of the Transatlantic Trade and Investment Partnership (TTIP) is an attempt to address key strategic issues through other means, and should be pursued. Finally, political leaders also have a role in explaining the strategic

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purposes of the transatlantic partnership to their populations, explaining their responsibilities in domestic debates on foreign and security priorities in order to defend a common narrative. To offer an inspiring defense, leaders will need to be better educated about defense and strategic issues, and be willing to assume an ambitious national foreign policy agenda that takes collective interests and solidarity into account.

#### **Building Political and Strategic Capacities to Address Failing Communication with Russia**

While the political dimensions of the security challenges on the Southern Flank are obvious to all, the Eastern Flank is too often reduced to mere hard-power opposition with strict military solutions. Here NATO also has to use political levers to find the relevant response, and especially to communicate with Russia. The relationship with Russia after the Warsaw Summit is a core issue for transatlantic security and greatly depends on the use of the Alliance's political, economic, and diplomatic power. The NATO-Russia Council (NRC) has largely failed to establish a productive dialogue with Moscow in recent years. Some positive developments should not be underplayed, such as the capacity to bring Ukrainians to the discussion table through the NRC, but the organization has not resolved the fundamental issue of the lack of transparency and confidence in the relationship with the Putin regime. The NRC's main utility has been to demonstrate Russia's unwillingness to communicate with the United States and its European partners. The need to find the right vehicle for dialogue is therefore paramount, as the Alliance cannot afford to not talk with Russia.

The failure of the NRC highlights a greater difficulty for NATO: defining the terms of its engagement with Russia while not engaging directly in the military confrontation. Reassurance

policies in Central and Eastern Europe should not be undertaken as parts of a strategy of geographic containment. Instead, transatlantic foreign and security policies should focus on solid coordination, on their patience, on their good will and willingness to retaliate, and being able to affect domestic politics defensively or offensively. Coordination will be more effective, and is more realistic, than an attempt at geographic containment. The Alliance is not powerless in the competition with Moscow, and can have an advantage as long as there is transatlantic solidarity. It is therefore a matter of attitude and capacity to incur economic and political costs. Russia's economic situation has led the Putin regime to become increasingly risk-tolerant. Transatlantic partners have been overwhelmed not because of their lack of capabilities, but because their intolerance to risks has prevented them from potentially increasing their margin of maneuverability. Finally, Russian revisionist ambitions aggravate the transatlantic community more because we do not understand Putin's objectives. The Russian regime has a singular worldview that has been, in recent years, either underestimated or simply misunderstood by most NATO allies. From Moscow's perspective, all the U.S. and European proposals are perceived as aggressive and directly threatening Russia's interests. Relations with "the West" are viewed as a zero-sum game that does not leave any space for mutually beneficial cooperation, especially with regards to the European order. Within this strict conceptual framework, the Russian regime has been able to adapt its foreign policy to changing circumstances and be opportunistic in order to achieve its short-term goals. Contrary to common misconceptions, Putin's strategy is therefore not built on a strong ideological core but rather on an ultra-pragmatic use of military force and diplomacy. The Kremlin is primarily concerned about the social and political developments within

Russia, and foreign policy's first function is to keep the current regime in power, both by creating an external enemy against which the country is united, and by bolstering the regime's prestige as it appears to challenge the United States. From a transatlantic perspective, it is essential to build the means to better understand the internal dynamics in Russia

and the political principles on which Putin's strategy is founded. Investing in a Track-II dialogue with Russian counterparts could help reinforce the Alliance's comprehension, and provide new tools in defining the real nature and scope of the Russian challenge.

# 4 Prospective Analyses and Concrete Recommendations for the Future of Transatlantic Security Cooperation

*The transatlantic military presence is not limited to the responses to the Russian aggression or the challenges of the MENA region.*

**T**ransatlantic deterrence requires a new, broader, cross-region approach, and it also needs to be thought of as a spectrum, from sanctions to military and even nuclear power. The various crises on the Eastern and Southern Flanks have illustrated the Alliance's inability to quickly and efficiently deter all of 21<sup>st</sup> century security challenges. The answer to the complexity of contemporary threats should not necessarily be more complex, but rather build cross-regional partnerships and clear communication routes to prevent the emergence of new crises or punish the crossing of strategic red lines. Transatlantic partners should also identify the weaknesses that are likely to be tested by future challengers, in order to anticipate potential flaws in their deterrence system.

The question of the use of nuclear weapons has largely disappeared from transatlantic security discussions since the end of the Cold War. Transatlantic leaders have lost the habit of thinking about — or at least discussing — the use of nuclear capabilities, and their strategic implications. Recent declarations by the Russian military, in addition to the degradation of the relations with Moscow, have brought nuclear issues back. It is important that NATO provides a forum to think of the use of nuclear capabilities in the 21<sup>st</sup> century. The Warsaw Summit, with the decision to reinforce the Alliance's military presence in the East, provided an opportunity to reengage in the long-term with this question at the transatlantic level.

Understanding domestic politics and foreign policy has become increasingly important. At the transatlantic level, internal political and economic weaknesses directly affect transatlantic credibility. Domestic instability affects transatlantic leaders, and questions the legitimacy of the foreign policy decision-making process. Transatlantic partners are unable to build an ambitious foreign policy and project power in a context of domestic turmoil,

and the priority given to solving socio-economic issues will also benefit the strategic agenda. It is all the more important to focus on understanding the domestic politics of external challengers. The attentive reading of the Iranian internal situation, for instance, played a key role in reaching the nuclear agreement. Similarly, the foreign policy crisis with Russia or the threat posed by ISIS will not be adequately addressed unless transatlantic allies agree on a more sophisticated and shared comprehension of the domestic dynamics driving Moscow's strategic decisions and of the socio-political struggles in the MENA region.

The focus on the Eastern and Southern Flanks, although understandable in the current security context, should not completely overshadow other operations and responsibilities of the Alliance. The transatlantic military presence is not limited to the responses to the Russian aggression or the challenges of the MENA region. For instance, 25,000 troops remain in Afghanistan, and more than 5,000 in Kosovo. This "unfinished business" has deep implications for the credibility of the transatlantic partnership at the global level. NATO needs to address the issue of its security responsibilities outside of its territory. The EU and NATO will have to learn to balance social and political resilience at home with external capacity-building. Future crises, around the Black Sea or in the Arabian Peninsula, are likely to force the Alliance into new conflicts that could jeopardize transatlantic unity if the partners have not previously agreed on their strategic commitments in these regions. In this context, Turkey will continue to be a particularly challenging ally to work with.

Transatlantic partners need to understand one another's domestic politics in order to strengthen security cooperation. Each country has its own socio-political culture that frames its actions at the international level, and misconception often

creates tensions. For instance, the divergence among European countries on economic governance has weakened the political solidarity, and while a general consensus may be hard to reach, it is essential to better understand the roots of the different perspectives and avoid further fragmentation. At the transatlantic level, the United States and its European allies may disagree on energy policy and trade with China. These differences stem from deep cultural characteristics as much as from strategic interests, which also affect the negotiations on the TTIP. The lack of mutual understanding prevents some agreements, and creates unnecessary obstacles to better cooperation. The United States and its European allies also need to revive the transatlantic conversation about technological innovation in the defense sector and the U.S. Third Offset Strategy, and determine how closer transatlantic cooperation in this domain could contribute to strategic stability and to maintaining transatlantic strategic advantage in the world.

Transatlantic and European institutions are necessary, but transatlantic partners should be wary of institutional blinders and be willing to think outside of the NATO and EU toolbox. The increasing trend of “ad-hockery” often provides workable solutions in the contemporary security environment. These ad hoc coalitions often have the advantage of being more flexible and quicker to implement than institutionalized frameworks. On the other hand, ad-hockery is less sustainable since its legitimacy and leadership can be questioned, and could diminish the levels of unity after time in an already fragmented Alliance. Flexible solutions should thus be pursued, but as a first stage. The goal should be to plug successful coalitions into a NATO/EU operation so they can benefit from the more structural and long-term strengths of both organizations.

*Transatlantic partners should be wary of institutional blinders and be willing to think outside of the NATO and EU toolbox.*

# 5

## Strategic Responsibility: Balancing the Burden

Rachel Ellehuus

*As underscored at the NATO Warsaw Summit, the core responsibility of the Alliance is collective defense.*

A perennial strength of the North Atlantic Treaty Alliance (NATO) has been its willingness and ability to adapt to changes in the security environment. From a focus on territorial defense (Article V) throughout the Cold War, to out-of-area operations in the Balkans and Afghanistan over the past few decades, to its recent expansion to new domains such as cyber, NATO's resilience depends upon its recognition of the evolving interests of its member states and ability to adapt institutionally to support them. At present, NATO is facing yet another inflection point as its members confront not a single, overarching threat, but a variety of complex threats along its multiple flanks. With limited resources yet increasing demand, some allies are self-selecting those challenges that are closest to home. Suddenly, context matters, with geography figuring significantly in individual allies' prioritization of threats and determining their relative response. While there is potential for this differentiation to be leveraged to motivate allies and better balance the security burden, for example by encouraging regional defense cooperation among neighbors, there is also risk in moving away from a so-called 28-for-28 approach whereby all allies contribute to all missions. As underscored at the NATO Warsaw Summit, the core responsibility of the Alliance is collective defense. As such, allies must be prepared and willing to uphold that commitment, whether in defending against a more traditional state-based threat such as Russian aggression or against transnational threats such as terrorism from non-state actors. To thrive, NATO must again find a way to adapt institutionally to support differentiation while also equitably distributing the security burden and reinforcing NATO's core.

A look back at the years following NATO's founding reveal a defense burden balance not so different than today's. In 1949, the United States accounted for 68.94 percent of total combined NATO defense

spending compared to roughly 70 percent today. At the time, this imbalance was not only welcome, but by design – in an effort to neutralize German military power and enable European countries' to focus on rebuilding their post-war economies, the United States agreed to provide the security umbrella for Europe through NATO. In the eyes of U.S. leaders and the American public, restoring and maintaining European security and stability were well worth the price. Now, more than 60 years on, the stability enabled by that transatlantic grand bargain has paid dividends. The United States and Europe — through NATO, the European Union (EU), and other multinational fora — created the conditions under which today's rules-based international order took hold.

Yet as European economies stabilized and grew, the security burden — whether in terms of security leadership or defense spending — has not shifted in tandem. With the exception of a few allies such as the United Kingdom and France who, like the United States, maintained an expeditionary mindset and capabilities to protect their global interests, the majority of NATO members focused on domestic issues and on developing soft power tools under the auspices of the EU. In fact, it is not until the post-Cold War period of the 1990s that the defense burden balance between the United States and European NATO allies nears parity at 55 percent. Due in part to reductions in U.S. defense spending as a result of the so-called peace dividend, this momentary parity was achieved by European NATO members collectively stepping up to manage the conflicts in Kosovo and Bosnia. In contrast to the wars Afghanistan and Iraq, which seemed to many Europeans distant and unrelated to their security, the conflicts in the Balkans brought instability to NATO's backyard along with a very visible influx of refugees and renewed tensions with Russia.

Today, a similar dynamic is unfolding whereby Europe's immediate security environment feels less secure. With a new wave of refugees flowing from instability in the Middle East and North Africa and the recent terrorist attacks in Brussels, Istanbul, and Paris, security and defense matters are again at the forefront of national, EU, and NATO agendas. Additionally, Russian revanchist behavior — whether in its pursuit of sphere-of-influence politics in Ukraine and Crimea, provocation of NATO members such as the Baltic states and Turkey, or military adventurism via a proxy war in Syria — is reigniting memories of the Cold War and threatening to undermine the stability of the transatlantic community.

Reassuringly, there are indicators that the security mindset of European NATO allies is changing in response to this more challenging security environment. While these changes are gradual, European NATO members are exhibiting both greater political will to take responsibility for their own security and an understanding of the need to make the requisite investments needed to support a more active security and defense posture. At the Warsaw Summit, Allies clearly demonstrated this growing commitment with the announcement of the deployment of four multinational battalions to the East to deter Russian aggression.

In terms of political will, Germany is arguably the NATO ally experiencing the most significant shift. Long ambivalent about the use of military power, German leadership (though less so the German public) is slowly recognizing the importance of military strength in underpinning its economic and political power and safeguarding a stable, liberal international order. In recent years, restrictions on the deployment of German forces outside of NATO territory or provision of lethal assistance have been quietly overcome. Chancellor Angela Merkel's loss of faith in Russian President Vladimir Putin's assurances that he would respect the

territorial integrity of Ukraine marked the critical turning point in the Crimea crisis and led to the EU's imposition of economic sanctions on Russia. Most recently, Germany demonstrated its influence and the value of its strategic leadership on the refugee crisis by pushing for the establishment of the NATO Activity in the Aegean as well as an agreement between Turkey and the EU to work together to manage the migrant crisis. Elsewhere in NATO, a number of other allies have stepped up to take on greater security responsibility and, indeed, leadership. Examples include France spearheading the fight against Islamic insurgents in Mali; Italian efforts to establish a stabilization mission for Libya; and Nordic countries (both NATO and non-NATO) taking steps to solidify access and basing agreements among them as a hedge against Russian aggression. Notably, the common theme in all of these instances is that context matters; an ally is more likely to step forward to lead when the particular security issue is closely aligned with its national security interests. Rather than fear this differentiation, NATO must find a way to capitalize on it to incentivize allies.

In terms of investment in security and defense, a majority of NATO allies are taking steps to reverse the negative trends in defense spending. Since the introduction of the Wales Defense Investment Pledge (DIP) in 2014, 23 of 28 NATO allies have halted the decline in their defense spending in absolute real terms (though not necessarily as a percentage of GDP), and nearly three-quarters of allies have increased the amount they spend on defense. Collectively, allies will spend more on defense in 2016 than the year prior, marking the first time that total NATO defense spending has increased since 2009. Qualitatively, there are also positive signs. In 2015, eight allies spent the DIP-recommended 20 percent in procurement (France, Lithuania, Luxembourg, Norway, Poland, Turkey, the U.K., and the United States). In its 2015

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Strategic Defense and Security Review (SDSR), the U.K. not only committed to meet the NATO target of 2 percent spending on defense but also set aside a sizeable amount of defense investment for innovation and invested in a number of key capabilities to include Maritime Patrol Aircraft, next generation fighter aircraft, and cyber. Germany and France have also committed to increasing the size and quality of their armed forces and plan procurements of key enabling capabilities such as transport aircraft, helicopters, and fighter aircraft. In Central Europe, it is Poland that is leading the charge with defense spending above 2 percent to include a robust procurement budget over the next 10 years. Nevertheless, these upward trends must continue for the foreseeable future if NATO allies are to correct the gaps — particularly in deployability and sustainability — that are the result of years of underinvestment in defense. Investments must also be targeted at increasing forces and capability where it most matters. Among the key capability shortfalls identified by NATO through the NATO Defense Planning Process, there remains an overreliance on the United States for the majority to include lift, Intelligence, Surveillance, Reconnaissance (ISR), and air defense, areas in which the United States is also stretched. Focused defense investment and procurement plans from NATO's larger allies such as Germany, Canada, Turkey, and Italy would go a long way in increasing the collective capabilities of the Alliance.

Yet as NATO continues to adapt, there is a risk that progress may be too slow given the pace and complexity of the threats facing the transatlantic community. In the months and years ahead, NATO must address three particular challenges if it is to maintain the positive momentum on political will and defense investment,

The first of these is institutional adaptation. NATO must find ways to accommodate and offer incentives to nations based on the increasing

regionalization of security threats among member states. While the concept of solidarity and 28-for-28 must not be lost, the reality is that there is no longer a single overarching threat. It is only natural that Italy will be most motivated by and invested in managing threats to NATO's south whereas Poland and the Baltic states will see the Russian threat to their east as the most pressing. Concrete steps that would support this differentiation while retaining NATO's common core include more flexible decision-making, command structure reform, more targeted and effective use of NATO common funding, greater incorporation of national and regional defense plans, and possibly adjustments to the NATO Defense Planning Process.

The second challenge is weathering the trends of internal fractiousness on both sides of the Atlantic, whether Brexit, the eurozone crisis, or rising nationalization and isolationism in Europe and the United States. Politicians and publics need to hear that, despite the periodic disagreements and tensions, the transatlantic community stands stronger together in a world where the rules and norms of the liberal international order are coming under pressure. Ideally, the case can also be made that individual allies get more for their security investment when a strong, collective security and defense umbrella such as NATO is in place.

Finally, a third challenge is expanding the tools at NATO's disposal. As demonstrated in reconstruction efforts in Afghanistan and, more recently, in managing the migrant crisis in Europe, neither soft power nor military force alone is sufficient to handle today's security and defense challenges. The U.K. decision to run its 2010 and 2015 SDSRs out of the Cabinet Office Vice Ministry of Defense or Foreign Office as well as its establishment in the 2015 SDSR of a Joint Security Fund is recognition of the increasing fusion of security and defense. Similarly, the participation and buy-in of local partners on the ground is

instrumental to long-term success. In this respect, NATO's efforts at improving its partnerships with the EU, including the historic joint-declaration made at the Warsaw Summit, are important.

Enhanced Opportunity Partners (e.g. Australia, Sweden, and Finland), and neighboring regional groupings (e.g. the Gulf Cooperation Countries) are also welcome additions to better partnerships.

As we reflect on the security guarantees exchanged at NATO's founding in 1949, U.S. and European interests remain inextricably linked, and the U.S. commitment to European security is strong.

Nevertheless, a successful relationship is reciprocal with each partner giving and gaining over time. As

the challenges to global and transatlantic security increase, all NATO allies have an obligation to share the security burden by doing their part. While a willing partner, the United States cannot be more invested in European security than Europeans themselves.

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# 6

## Shifting Geopolitics and Contested Politics: New Challenges to the Transatlantic Alliance

Riccardo Alcaro

*Today, transatlantic cooperation continues to be fraught with mutual recriminations, including Washington's perennial irritation at Europe's dwindling military spending.*

For a quarter century now, transatlantic security relations have been shifting from a partnership with a clearly defined strategic purpose to pragmatic cooperation, with priorities often diverging between the two shores of the Atlantic. Despite differences, however, U.S.-European relations have shown a remarkable degree of resilience, and examples of cooperation abound: counter-terrorism, the interventions in Afghanistan and Libya, restricting Iran's nuclear program, and the coordinated response, including the adoption of sanctions, to Russia's destabilization of Ukraine. The contours of a bargain between a leader and his/her followers, in which the followers support the leader's foreign-policy initiatives in return for a promise of protection and stability, are visible under the surface of a looser strategic relationship. Russia's increasingly unpredictable and hostile behavior and the chaos and conflict in North Africa and the Middle East warrant greater cooperation between the United States and its European partners. Yet, while Europe's geopolitics are shifting in a way that favors transatlantic strategic convergence, deeply polarized politics in both Europe and the United States might curb or even reverse these converging trends.

### Shifting Expectations

Now as in the past, reality has rarely reflected U.S. and European reciprocal expectations of one another. Today, transatlantic cooperation continues to be fraught with mutual recriminations, including Washington's perennial irritation at Europe's dwindling military spending. Nevertheless, the disparity of military resources is not the only, nor even the main, factor shaping U.S. and European expectations. Many assets of a different nature — diplomacy, trade, sanctions, etc. — make transatlantic cooperation an appealing option irrespective of the gap in military capabilities. Thus, a more important fact than the disparity in resources in shaping expectations are political-

strategic considerations regarding the direction the alliance should take.

The debate about the U.S. role in the world, and consequently its relationship with Europe, is unfinished business in Washington. One school of thought maintains that the United States' world primacy endures and expands through alliances and partnerships. Multilateral institutions serve the purpose of containing great-power tensions and advance U.S. global governance goals. Europe, encompassing a group of countries that are similar to the United States in political, economic, and cultural terms, provides Washington with a platform of stability on which the United States can pivot to Eurasia, Africa, and the Middle East. The United States should not only solicit European help, but also seek coordination whenever possible and spur the Europeans to take a more proactive role in containing instability in the continent's neighborhood.

Another school of thought argues that the United States should reorientate its alliance with the Europeans in a way that more closely reflects its imperative to remain the hegemonic power in Europe and the Middle East. According to this view, the United States should rely on those allies most willing (and able) to contribute to keep the United States' rivals — Russia, Iran, China — at bay. Broadly speaking, these two schools of thought can be said to represent the prevailing European views of Democratic and Republican administrations. The Europe policies of future U.S. administrations are likely to oscillate between these two ends, although we cannot rule out the possibility of an abrupt change of tack if the Republican presidential nominee, Donald Trump, were to win the presidency.

Europe's expectations of the United States are more difficult to discern. On one hand, EU countries are supportive of multilateral rules and regimes; on the

other hand, they are also aware that the endurance of the liberal order rests on the United States' willingness to use its hard power to guarantee it. Thus, the Europeans trade their foreign policy independence for loyalty to a benign hegemon with which they share a Western political and historical identity. The general expectation in Europe is that the United States fulfills its part of the bargain and continues to underpin the liberal order while also protecting European territory and containing the risk of insecurity spillovers from Europe's troubled neighborhood. However, there is no consensus about what U.S. leadership should look like and no consensus about what Europe should do if U.S. leadership is wanting.

### Common Interests

In line with the general direction of transatlantic relations, NATO has been affected by the trend toward a more functional kind of relationship. It has become a multi-purpose alliance, with first crisis management and then cooperative security and partnerships becoming — at least on paper — tasks as important as defense and deterrence. In the wake of the severe deterioration in which Europe currently finds itself, however, the situation is changing.

To the east, Russia has turned increasingly hostile, using force to exert as much control as possible over the former Soviet space, building up its military posture along borders with NATO's countries and resorting to provocations to create anxiety, foment divisions, and test the Alliance's solidarity. To the south, the security landscape is punctuated by contested areas in which armed groups with a violent and often millenarian agenda proliferate and criminal networks thrive on illicit trafficking of arms, drugs, and human beings. War- and poverty-driven flows of migrants have put enormous pressure on EU governments and have contributed to the rise of anti-immigration movements in favor

of reasserting sovereign control of national policies, including by exiting the EU (or the eurozone). Political fragmentation along parochially defined national interests threatens the cohesiveness of Europe.

To put up a meaningful response to these multifaceted, complex challenges, the Western allies should first deconstruct them. The kind of challenge Russia poses in Europe is different from the one that it poses in the Mediterranean. Russia's interests in the Mediterranean can to an extent be reconciled with the West's. They share opposition to jihadism, cooperate to ensure full implementation of the nuclear deal with Iran, want to preserve Iraq's territorial unity, and are the main framers of the Syria peace talks (even if they support opposing camps). In Europe, however, Russia's challenge is fundamental in nature. Dissatisfied with the post-Cold War security order, Moscow has critically undermined it.

Arms control arrangements, both nuclear and conventional alike, are faltering or gone. Russia is most likely in violation of the Intermediate-Range Nuclear Forces treaty (as probably is the United States, following the deployment of missile defense systems in Romania). Moscow has also suspended the Conventional Armed Forces in Europe treaty, which set ceilings on troop levels and movements, and has terminated cooperation with the United States in the framework of the Nunn-Lugar initiative, aimed at securing unprotected nuclear materials. The fundamental lack of consensus between Russia and the West about the status of former Soviet republics makes it impossible for the OSCE to work as an overarching framework for cooperation. A Europe "whole and free," the visionary goal the West had set itself in the aftermath of the Cold War, is farther away than it was in the early 1990s.

*Political fragmentation along parochially defined national interests threatens the cohesiveness of Europe.*

*The priority for the United States and Europe is to ensure that Russia's plans to divide and undermine their alliance fail.*

Against this backdrop, the priority for the United States and Europe is to ensure that Russia's plans to divide and undermine their alliance fail. Steps such as beefing up NATO's military presence in Central and Eastern Europe (involving as many allies as possible, to spread a sense of joint ownership), deploying systems to offset Russia's anti-area/area denial assets, increasing the number of military exercises, and developing plans to contrast hybrid warfare techniques, have become necessary. NATO should also condemn Russia's loose talks about the possible use of nuclear weapons and remind the Russians that extended nuclear deterrence by the United States remains a pillar of the Alliance.

This needs not to be presented as a return to a Cold War mindset. Gradualism, along with the reactive-adaptive approach NATO agreed on in Wales in 2014, is to be preferred to massive changes in NATO's military posture. As of now, the problem should not be how to contain Russia in the long run, but how to boost NATO's defense and deterrence assets without increasing the risk of potentially uncontrollable escalation. Mechanisms for better NATO-Russia (or U.S.-Russia) communication and addressing emergencies, including in the Syria context that nearly precipitated a military clash between Turkey and Russia, should complement the upgrade of defense and deterrence policies. If Russia and NATO, as it seems likely, are to engage in a softer form of arms race in the near future, they had best keep track of each other's moves through mutual communication.

Controlling competition is hard, but it is not impossible. After all, there is little appetite on either side of the Western-Russian divide for a major confrontation. For this very reason, NATO should tread softly regarding its open-door policy, which is clearly one element that may trigger escalation. Reaffirming the principle that all European countries enjoy full autonomy in their

foreign policy does not imply that NATO should aggressively pursue association and eventual accession of those former Soviet republics that wish to join.

It goes to NATO's advantage that most of its members are also EU members, since the EU has important assets that can help in sustaining competition with Russia, most notably through sanctions and energy market regulations. The EU is also critical in complementing NATO's response to maritime, cyber, and hybrid threats. Finally, the EU (taken as a whole) and its individual member states can also manage selective cooperation with Moscow, as they provide diplomatic resources to support key negotiating formats such as the Normandy Process on Ukraine and the Syria peace talks. Thus far, NATO-EU cooperation has been intermittent and at times ineffective, yet the costs have been bearable. It is no longer so: strong coordination between the two organizations is of paramount importance if Europe has to cope with the many challenges it face. NATO's move to increase cooperation with the EU at the Alliance's Warsaw Summit was a much-needed step.

The political cohesiveness of Europe, achieved through decades of cooperation among both EU and NATO member states, is a crucial interest of both European countries and the United States. One could argue that, 25 years after the end of the Cold War, the transatlantic partners again have a vital shared interest, even in light of the United States' growing focus on the Asia-Pacific. Unfortunately, domestic politics is so contested that it might fail to produce the kind of consensus necessary to support action at the service of the goal of safeguarding Europe's cohesiveness.

### **Contested Politics**

The combination of the sovereign debt and the migration crises, along with rising anxiety about

home-grown Islamic terrorism and Russia's savvy use of divisive propaganda, have severely dented the European public's confidence in the EU. In the United States, the economic and psychological effects of the long financial crisis recovery, the discouraging results of long-standing military commitments in far-away countries, and years of hysterical partisanship, particularly in the conservative camp, have diminished the public trust in the ability of established parties to run the country for the public good.

A revival of nationalism has followed. Unlike in the past, today's nationalism is defensive rather than aggressive, and inward looking rather than power hungry. It is rooted in the growing perception that multilateral cooperation, international institutions, long-standing alliances, and partnerships favor a process of disempowerment of individual citizens and disaggregation of culturally homogeneous societies at the advantage of unaccountable political and business elites. In Europe, anti-establishment parties once at the fringes of national politics such as the U.K. Independence Party (UKIP), France's Front National (FN), and Germany's Alternative für Deutschland (AfD) have seen their numbers grow and their political influence increase. A similar process has occurred in the United States, even though the new political forces have grown within rather than outside the traditional party system.

Courtesy of the electoral cycles in the United States, U.K., France, and Germany, the 2016-17 biennium might well go down in history as a watershed. The electoral cycle started with a bang on June 23, when British citizens shocked the world by voting to leave the EU. The Brexiters' camp included reasonable voices, but its chances of success would have been non-existent if the U.K. electorate were not permeated with nationalist instincts of the sort described above. Brexit has the potential to do great harm to the EU, which will see its second largest economy and main military power (along

with France) go at a time when it faces multiple challenges. Public confidence in the EU is likely to plunge in other countries, opening the way for anti-EU parties. In France, the anti-EU, pro-Russia, and anti-immigration FN leader Marine Le Pen is set to receive a boost in her quest for the presidency in 2017. In Germany, AfD might not have the same prospects as the FN, yet it can still influence the public debate in a way that constrains the room to maneuver of the increasingly weak established parties, particularly if Chancellor Angela Merkel fails to achieve a fourth mandate in the September 2017 federal election.

The combination of Brexit, Le Pen's victory, and AfD's gains would be enough to deal a severe blow to the EU project and the ability of European countries to sustain effective cooperation with the United States. Worse could happen if U.S. voters were to choose Donald Trump in November. Trump favors a return to nationalistic isolationism, whereby the United States would act according to narrow national interests and restructure its alliances along a rigid hierarchical pattern. In Trump's view, the United States' allies are clients rather than partners, who have to pay for the protection U.S. forces provide them or provide for it alone. Trump's state-centered and power-based view of international politics collides with such bedrocks of the transatlantic security partnership as the notion of collective defense, extended deterrence, nuclear non-proliferation and, more broadly speaking, institutionalized multilateral cooperation.

The silver lining is that both Trump and the anti-EU forces face formidable obstacles. The fact that their positions have gained so much popular support means that their arguments will no longer be seen as useful sloganeering of radicals, but as real alternative policies. The vote on Brexit has created more concerns than elation, as the Brexiters themselves have thus far been unable

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to produce a credible plan for a more secure and prosperous post-Brexit U.K. If a majority of voters rejects the arguments put forward by Trump and other anti-EU forces, they will do so because they ultimately believe in the value of established transatlantic and EU cooperation. The winners, one would hope, should seize upon this and take steps to upgrade that cooperation.

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# 7

## “In the Spirit of Solidarity and Friendship”: Is Europe Finally More Responsible?

Martin Michelot

The eight years of the Obama presidency have centered transatlantic security discussions around the ability of Europe to take on a fair share of the burden in securing its own neighborhoods. The announcement of the famous “rebalancing to Asia” in 2010, which left Europeans wondering what the role of the United States in European security would be, was in effect the first step. This was shortly followed by the famous speech by U.S. Defense Secretary Robert Gates on June 10, 2011 (from which the title of this collection is drawn), which lambasted European defense efforts. The arguments of Gates’s speech illustrated a renewed U.S. pressure and would remain a reference for many U.S. and European decision-makers and thinkers. The recent declarations by Republican presidential nominee Donald Trump that Europe should pay for U.S. protection and that NATO is “obsolete,” are sharper expressions of resentments not uncommon in conservative U.S. foreign policy circles.

The core of the burden-sharing discussion is often the 2 percent of GDP that all NATO Allies are supposed to spend on defense. When transatlantic security cooperation is discussed, the 2 percent metric seizes the room and captures and derails discussions, not least because the officials who should believe in it no longer do. Transatlantic partners did not need Trump intervening in the mêlée to know that the 2 percent figure is used for political show and posturing. In some cases, changes around the number measure real shifts, for example Poland’s significant defense spending hikes the past few years have brought it above the 2 percent spending NATO requires. But in most other situations, the debates around “burden sharing” in GDP terms follow a grotesque routine, a punishing repetition that seems to create a blockage. Admittedly, NATO would certainly make a mistake to no longer have such a metric, or to lower it, as it remains the most effective way to keep

public pressure on Allies. After all, if the money were being spent, these discussions would not even take place. However, it should not prevent broader thinking about whether Europe has become more responsible since 2010. In this case, the devil is in the big picture, and not the details.

Europe has the responsibility to set the new terms of the discussions with its big bad cousin across the pond, instead of rolling its eyes like a teenager annoyed with its parents who “don’t understand” it. Europeans need to find a way to better communicate how their defense spending directly participates in solving the pressing challenges that the Alliance faces, and explain how internal European divisions will not affect upwards spending trends and the active expression of solidarity.

### More Responsible, but Further Apart?

Overall, European observers express satisfaction at the fact that Europe has been able to buck the trend of declining defense budgets that started after the economic crisis of 2008. NATO’s figures for Europe indicate a constant decrease of European defense budgets since 2010 (dropping from 1.64 percent of GDP to 1.43 percent for 2015),<sup>1</sup> but these do not account for the planned spike of 2016. Recent analyses foresee spending of the 31 European countries “grow[ing] by an estimated average of 8.3 percent in 2016, compared to 2015.”<sup>2</sup> This indeed represents a positive trend because it signals that politicians have been able to reprioritize defense and security issues among the

<sup>1</sup> Data collected from NATO, Defence Expenditures of NATO Countries (2008-2015, retrieved from [http://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_2016\\_01/20160129\\_160128-pr-2016-11-eng.pdf](http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_01/20160129_160128-pr-2016-11-eng.pdf)).

<sup>2</sup> See study by Alessandro Marrone, Olivier De France, and Daniele Fattibene, *Defence Budgets and Cooperation in Europe: Developments, Trends and Drivers*, French Institute for International and Strategic Affairs, January 2016, [http://www.iris-france.org/wp-content/uploads/2016/02/pma\\_report.pdf](http://www.iris-france.org/wp-content/uploads/2016/02/pma_report.pdf).

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*The specific increases in defense budgets show a picture of national or regional priorities rather than a clear-cut contribution to a collective effort.*

difficult budget arbitrages faced by many European countries. This increase has allowed Europe as a whole to participate in the management of its neighborhoods, but in a fragmented fashion.

The specific increases in defense budgets show a picture of national or regional priorities rather than a clear-cut contribution to a collective effort. The different nature of the threats also require different capabilities to address them, and European Allies seem to have understood that developing full-spectrum forces no longer represents the most cost-efficient way of ensuring their own national security or the best contribution to Allied security.

France's defense budget increase has been almost entirely driven by the aftermath of the two 2015 terrorist attacks, and the extra €3.8 billion allotted in the 2016 budget will be spent on reinforcing national intelligence capabilities. It will also allow for the procurement of certain key enablers in carrying out counter-terrorism and stability operations in the Middle East and North Africa region and the Sahel, on top of continuing to ensure the defense of the French national territory (with a specific focus on air force, ISR capabilities, and long-range strategic airlift). France's participation in the Readiness Action Plan reassurance measures has been modest, which reflects its current toolkit and especially its political priorities. It seems clear that the increased defense budget is not envisioned to bolster France's role on the Alliance's so-called Eastern Flank.

The pendulum swings the other way in the Alliance's East and North, where the bulk of the modernization effort of the Polish Armed Forces, for example, is directed at mobile and agile land forces, artillery and Anti-Access/Area-Denial suppression, and land-based deterrence. Poland's 2.18 percent of spending for 2015 represents a concrete milestone. However it should however not be fetishized, since even such a figure does not

necessarily translate into an ability to contribute efficiently to all sorts of operations. This is even a worrisome trend on paper; interoperability is guaranteed — on paper — by the existence of common NATO standards that Allies adhere to in their procurement processes. For all the shortcomings of NATO's political process, this crucial guarantee may well represent a key in ensuring that it maintains the ability to operate together if requested to do so, and as such should be considered a main achievement of NATO. Whatever paths the modernization trends of NATO Allies follow, guaranteeing interoperability will continue to make NATO more flexible and able to answer challenges across the board.

The example of the Czech Republic is an interesting illustration of the two pitfalls mentioned above, the 2 percent metric and the increasing regionalization of discussions in NATO. Since the country is not considered a part of the Eastern Flank, as illustrated by the fact that it opted not to implement a NATO National Force Integration Unit on its territory (contrary to the three other Visegrad Four members — V4), Czech officials have decided that the country should maintain a flexible and balanced stance on security affairs, straddling both the Eastern and Southern perspectives, and being able to contribute effectively to both. This is illustrated by the strong Czech participation in Readiness Action Plan (RAP) measures (which are often implemented in the V4 format) and the continued presence of 38 Czech trainers and supporting forces in European Union Training Mission (EUTM) Mali. However, in order to play this useful contribution role, middle-size countries need to invest significantly in a variety of capabilities, which would require defense spending at levels that are not politically nor economically sustainable. Therefore, the Czech Republic needs to choose its security policy orientation, and in Europe's current situation this tends to take regional (east/

south) lines if it is to get any more capabilities from increased spending.

Prague is also illustrative regarding the 2 percent debate. The Czech Parliament has approved the increase of the budget up to 1.4 percent in 2020 (compared to the current 0.97 percent), but this figure needs to be modulated by two points. First of all, with the Czech Republic currently having the most rapidly rising GDP in the EU, it will be impossible to sustain the planned percent of GDP spending increase. Second, the so far cautious approach the Czech government is taking to the modernization of its armed forces means that an already drawn out process of procurement will take even longer to yield results. Therefore, while having nominally significantly increased its defense expenditure (a 1.4 percent raise from 2015 levels is planned for 2016<sup>3</sup>), the Czech Republic still remains far away from the required NATO spending requirements and is also, due to the nature of the threats, encouraged to direct its capabilities toward being able to answer one specific threat.

We may be seeing a Europe where states are more responsible in their neighborhoods (see the French commitment to anti-terrorism and Polish commitment to the deterrence of Russia) but less responsible together. To a certain extent, an informal division of labor has already taken hold of discussions about the European security architecture. There was a certain amount of inertia at play in this: it was certainly detrimental to the vitality of Allied discussions that no country acted as the main reference point for the so-called “Southern flank” agenda to the extent that Poland embodied the Eastern flank preoccupations. Southern-minded countries have no one else to blame but themselves for this, as NATO leadership

<sup>3</sup>Details available at Ministry of Defence and Armed Forces of the Czech Republic. *Czech governmental coalition signs agreement on the progressive increase of the defense budget*, September 3, 2014, <http://www.army.cz/scripts/detail.php?id=101455>

and the NATO Summit hosts often expressed willingness to explore ideas on this front, and the deliverables of the NATO Warsaw Summit show NATO’s desire to commit to these issues. Holding the next (full) NATO Summit in Turkey in 2018, as planned, will help bridge these mental gaps; however, at this point, it seems to be that the process of regionalization of defense issues represents a reality in the thinking of the Allies.

### Putting Specialization on the Table, Again

As in the Czech case, it is increasingly difficult for mid-sized countries to be force multipliers in a wide range of missions and be flexible enough to answer the Alliance’s diverse needs. Therefore, perhaps a light form of specialization of the armed forces, based on a regional basis and recognizing the strategic interests of each region, could ensure that the European members of the Alliance retain full-spectrum capabilities and the ability to carry out missions in all its neighborhoods, on top of assuring proper deterrence by conventional and nuclear means.

The idea of specialization of European capabilities surfaced at the 2010 NATO Lisbon Summit, with the concept of Smart Defense, after having been part of expert and academic discussions for a greater part of the 2000s. The implementation of Smart Defense fell prey to entrenched industrial interests and a peace-time strategic environment that lacked today’s urgency. Given the certainty that interoperability provides, but also the increasingly stronger political role of NATO, specialization could make Europe much more able to exercise its security responsibilities. The strategic interests and autonomy of larger capable countries would not be threatened, while they too would benefit from having access to certain key capabilities that other states would be willing to provide. Given the more flexible and responsive Alliance that NATO wants to build, this is an argument that should

*We may be seeing a Europe where states are more responsible in their neighborhoods but less responsible together.*

*The summer of 2016... marked the beginning of a Europe that is willing to reconcile itself with its strategic role.*

not be discarded. While the European defense industry, both the major and smaller actors, stands to profit greatly from this upwards trend in overall spending, the smaller industrial players who face a strong cross-border competition may be hurt by any form of specialization. This means a rational approach needs to be drawn hand-in-hand with key industry stakeholders in order to address the sustainability of the approach.<sup>4</sup> For middle-size and small Allies, this has the advantage of facilitating their defense planning processes and structuring their importance within the Alliance. At the end, the seeming divisions may be offset by the sense of common purpose and responsibility that would be created.

### **No Strong Europe Without a Strong European Union**

The assessment of Europe's responsabilization should not be done without consideration for what the European Union is able to contribute to European security. In this context, the renewed impulse that France has put on the development of Europe de la défense by invoking the mutual defense article (42.7) of the Treaty of the European Union after November 13, 2015, highlights the role the EU can play in coordinating national counter-terrorism policies and sharing vital intelligence. The idea that terrorism is, in its current shape and expression, a European phenomenon that requires European responses and coordination is prevalent in French thinking nowadays. In this context, NATO can serve as a force multiplier by providing certain key capabilities (the one still lacking in the European toolkit) in out-of-area operations,

<sup>4</sup> "If everyone in NATO moves up to spending 2 percent [of gross domestic product] that will be a huge amount of money that will be spent on new equipment over a short period of time. It will be a huge thing to solve within the industry. At the end of the day we will cope with it but it would be totally new." Andrew Chuter, "Saab Chief: Spike in NATO Spending Would Tax Industry," *Defense News*, May 17, 2016, <http://www.defensenews.com/story/defense/international/europe/2016/05/17/saab-chief-spike-nato-spending-would-tax-industry/84507764/>.

provide valuable extra intelligence<sup>5</sup> and training to local partners.<sup>6</sup>

There are therefore high expectations to be had in the future about the quality of NATO-EU cooperation, especially after the joint declaration that was issued at the NATO Summit, in addition to the expectation that the Cyprus issue should be solved in the foreseeable future, leading to a more positive approach to interinstitutional cooperation. The help NATO is willing to offer the EU in terms of maritime security will be a first marker of this new relationship. Overall, this also leads to be thinking that a more responsible Europe is intrinsically linked with a more responsible and confident European Union, which NATO also has a role to help build up.

The summer of 2016, with the adoption of the European Union Global Strategy (EUGS), and a NATO Summit that outlined small but important steps, marked the beginning of a Europe that is willing to reconcile itself with its strategic role. In order to do that, it will have to consider all the instruments it has at its disposal to carry out its responsibilities, and a European security strategy following the EUGS will be necessary to spell out the use of these instruments. Major states will also have a role in pushing forward certain initiatives on security issues, as BREXIT seems to have created a vacuum for France and Germany to pursue their efforts to reinforce the European defense identity,

<sup>5</sup> In this context, the sharing of intelligence between France and the "Five-Eyes" (United States, U.K., Australia, Canada, and New Zealand) group in operations against the self-proclaimed Islamic State group is particularly significant. See for example: Matthew Dalton, and Adam Entous, "France Launches Airstrikes Against Islamic State Stronghold in Syria," *Wall Street Journal*, November 15, 2015, <http://www.wsj.com/articles/u-s-providing-targeting-intelligence-to-france-for-strikes-on-islamic-state-after-paris-attacks-1447618522>.

<sup>6</sup> For further analysis, see: Martin Michelot, *Embedding NATO in the European Union Global Strategy: The Missing Link?*, EUROPEUM Institute for European Policy, May 2016, <http://www.europeum.org/en/articles/detail/686/embedding-nato-into-the-european-union-global-strategy-the-missing-link>.

despite different strategic cultures. Creating a common feeling of responsibility may seem to be a complicated task given the regionalization of security discussions, but Europe has shown since 2010 that it is able to take on responsibilities, albeit being pushed into them by the succession of shocks, whether external such as the Russia-Ukraine crisis, or internal such as the attacks on the European soil in 2015 and 2016. Trump may (hopefully) be an epiphenomenon, but Europe's responsibilities will not disappear quickly as Trump's next tweet.

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