

## NATO 2020: Assured Security; Dynamic Engagement

Whereas the preceding five chapters do not provide much detailed analysis and guidance on how U.S. overseas alliances should be reformed, this sixth study helps to fill this gap by examining North Atlantic Treaty Organization (NATO) future challenges, prospects, and priorities in considerable depth. *NATO 2020: Assured Security; Dynamic Engagement* (ASDE Report) is a 47-page document released in May 2010. Led by former Secretary of State Madeleine Albright, a multinational team of independent experts wrote it to advise the NATO Secretary-General on how to write a new Alliance strategic concept that would replace the outdated version adopted in 1999. The ASDE Report provides not only advice on the new strategic concept, but also a welter of analyses and recommendations on how NATO as a whole should be reformed to enhance its capabilities for performing old and new strategic missions.

*Crafting a Forward-looking NATO Strategic Agenda.* While not pretending to offer a crystal ball for predicting where the world is headed, the ASDE Report appraises emerging global security affairs in terms that can be characterized as a blend of guarded optimism and pensive worry. Guarded optimism is appropriate, it judges, because of such positive trends as economic and political progress in Europe and elsewhere, as well as the willingness of many countries to collaborate together to handle common problems. Pensive worry is appropriate, it counters, because of multiple hazardous trends and problems in numerous regions, as well as uncertainty about unpleasant surprises that could lie ahead. The challenge facing NATO, it asserts, is to continue evolving and improving in ways that better equip itself

to deal with a fluid, rapidly changing security environment, one that is radically different from the old bipolar structure of the Cold War. In Europe, it states, conventional aggression against the Alliance or its members is unlikely, but the possibility cannot be ignored. The most probable threats to NATO in the coming decade are unconventional: attack by ballistic missiles (nuclear-armed or not), strikes by international terrorist groups, and assaults against NATO's cyber networks. But in a larger strategic sense, it acknowledges, the greatest dangers to Europe's security are arising in the Middle East and other distant regions in ways that compel the Alliance to adopt a broader global outlook.

To deal with this menacing security environment, the ASDE Report urges, NATO should adopt a new strategic concept and associated policies for a two-fold purpose: to assure the continuing security of all Alliance members, and to engage dynamically outside the NATO area to minimize emerging threats. The study sees NATO as a confident and effective but challenged alliance that must muster new types of resolve, cohesion, and capabilities to deal with such new perils as potential troubles with Russia, terrorism, weapons of mass destruction (WMD) proliferation, regional conflicts, and threats to cyberspace and energy security. In the years ahead, it calls upon NATO to perform four basic tasks:

- maintain the ability to deter and defend member states against any threat of aggression
- contribute to the broader security of the entire Euro-Atlantic area
- serve as a transatlantic means for security and crisis management along the entire spectrum of issues facing the Alliance
- enhance the scope and management of partnerships with nonmember countries, international organizations, and other actors.

Accordingly, the ASDE Report puts forth a 15-part strategic agenda for moving NATO toward 2020. NATO, it states, should act by:

- reaffirming NATO's core commitment to Article 5 collective defense missions in ways that shield new and old members from aggression

by maintaining adequate military capabilities plus contingency planning, focused exercises, force readiness, and sound logistics

- protecting against such new unconventional threats as WMD attacks, terrorist strikes, and disruption of critical supply lines by updating NATO's approach to defense of security while enhancing the ability to prevail in military operations and broader security missions beyond its borders
- establishing guidelines for operations outside NATO borders in ways that effectively perform agreed-upon missions while reflecting limitations on Alliance interests, scope of external involvements, and resources
- creating conditions for success in Afghanistan by contributing adequately to International Security Assistance Force (ISAF) missions as well as following such principles (there and elsewhere) as cohesion, desirability of unified command, value of effective planning and public diplomacy, aptness of a comprehensive civil-military approach, and need to deploy forces at a strategic distance for an extended time
- employing consultations under Article 4 to prevent or manage crises in ways that share information, promote a convergence of views, avoid crippling disputes, and provide a clear path for successful actions that could be diplomatic, precautionary, remedial, or coercive
- pursuing a new era of partnerships by deepening relationships with existing partners, establishing new partnerships, and expanding the range of partnership activities
- participating in a comprehensive approach to complex problems by being capable of operating in demanding situations that require both military forces and civilian assets, and by collaborating with other countries and organizations that may play lead roles in handling key missions
- engaging with Russia in constructive ways while assuring NATO members that their security and interests will be defended if troubles arise with Russia
- maintaining an open door to potential new members including the Balkan states, Ukraine, and Georgia

- developing new military capabilities for an unfolding era by pursuing transformation and reform, so that future NATO forces can defend their borders, undertake demanding missions at strategic distance, and provide the mobility, flexibility, and versatility needed to be prepared for unpredictable contingencies
- maintaining Alliance-wide solidarity on nuclear weapons policy by keeping secure and reliable nuclear forces for security, employing the Alliance as a whole in making any decisions that alter current deployments or geographic distributions, and supporting global efforts aimed at halting nuclear proliferation
- pursuing the new mission of missile defense by reacting constructively to the U.S. phased adaptive approach (PAA) and jointly carrying out other NATO-wide steps to enhance future capabilities while consulting with Russia and other partners
- responding to the rising danger of cyber attacks by accelerating NATO efforts to respond to such attacks, protect its own communications and command systems, help Allies improve their ability to prevent and recover from such attacks, and develop an array of improved cyber defense capabilities for detection and deterrence
- implementing reforms to create a more agile Alliance by pursuing administrative and other steps aimed at producing a grouping that is leaner, better able to make timely decisions, and more efficient and cost effective
- strengthening NATO's capacity to tell its story to its own population, the entire Euro-Atlantic community, and other regions by widely disseminating the new strategic concept and pursuing other public communications.

*Handling NATO Political and Organizational Issues.* The ASDE Report states that a new strategic concept offers NATO the opportunity to take stock of recent events and forge a fresh consensus on issues likely to be central to the management and direction of the organization. Those issues are:

- lessons of Afghanistan
- guidelines for missions outside Alliance borders

- administrative reforms
- decisionmaking procedures
- open door policy
- NATO's role in conventional arms control.

In addressing the lessons of Afghanistan since NATO assumed ISAF leadership in 2003, the ASDE Report states that although ISAF has achieved much, its experience has led to concerns within the Alliance about unity of command, restrictions or caveats placed on use of troop contributions by some members, tactics and goals, and civilian casualties. Key lessons learned are:

- NATO must be able to deploy units that are tailored to specific and sustained operations at a distance beyond Alliance borders.
- To the maximum extent feasible, NATO forces should operate under a unified chain of command.
- The need to shield civilians must continue to be emphasized in training and field operations.
- Prisoners and detainees should be treated in accordance with international law.
- Stability in Afghanistan will not come through military means alone: as with other counterinsurgency situations, it requires a civil-military approach that enables local government to earn the trust and loyalty of the population, works closely with partner organizations, and provides help for host-nation security forces.

In addressing guidelines for operations outside NATO borders, the ASDE Report states that while NATO should be firm and resolute in the use of force and related security actions, it should be cautious about undertaking missions not truly necessary and careful not to overextend the Alliance beyond its capacities and its internal consensus. Accordingly, it puts forth three recommendations:

- The new strategic concept should include a set of guidelines for informing NATO decisionmaking about undertaking new missions or responsibilities.

- NATO should maintain a level of preparedness and operational tempo that responds to the security needs of its members, thus avoiding both overreach and complacency.
- Through transparency and effective public communications, NATO must strive to attract and maintain public and legislative backing for its operations.

In addressing administrative reforms, the ASDE Report states, a far-reaching reform agenda should be pursued that strengthens the authorities of the Secretary-General, reduces the number of committees and staffs, reduces costs of headquarters personnel, and otherwise streamlines in ways that produce financial savings. In addressing NATO decisionmaking procedures, the ASDE Report points to an inherent tension between an alliance that always strives for unanimous consensus among 28 members before it acts, and the demands of a new security environment that often require prompt action. It judges that the unanimous consensus rule should be preserved for such critical NATO decisions as commitments, budgets, operations, and new members. But it also calls for more flexible rules on less vital decisions, quicker implementation of decisions that reflect an agreed-upon consensus, and predelegation of some authorities to the Secretary-General and NATO military leaders to respond to such emergency situations as missile or cyber attack. In calling for NATO to preserve its open door policy to new members, it states that further enlargement should continue to be guided by such principles as requiring that new members embrace democratic values and NATO's visions, are implementing necessary military reforms to meet NATO standards, and can contribute to security. In addressing conventional arms control, the ASDE Report states that NATO should support revival of the Treaty on Conventional Armed Forces in Europe (CFE) process, which has been stalled by Russian foot-dragging.

*Building Partnerships.* The ASDE Report declares that productive partnership relationships with other countries and organizations enable NATO to be more vigilant, better prepared to handle threats, smarter in its actions, and more operationally effective when partners contribute resources to com-

mon enterprises. The first generation of partnerships, it states, was mainly intended to facilitate entry of new members into the Alliance, and the second was aimed at recruiting partners for operations in the Balkans and Afghanistan. It judges that a shift to recruiting and nurturing more partners for pursuing broader NATO security activities is now needed. Accordingly, it recommends that NATO should:

- maintain Partnership for Peace activities while strengthening use of the Euro-Atlantic Partnership Council for consultations
- strengthen partnership activities with the European Union (EU) in such areas as developing and using common military capabilities, addressing terrorism, cyber attacks, and energy vulnerabilities, and pursuing comprehensive approaches for handling complex operations in distant areas
- enhance institutional links and cooperative security activities with the United Nations (UN)
- preserve already existing close ties with the Organization for Security and Co-operation in Europe (OSCE) while making use of the OSCE's toolbox of soft power assets
- preserve appropriate partnership activities with Russia while ensuring that the security of all NATO members is protected, and strengthen use of the NATO-Russia Council
- strengthen NATO's ongoing dialogue with Ukraine and Georgia on common security issues
- strengthen NATO partnerships in the Mediterranean and Middle East by employing the Mediterranean Dialogue and the Istanbul Cooperation Initiative
- deepen existing operational partnerships with countries outside the Europe-Atlantic area, including Australia, New Zealand, South Korea, and Japan, all of which have contributed importantly in Afghanistan. In addition, look for ways to cooperate with China on common endeavors and strengthen formal ties to such bodies as the African Union, Organization of American States, Gulf Cooperative

Council, Shanghai Cooperation Organization, and Collective Security Treaty Organization.

*Strengthening NATO's Forces and Capabilities.* The ASDE Report launches its discussion of Alliance defense priorities by pointing out that for several years, NATO leaders have been calling for steady force improvements. During this time, they have endorsed the Defense Capability Initiative (DCI) of 1999, Prague Summit declaration of 2002, Comprehensive Political Guidance (CPG) of the Riga Summit in 2006, and Strasbourg-Kehl Summit declaration of 2009. All of these proclamations called upon NATO and its members to strengthen forces and capabilities for new missions including expeditionary operations outside Europe. For example, the DCI encouraged NATO force enhancements in five broad areas such as mobility and the ability to deploy, the Prague Summit expanded the list to eight categories and created the new Allied Command Transformation (ACT) and NATO Response Force (NRF), and the CPG called for NATO's land forces to be 40 percent deployable and for 8 percent to be deployable on a sustained basis (the targets were later raised to 50 percent and 10 percent, respectively).

Despite this drumbeat of official encouragement, the ASDE Report declares, NATO forces have improved only slowly, with the result that a significant gap still exists between the requirements of potential missions and actual capabilities. The principal cause for this slow progress, the ASDE Report argues, has been the lack of adequate European defense spending. Today, it states, European defense budgets average well below 2 percent of gross domestic product (GDP) (a standard suggested by many leaders). Only about a dozen members have met goals on their ability to deploy and sustainment. And because most defense budgets are consumed by spending on operations and personnel, not even half of NATO members meet the official benchmark of allocating 20 percent of budgets to investment and procurement. Although encouraging progress has been made by some countries such as Great Britain and France, the predictable result has been a slow crawl toward the future.

To encourage faster improvements, the ASDE Report calls on the new strategic concept to be accompanied by an agreed upon set of priorities for improved capabilities and military reforms. In the coming years, the ASDE Report declares, NATO will need a flexible, deployable, networked, and sustainable military posture that can meet the full range of Alliance responsibilities at affordable cost. NATO's future military posture will need to be capable of performing four central missions:

- deter, prevent, and defend against any threat of aggression in order to protect the political independence and territorial integrity of all Alliance members in accordance with Article 5
- cooperate with partners and civilian institutions to protect the treaty area against unconventional security challenges (for example, cyber attack)
- deploy and sustain forces for expeditionary operations beyond the treaty area when required to prevent an attack on NATO or to protect the legal rights and vital interests of Alliance members
- help shape a more stable and peaceful international security environment by enhancing partner interoperability, training partner military and police forces, coordinating military assistance, and cooperating with the governments of key countries.

If NATO is to fulfill these four missions, the ASDE Report argues, it must halt the decline of defense spending, implement new reforms and efficiencies, and set priorities for future capabilities. To strengthen NATO conventional forces and capabilities, the ASDE Report calls for the following steps:

- provide members reassurance of Article 5 commitments through enhanced contingency planning, preparations for crisis management, equipment assessments, and appropriate military exercises
- achieve ability-to-deploy and sustainability goals by restructuring more forces away from traditional fixed territorial defense missions and creating better strategic lift

- broaden the role of the NRF to perform both Article 5 and non–Article 5 missions
- capitalize on the commonality of Article 5 and expeditionary missions by improving capabilities that can be employed in both
- strengthen command, control, communications, computers, intelligence, surveillance, and reconnaissance (C<sup>4</sup>ISR) architectures and information networks
- strengthen special operations forces and capabilities
- upgrade ACT by giving it a bolder mandate, greater authorities, and more resources in order to guide force transformation
- improve education and training
- enhance maritime situational awareness around NATO’s periphery, the High North, Persian Gulf, Indian Ocean, and other areas.

Defense reforms and efficiencies, the ASDE Report states, will be needed to make effective use of scarce resources, acquire new capabilities, and combine the often separate defense efforts of many countries. It declares that NATO should encourage:

- new, truly multinational formations with unified command and control, interdependent logistics, and integrated civil-military components
- new informal pooling arrangements, especially for strategic lift
- increased common funding and interoperability for C<sup>4</sup>ISR
- common approaches to logistics
- further evolution and coordination of national specialization and niche capabilities
- exploration of opportunities for additional multinational procurement programs
- development of a NATO/EU defense capabilities agency
- use of common funds for costs for selected deployments, including an annual NRF exercise

- further review of NATO's command structure to reduce costs while enhancing force flexibility and ability to deploy.

To strengthen capabilities for common approaches that employ military and civilian assets, the ASDE Report recommends that NATO should:

- prepare at all levels to be part of integrated civilian-military missions
- maintain up-to-date memoranda of understanding with the UN, EU, OSCE, other regional bodies, and nongovernmental organizations
- identify civilian capabilities to be deployed along with combat forces for stability operations
- ask members to identify a cadre of civilian reservists with experience in complex operations that could be deployed when needed
- help partners improve their capacity to contribute to complex operations and comprehensive approaches.

In addressing policies for nuclear weapons and arms control, the ASDE Report states that the Alliance should be prepared for in-depth consultations on the role of nuclear weapons in its deterrence strategy. These consultations should take into account the growing roles of other capabilities as well as the desire to negotiate deep reductions in nuclear weapons. The ASDE Report offers several parameters for consultations and recommendations:

- As long as nuclear weapons remain a reality in international relations, NATO should retain a nuclear component to its deterrence strategy, but at the minimum possible level.
- Currently, the retention of some U.S. forward-deployed nuclear weapons in Europe reinforces extended deterrence and collective defense.
- Broad participation by nonnuclear Allies is an essential sign of transatlantic solidarity and risk-taking—for example, by hosting nuclear deployments on their territory.
- NATO should continue to ensure the absolute physical security of nuclear weapons stored on European soil.

- There should be ongoing dialogue with Russia on nuclear issues, including negotiations aimed at reducing or eliminating substrategic nuclear weapons.
- NATO should reestablish the Special Consultative Group on Arms Control to facilitate its internal dialogue on key issues.
- NATO should endorse a policy of not using or threatening to use nuclear weapons against nonnuclear states that are party to the Non-Proliferation Treaty and its provisions.

In addressing future missile defenses, the ASDE Report endorses the U.S. PAA, and states that NATO should recognize territorial missile defense as an essential Alliance mission. It calls for NATO to agree to expand its ALTMD system to provide the core command and control capability for a NATO territorial missile defense system. It does not specify whether, and to what degree, European missile interceptors should be acquired to complement the U.S.-provided SM-3 missiles.

In addressing how NATO should prepare to respond to unconventional dangers, the ASDE recommends that:

- NATO's Defense Against Terrorism Program should be expanded beyond technology-related work to include research on investigative techniques, deterrence, and social networking.
- NATO should strengthen its efforts and capabilities to defend against cyber attacks.
- NATO should give thought to how to respond to energy supply disruptions in order to mitigate harm to its members and to find alternative sources of supply.

*Strengths, Shortfalls, and Lingering Issues.* By presenting a comprehensive and detailed analysis of future NATO security challenges and priorities, the ASDE Report fulfills its mandate to provide NATO constructive, usable guidance on how a new strategic concept should be written. It also provides a host of good ideas for shaping NATO plans and programs in the years following adoption of a new strategic concept. It is especially strong in its

efforts to identify future Alliance tasks and missions, to call for renewed efforts to protect members in exposed regions, and to urge improvements in NATO conventional forces and capabilities for expeditionary missions. In addition, it correctly calls for focused attention on new threats such as cyber attack and terrorism, improved assets for comprehensive approaches to complex operations, accelerated cooperation with old and new partners, and serious NATO pursuit of defense reforms and efficiencies. All of these strengths make the ASDE Report one of the best NATO studies to emerge in recent years. It ratifies the practice of assembling a team of outside experts to conduct a detailed appraisal of strategy challenges and priorities before U.S. Government and Allied officials begin making official decisions on them, and it provides a model for how U.S. goals and priorities in other regions can be addressed in comprehensive, thorough ways.

Events since its publication show that the ASDE has achieved a major success because many of its analyses and principles were adopted when the Alliance issued its new strategic concept of “Active Engagement, Modern Defense,” along with an official communiqué, at the Lisbon Summit in November 2010. Together, the two documents call upon NATO to perform three core security tasks in the years ahead: collective defense of members, crisis management in the Euro-Atlantic area and beyond, and cooperative security by working closely with other allies and partners outside Europe. To carry out these tasks, the two documents state that NATO will:

- keep as its highest priority ISAF success in Afghanistan, transition to full Afghan responsibility and leadership during 2011–2014, and withdraw gradually and only upon proper conditions
- remain steadfast in its commitment to regional stability and security throughout the Balkan region including Kosovo, continue to perform such operations as *Active Endeavor* in the Mediterranean and *Ocean Shield* off the Horn of Africa, and support the African Union in Somalia and elsewhere and the NATO Training Mission in Iraq
- work closely with the UN and OSCE and strive to strengthen its partnership with the European Union

- remain open to new European members that meet Alliance standards, including such candidates as Macedonia, Montenegro, Bosnia and Herzegovina, and Georgia, and continue pursuing close partnership activities with Ukraine and other countries
- pursue a revitalized strategic partnership with Russia in areas of mutual interest and reciprocity
- strive to strengthen its cooperative partnerships with the Euro-Atlantic Partnership Council, Partnership for Peace, Mediterranean Dialogue countries, and Istanbul Cooperation Initiative countries
- continue to promote arms control through such efforts as New START, the Nuclear Non-Proliferation Treaty, and the CFE Treaty Regime.

The two documents also establish important goals and principles for guiding NATO defense planning in the coming years:

- NATO's future military forces should be capable of performing all Article 5 missions and carrying out expeditionary operations outside Europe.
- NATO will pursue reforms, modernization, and transformation toward creating a more effective, efficient, and flexible Alliance so its taxpayers get the most security for the money they invest in defense.
- NATO's military command structure and agencies will be streamlined to conserve manpower and funds.
- Deterrence based on conventional and nuclear capabilities remains a core element of NATO strategy: the Alliance does not consider any country to be an adversary, but no country should doubt NATO resolve if the security of any member is threatened.
- U.S. strategic nuclear forces, supplemented by those of Great Britain and France, provide the supreme guarantee of Alliance security, and NATO will remain a nuclear power for as long as nuclear weapons exist.
- While the threat of conventional attack on NATO territory is low, it cannot be ignored, and Alliance forces must be capable of performing missions to defeat all forms of attacks and threats.

- NATO will maintain the capacity to conduct and sustain concurrent major joint operations and several smaller operations for collective defense and crisis response at strategic distances.
- NATO will develop and maintain robust, mobile, and deployable conventional forces to carry out both Article 5 missions and expeditionary operations, including with the NRF.
- NATO will carry out the necessary training, exercises, contingency planning, and information exchanges for providing viable reassurance and reinforcement for all Allies.
- NATO will ensure the broadest participation of Allies in collective defense planning in nuclear roles, including peacetime basing, C<sup>3</sup>I systems, and consultations.
- NATO will develop ballistic missile defenses against future threats by expanding the ALTMD to protect European countries and welcoming the U.S. PAA as an important contribution to meeting missile defense requirements.
- NATO will develop improved capabilities for defending against chemical, biological, and radiological/weapons of mass destruction threats, cyber attacks, terrorism, and threats to energy security and supply lines.
- NATO will develop doctrine and capabilities for expeditionary operations, including counterinsurgency, stabilization, and reconstruction operations as well as better civilian assets for comprehensive operations involving other partners and institutions.
- NATO will sustain the necessary level of defense spending so that its armed forces are sufficiently resourced.
- To use available resources effectively and efficiently, NATO will maximize the deployment capacity of its forces, undertake efforts to meet usability targets, reduce duplication and redundancy, focus development of capabilities on modern requirements, develop and operate capabilities jointly, and preserve and strengthen common capabilities and standards.
- NATO civilian and military authorities will conduct a review of Alliance military forces, capabilities, improvement priorities, reforms,

and innovations that will be ready by the time of Foreign and Defense Ministerial meetings that will be prepared in the coming months.

Overall, the new strategic concept is a solid and workmanlike document that does a comprehensive job of identifying most key issues, establishing clear goals, and articulating future policies. Critics are likely to accuse it of being so lofty, general, and abstract that it papers over unresolved issues and controversies (for example, future tactical nuclear warheads in Europe, realistic prospects for cooperation with Russia, strategy for dealing with a nuclear-armed Iran, and willingness to launch future Afghanistan-like operations). While some of these criticisms may have merit, it is fair to conclude that the new strategic concept establishes a solid planning framework whose many details will now need to be decided in future months and years. The bottom line is that the new strategic concept will succeed only to the extent that it is actually implemented, and doing so promises to be challenging. The new concept is best seen as an indispensable part of the solution, but not the whole solution.

Similar conclusions apply to the principles established by the new strategic concept for guiding future NATO defense planning and preparations. Individually and collectively, all of them make sense. But they are long on generalities and short on specifics. While they establish abstract goals, they provide almost no guidance on such critical issues as:

- the extent to which existing NATO defense capabilities are either adequate or inadequate
- the degree to which enhanced capabilities in multiple areas must be built
- required targets for defense spending, investment budgets, manpower, and force levels
- the specific planning and programming agendas that NATO militaries should be pursuing over the coming decade
- how modernization and improvement priorities are to be set in a period of austere budgets

- how NATO and European force structures should pursue innovations, including multinational forces, pooled assets, and common procurement programs, in the future.

The lack of attention to these concrete issues, and the abstract nature of the defense principles put forth by the new strategic concept, owe partly to the decision of the Lisbon Summit to refrain from issuing a special communiqué on defense planning. Such communiqués were issued by three NATO summits over the past years: the Defense Capabilities Initiative of 1999, the Prague Capabilities Commitment of 2002, and the Comprehensive Political Guidance of 2006. All three of these provided the type of detailed defense guidance lacking in the Lisbon Summit and new strategic concept. The task of remedying this deficiency has been handed to NATO defense ministers and foreign ministers in subsequent meetings. In the intervening period, NATO civilian and military officials will have a great deal to consider as they shape the specific defense agenda of the coming decade.

While much will depend upon official guidance emanating from NATO Headquarters, much also will depend upon the defense budgets and improvement efforts pursued by European countries. As the ASDE Report acknowledges, Alliance military forces and capabilities currently are deficient in multiple ways when judged in relation to the requirements and missions facing them in coming years. European defense spending is too low, too few forces are capable of deploying outside their borders, critical enablers are lacking, modernization programs are too slow, and reform efforts are far from complete. The austerity budgets now sweeping over Europe, moreover, are raising the prospect of worrisome cutbacks in spending and forces. For example, Britain recently announced a future 8 percent reduction of its defense budget and 10 to 15 percent cutbacks in its combat forces, the Netherlands has announced a 16 percent cut in its force posture, and Germany has announced a 13 percent reduction to its defense budget by 2015 and a 25 percent reduction to its military manpower. Other countries seem likely to follow suit. The ultimate outcome of this down-

ward trend remains to be seen, but if it spirals out of control, NATO could find itself hard-pressed to fund adequate budgets, perform key missions, acquire vital new capabilities, and modernize and transform its forces at an appropriate rate. In the extreme case, NATO's military strategy and capability could become stuck in a stall pattern—that is, still able to perform old continental defense missions, but no better able to protect the Baltic states and other new members, deploy missile defenses, perform demanding expeditionary operations outside Europe, or pursue comprehensive approaches in unstable areas.

As worried observers are pointing out, such a defense stall pattern could have larger political consequences across the Alliance. The combination of anemic defense efforts, crippling cutbacks in budgets and forces, premature withdrawal from Afghanistan, and unwise decisions to remove U.S. nuclear weapons from Europe could produce not only lowered strategic horizons in Europe but also growing American doubts that the Europeans are willing to carry their weight in Europe and in modern-era security affairs. The interaction of doubtful Americans and inward-looking Europeans, in turn, could erode the transatlantic bond, damage Alliance cohesion, and produce a weakened NATO that is less able to defend Europe, much less play a weighty role in the Middle East and other endangered regions. Such dire consequences are not inevitable, but the key point is that in the emerging situation, they are becoming possible.

Can such a disastrous outcome be avoided? Can the Alliance ensure that the Lisbon Summit and the new strategic concept produce more than fine sounding rhetoric that is not acted upon? Part of the solution can be found if NATO members avoid damaging cutbacks to their defense budgets. The defense budgets for most members are already so small that they are “austerity budgets.” Major cuts to them would risk slashing muscle, not just fat. Rather than cutting them unilaterally in large ways, a better practice is to adopt a coordinated multilateral approach, and if some programs are cut, to channel the savings into high priority improvement areas. Once the current emphasis on austerity has passed and sustained GDP is reestablished

across Europe, perhaps NATO members can begin restoring real growth to their defense budgets. If so, austerity may become a brief phase that gives way to better funding later in this decade.

Damaging cutbacks to NATO military forces also should be avoided. The Alliance may not need its current posture of 2.1 million European military personnel on active duty or a full gleaming inventory of new weapons. But it needs enough flexible, mobile, deployable forces to handle two major contingencies and several minor ones. Because current military forces can provide only about one-half of this capability, improvements to NATO expeditionary forces and capabilities are badly needed. Fortunately, this agenda is affordable because the necessary enabling assets (better interoperability for joint operations, training and exercise regimes, C<sup>4</sup>ISR systems, strategic lift, and logistic support) are not highly expensive. They can be funded if room is made for them in European defense budgets and investment budgets. Over a period of 10 years, a large number of improvement programs in these areas could be funded if only about 5 percent of total European defense spending annually is devoted to them.

In addition to pursuing such programs, NATO will need to take care that it preserves enough high-quality combat forces in the face of potential manpower cuts now under way. On the surface, European members of NATO currently field large forces: their 2.1 million active military personnel generate a huge posture of 165 ground brigades, 2,685 fighter aircraft, and 196 naval combatants. But many of these forces come from Southern Europe and new members in Eastern Europe, and are not well trained or properly equipped for deployment missions. Deployable forces come mainly from Europe's premier, most modern forces—those of Great Britain, Germany, France, Italy, the Netherlands, and a few others. Together, these forces total 40 ground brigades, 1,220 fighter aircraft, and 136 naval combatants.

Judged in relation to potential deployment requirements, this is not a huge posture with plenty to spare. For example, the bulk of these forces could be required if two demanding simultaneous contingencies are encountered (for example, preparedness for defense of the Baltic states against Russia and

a major stability operation in the Middle East that requires a sustainable presence). The existing posture, plus U.S. forces deployed in Europe, may be large enough to meet such requirements. But if such key countries as Great Britain, Germany, and France reduce their manpower and forces too far, the outcome could be a smaller posture that is no longer large enough to meet Alliance needs. Maintaining a sufficient posture of modern deployable forces, while improving them qualitatively, should be a central focus of future NATO defense planning even in the face of tight budgets.

In addition to funding expeditionary forces and improvement capabilities, NATO should pursue the reforms and efficiencies endorsed by the ASDE Report and the new strategic concept. Because NATO is a large alliance of many sovereign nations, most of which still plan their defense efforts on a national basis, it does not have a stellar reputation for being efficient and effective in how it applies scarce resources. But much could be accomplished by pursuing common acquisition programs and pooling arrangements, emphasizing niche areas and role specialization, strengthening and enlarging multinational formations, fostering multinational logistic support, and trimming excess or redundant assets. An encouraging step in the right direction has recently been taken by the signing of a British-French cooperation agreement, which calls upon the two countries to create a joint expeditionary force, share use of their aircraft carriers, and jointly develop weapons systems and technologies in the coming years. A broadening of this agreement to include other nations, or the signing of similar agreements by other countries on a bilateral basis, could greatly expand the scope of multinational collaboration across Europe in both funding acquisition programs and generating usable forces. The Lisbon Summit communiqué and the new strategic concept recognize the possibilities and potential for enhanced multilateral cooperation in such areas. The challenge facing NATO and the Europeans is to act vigorously on the idea of multilateral cooperation, for it may be key to the Alliance remaining a potent force in world affairs.