

Building Capabilities in an Age of Austerity: NATO's Agenda for Chicago

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As the United States prepares to host the first NATO Summit on American soil since 1999, the transatlantic Alliance faces an unfamiliar strategic challenge: how to retain and acquire the capabilities it needs for the future during an unprecedented period of fiscal austerity. NATO's original purpose has remained constant through the decades, and the 2010 Strategic Concept formulates it in language that could have come from the 1949 Treaty: "to safeguard the freedom and security of all its members by political and military means." What has evolved is the range of security challenges that threaten NATO nations, but also, crucially, the public's perception of these threats and the resources needed to confront them.

Increasingly, what one European official has described as a "budgetary winter" is shaping the discussion regarding defense spending, with uncertain consequences for the ability of NATO to respond to today's conflicts and prepare for tomorrow's threats. To a large extent, this is only fair: it is hard to argue that defense should be entirely exempted from budget cuts that affect such vital services as education, health or public security. Besides, the assertion by then-Chairman of the Joint Chiefs of Staff Admiral Mike Mullen that the current US debt level poses "the single biggest threat to national security" correctly identifies the fact that defense budgets cannot be seen in isolation from the broader economic and political context in each allied nation.

But the debate on how much and how the United States and its allies need to spend for their collective defense also needs to be connected to the current strategic landscape. It is often highlighted that today's emerging powers are not neglecting their defense expenditure. Quite to the contrary, China will increase its defense budget by an estimated 19 percent a year until 2015, and Brazil has already seen an increase of 30 percent between 2001 and 2010. The same trend can be identified for countries as diverse as Russia, Indonesia, South Africa and even Japan. Admittedly, these countries are still far from matching the collective capabilities of NATO allies, and there is no direct connection between their defense spending and the threat level experienced by NATO.

However, the fact that countries that face significant challenges in raising the living standards of their populations place such a priority on defense expenditure is a sign that should not be overlooked. It is also a testament to the reality that far from abating, threats have been growing both in scale and scope, with an increasingly transnational character.

The spread of terrorist networks that indifferently use military and non-military means to achieve their goals, the emergence of cyber-attacks that have the potential to paralyze a country's military and civilian infrastructure, the increasing risks of proliferation of weapons of mass destruction and their means of delivery, to name just a few, are concrete security challenges that confront the entire international community. And NATO remains an instrument of choice to help its members and partners confront these challenges.

In the current economic climate, pleas for protecting defense spending only have a chance of being heard if they are linked with realistic, achievable proposals on how to spend better. This is one of the central issues that NATO Heads of State and Government will have to tackle when they meet in Chicago this May at the invitation of President Obama. The call on NATO nations to develop the capabilities needed to fulfill NATO's "level of ambition"—the number and scale of military operations the Alliance formally commits to preparing for—has been a fixture of previous summits. What is at stake this time is to go beyond statements of intent. The Chicago Summit is an opportunity for allies to chart the way for a coherent, effective strategy for the preservation of crucial capabilities to address today's challenges and the development of new capabilities to tackle tomorrow's threats—and this covers not only equipment, but also areas such as training, logistics, and interoperability.

Allied Command Transformation, the only NATO command in North America, has been working hard on such an agenda, under the leadership of French Air Force General Stéphane Abrial. In his capacity as one of the NATO Secretary General's special representatives on Smart Defence, General Abrial has toured the NATO nations in order to hear their views and ideas on how best to promote multinational cooperation and other innovative solutions to capability development. The aim has been to build a construct that matches national interests to NATO capability requirements to help meet the Alliance's level of ambition, in order to keep the overall coherence of what is needed for the accomplishment of the Alliance's roles and missions.

The Smart Defence concept builds on nations' past experiences and best practices to create a new mindset for capability development. This mindset aims at helping nations prioritize better, in order to determine not only what to cut, but also what to keep. The key means to this end is increased multinational cooperation among like-minded groupings of nations to acquire and maintain capabilities that they could not afford individually. An important element is to chart the way towards specialization by design rather than by default—the unfortunate consequence of uncoordinated defense cuts—in areas where nations are ready to do so.

The Smart Defence initiative has already yielded tangible results. In particular, a number of multinational projects in specific priority areas—such as shared training and logistics—have been identified and will be implemented by interested groups of nations, thus building trust that can result in projects of greater scope and scale over time. But longer-term, lasting results will not happen overnight. They will require hard work centered on guiding principles agreed to by the Alliance. Among the principles on the table at Chicago are: affordability or, put another way, the best possible return on investment;

availability of or assured access to capabilities developed in a multinational fashion; alignment between national and NATO priorities; and coordination with similar initiatives developed by NATO members in other fora, notably the European Union's Pooling and Sharing effort. The Chicago Summit is expected to provide high-level political buy-in into this agenda and the necessary impulse for its further implementation.

Why does this matter to the United States? A rising chorus of voices argues that the core strategic interests of the United States no longer lie in "old" or even in "new" Europe. The difficulties encountered by the European allies in fielding the necessary capabilities in operations such as Afghanistan and Libya, the argument goes, demonstrate that the Europeans are no longer reliable security partners. If anything, the recent woes of the Euro and the Europeans' difficulties in finding a viable way out of their financial crises could be interpreted as meaning that Europe has now become part of the problem rather than part of the solution.

Our strong belief is that this rhetoric loses sight of the fact that the transatlantic partnership continues to be strong and resilient. First of all, Europeans are paying a high price, in blood and treasure, in Afghanistan—disproportionately higher for some European countries when compared on a per capita basis. Just as crucially, Europe remains an indispensable partner for the United States when confronting a wide range of issues, as was shown once again last year by the Libya operation.

NATO is the unique "place" where European and North American troops train, exercise and deploy together. It is an irreplaceable—or, as President Obama termed it, an "indispensable"—forum for political consultation and for action. And it is a powerful military Alliance that has shown its resolve and its effectiveness in a multitude of crises, and not least in the United States' hours of need, whether it be after the September 11 terrorist attacks or in support of the post-Katrina relief effort—arguably a contribution not widely known to the American public. As the United States rightly pays increasing attention to the Asia-Pacific region—even though it would be historically short-sighted to describe this as a truly new development—the Chicago Summit will be a unique opportunity to remind American decision makers and opinion-shapers that the transatlantic partnership is as solid and relevant as it was in 1949, and that Europeans remain committed to developing the necessary capabilities to remain relevant and effective against evolving threats. This is what an ambitious and realistic Smart Defence agenda must help accomplish.