CENTRE FOR MILITARY STUDIES
UNIVERSITY OF COPENHAGEN

Trends and Threats

NATO in the 21st Century

Ann-Sofie Dahl

Photo: Royal Air Force

Trends and Threats

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The Alliance will be shaped by trends and threats in the years to come – but how?

When NATO heads of state and government met in Wales in early September 2014, the agenda had changed dramatically since the first preparations for the NATO Summit began. While the exit from Afghanistan was originally expected to be the main theme of the Summit, the Russian intervention in Ukraine and the annexation of Crimea had confronted NATO, its allies and partners with a whole new set of strategic challenges and a significant shift in the European security environment.

The challenges of a globalized world will keep NATO engaged outside of Europe, but the Ukraine crisis has demonstrated how NATO must also remain involved in maintaining European security, with an urgent need to focus on collective defence. The Alliance deterrence measures will not, however, resemble those of the Cold War. Cyber warfare, energy security, deterrence of 'special warfare' and 'little green men' will set a new agenda for NATO in the years to come. This is an agenda that is difficult to analyse and expensive to fund, and it comes at a time when European defence budgets are still defined by austerity measures.

In the summer of 2014, the Centre for Military Studies invited a group of NATO experts to Copenhagen to publicly discuss the trends and threats currently confronting the Alliance. The following pages summarize the key points made in the presentations at the conference in order to stimulate the continued debate about the trends and threats that will shape NATO after the summit in Wales and beyond.

Photo: NATO ACO / SHAPE

Back to Basics? NATO and Article Five post-Ukraine

Dr. **Katarzyna Zysk**, Norwegian Institute for Defence Studies, Oslo

The formal security commitment articulated in Article Five continues to be highly valued by NATO allies and those aspiring to become member countries. However, the form of warfare Russia has used in Ukraine has raised questions and doubts about the nature of the situations in which the collective defence guarantee would be activated, based on the definition of 'an armed attack' in the Alliance's Article Five. In order to come to the aid of the attacked state, there must be an agreement that 'an attack' has indeed occurred.

The unorthodox covert rebellious war in Ukraine – or 'influence operation', as NATO refers to it – is difficult to define in terms of acts of military aggression. Though the Russian military, in particular its special forces and intelligence agencies, was used in Crimea, the invasion was conducted without a shot being fired. Tactics such as denial and deception – including masked personnel in unmarked military uniforms and civilian clothes identifying themselves as 'local self-defence forces' – compel the attacked party to wonder if and in what kind of conflict it is participating; and whether or not it should react militarily with conventional forces.

This ambiguity, supported by massive information warfare and coupled with diplomatic, economic and conventional military pressures, gives the aggressor time to achieve his military and political goals.

If such a scenario were repeated, for instance in Estonia or Latvia, it would take a significant amount of time to identify the problem, agree on an assessment of the situation, its solution and any potential NATO military action. Several governments would undoubtedly prefer to avoid entering into a conflict with Russia and would argue against interpreting it as an act of military aggression, in which case Article Five would not apply. It is entirely conceivable that some politicians would think it worthwhile to sacrifice some part of the European territory for the sake of maintaining peace on the Continent as a whole.

For decades and to this day, a credible deterrence has been the bedrock of peace in Europe. However, doubts concerning the credibility of 'mutual defence' point out serious problems with which NATO is currently struggling, including insufficient military capabilities and declining defence spending, divergent interests and threat perceptions, the subordination of geopolitics to economics, a lack of will to make sacrifices, and insufficient levels of trust. Additionally, the US is perceived as increasingly reluctant to exercise its traditional leadership as it shifts focus to Asia.

It remains uncertain whether the new threat from the east – until recently considered both obsolete and hypothetical – can act as a catalyst and help overcome the combination of economic, social and fiscal crisis in Europe. The responses will have far-reaching consequences as other countries, China included, stand by, observe, and draw their own conclusions.

Illustration: Mikhail Shlafer / art-krug.com

Europe and the Return of Russia as an Assertive Actor

Dr. **Tomas Ries**, Swedish National Defence College, Stockholm

Amid the kaleidoscope of emerging global security challenges, Europe must focus on two clear and present dangers. The first is the ongoing domestic and social decline of Europe. If Europe fails to get its economies going, the continent risks an historical regression, descending back to impoverished national chauvinism and the partial or total breakup of the EU. The second danger is the return of an assertive Russia that is deeply alienated from liberal Europe.

The Russian challenge can be broken down into five components. First, the deep gap in worldview between the Putin regime and liberal Europe. Second, the contrast in leadership between the Kremlin and Brussels. Third, Russian ideological influence, partly towards the Russian diaspora, and, most importantly, in the new civilizational offensive aimed at Europe; an offensive that is particularly powerful now given the European socioeconomic decline. Fourth, Russian grey influence, consisting of corruption, economic and energy pressure, and cyber operations. Fifth, and most decisively, Russian military force.

The final component can be divided into three key parts. First, the Russian strategic nuclear force, where Russia has rough parity with the United States, and hence the capacity to deter the US. Second, the Russian euro-nuclear force, which has been systematically modernized since the 1990s and now overshadows the basically dismantled NATO nuclear forces. With the US nuclear decoupling from Europe, Russia is able to exert nuclear pressure on Europe. Finally, Russian conventional force. Here, the ten-year modernization program underway since 2011 will, in a decade, provide Russia with massive conventional superiority in Europe, especially as the bulk of Western leaders no longer think in terms of territorial defence or major inter-state war and have virtually no military capacity for waging it. The exceptions to this are Finland, Poland and Turkey, and in theory Britain and France.

With current trends, Russia will have built up a decisive dominance of hard power in Europe ten years from now. This will leave liberal Europe extremely vulnerable to Russian pressure, both risking the Finlandization of Europe as a whole and the outright reoccupation of key areas along the Russian frontiers. From this perspective, the Ukrainian crisis was a godsend, and a wakeup call for a West that has been asleep too long and a generation of political leaders who no longer understand power politics or recognize it when it slaps them in the face.

The key questions for the future are, first, if we will remain awake. Second, if we, or more likely the next generation of political leaders, are able to take the necessary corrective measures. And finally, whether or not we can re-establish a new modus vivendi with Russia. Such an arrangement must respect the vital interests of both sides but will almost certainly entail the return to a higher level of military tension in Europe. In short, power politics has returned to Europe.

Photo: Royal Danish Air Force

NATO's Strategic Partnership with Ukraine

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Russian actions in Ukraine have altered the security landscape in Europe, highlighting a renewed emphasis on the differences between members and non-members. In this context, NATO must a) create a strategic understanding of partnerships as something that can be transformative, even if it will not lead to membership in the short or even long term, and b) build such a strategic relationship with Ukraine. In sum, the Russian-induced Ukraine crisis should spur the reform of NATO partnerships – with Ukraine as a case in point.

Since Ukraine, it has become natural for NATO to react with regard to its own internal affairs. Such responses naturally evolve around Article Five and concern the Alliance members and Russia, rather than partners.

If this reaction exacerbates the differences between members and non-members, however, it also puts the onus on the different kinds of partners, in particular between Russia and NATO. While this situation pressures Sweden and Finland to 'come out' as Western countries, NATO is at a loss to define its relationship with Ukraine in forward terms, because it has failed to build and employ a strategic concept of partnerships.

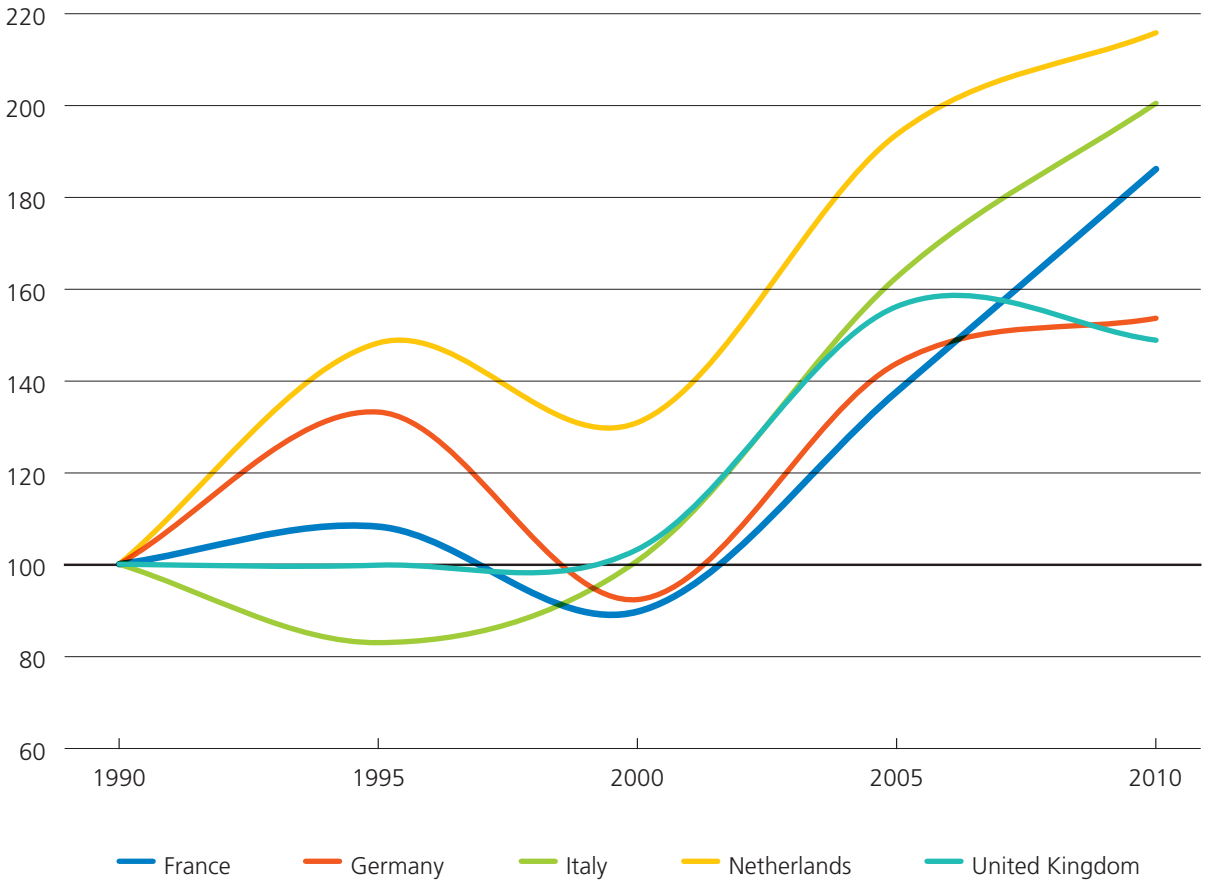
A new strategic understanding of partnerships in NATO means to conceive partnerships as: a) a formal enabler of security relationships between countries; b) a vital and integral strategic instrument to institutional reform towards Western language, mind-set and interoperability; c) founded on truly mutual ownership where both sides can and will contribute and learn; and d) a central dimension in cooperative security, and worthy of substantial investments.

Consequently, NATO needs to build a proper strategic concept of partnerships as mutually inclusive capacity building, founded in international best practice on institutional defence reform. Also, NATO needs to take partnerships seriously as a strategic vehicle, which again means redesigning NATO's own institutional infrastructure.

Moreover, Ukraine is a cautionary tale of a wasted opportunity for NATO. Had NATO invested substantially, smartly and strategically in the modernization and English-language training of the Ukrainian security establishment early on and for the long haul, Ukraine's security institutions would have been more inclined to adopt a Western stance. With the NATO–Ukraine Commission, the two parties have cooperated since 1997 on defence and security sector reform, armaments, economic security, as well as scientific and environmental cooperation, among other forms. But the scope has been too unambitious, too small to matter, too little to transform Ukraine.

The goal for the partnership with Ukraine must be to build broad capacity in its security and defence institutions in order to enable the country to become a bona fide member of the Western democratic family. A renewed partnership to bring Ukraine closer to the West must invest in defence institutions. This investment has to be substantial, multi-pronged and long-term to work. Exactly because it is an ambitious vision, such a signal is also an important Allied commitment to Ukraine's independence and progress.

Expenditure-manpower Ratio. Index: 1990=100.



Source: NATO, Financial and Econommic Data Relating to NATO Defence, Press Release PR/CP(2011)027, Table 1 and Table 6.

Defence Spending and Capabilities in the Alliance

Professor **Mikkel Vedby Rasmussen**, Centre for Military Studies, Copenhagen

Two powerful trends will shape the future of the Alliance. The first is how the Western armed forces are becoming more capital-intensive at the same time as the allies are paying less for defence overall. The second trend is the increased commitments for all of the allies. The real question for NATO defence policy is how these trends constitute choices for European and North American decision-makers.

The first trend is illustrated by the opposite table, which shows the cost per soldier in selected European countries from 1990–2010. At the end of the Cold War, defence spending was cut in all Western countries, but manpower was cut more heavily; and when some reinvestment began, the European armed forces invested in platforms rather than people. Thus, Britain and Germany were left with armed forces that were 50 per cent more dependent on platforms than on people in 2010 than in 1990.

This trend is not merely a post-Cold War phenomenon, as the British defence budget illustrates. In 1948, Britain spent 24,482 pounds sterling per person employed by the armed forces (constant pounds). By comparison, the British government paid 219,528 pounds sterling per person employed by the armed forces in 2011. Where the cost per person has increased by 203 per cent in the United States, the cost per person in Britain has increased by 796 per cent. Even as the United States is undoubtedly able to field larger and more technologically advanced forces, its allies are actually paying a bigger premium in order to be able to keep their forces up to date.

As Western militaries have become heavier, the Western Alliance's commitments have become broader. The enlargement of NATO created an Article Five commitment from the Baltic to the Black Sea. At the same time, the globalized nature of Western security made NATO take on commitments in Afghanistan and create partnerships with Korea, Japan and Australia. The US strategic focus on Asia further pushed NATO to broaden its geopolitical perspective. This second trend is often presented as a discussion between countries focusing on Article Five and those focused on out-of-area missions. Whatever the merits of that perspective, it overlooks the crucial common denominator – that the commitments of the Alliance are expanding. The real debate is not a choice between defending NATO in Narva or fighting counterinsurgency in the Helmand River valley; rather, the real debate is how to prioritize amongst limited resources to be able do both.

Getting those priorities right is a true strategic decision. It is also a difficult one, because the trend towards more capital-intensive forces renders the allies ill-equipped to deal with manpower-heavy missions, such as counterinsurgency in Afghanistan and tackling special warfare as conducted by Russia in Ukraine.

[1] *This is based on my forthcoming book, The Military's Business, published by Cambridge University Press.*

Photo NATO

NATO and the EU: Facing the Future Together or Apart?

Dr. **Nina Græger**, Norwegian Institute of International Affairs, Oslo

The Russian–Ukraine crisis in 2014 should be a wakeup call for the EU and NATO. When adding the US pivot to Asia and the European economic crisis, more – not less – cooperation between the two security organizations is in demand.

EU–NATO cooperation has been stuck in a political quagmire since the mid-2000s, leaving many politicians and scholars to conclude that very little is going on or that such formal cooperation is obsolete and outdated – or even inherently impossible. Instead, a range of new informal interaction patterns exist outside or on the fringe of formal institutions, arenas, meeting formats and procedures. Could this be the glue that will enable the two organizations to take on more responsibility?

To understand the informal dynamics in EU–NATO relations, it is important to consider how cooperation has evolved, despite the stalemate surrounding formal cooperation under the 'Berlin Plus' agreement from 2002. The two organizations have developed their relations over time, engaging EU and NATO staffs at headquarters (Brussels), and police and military personnel in field missions, in practice on a daily or weekly basis.

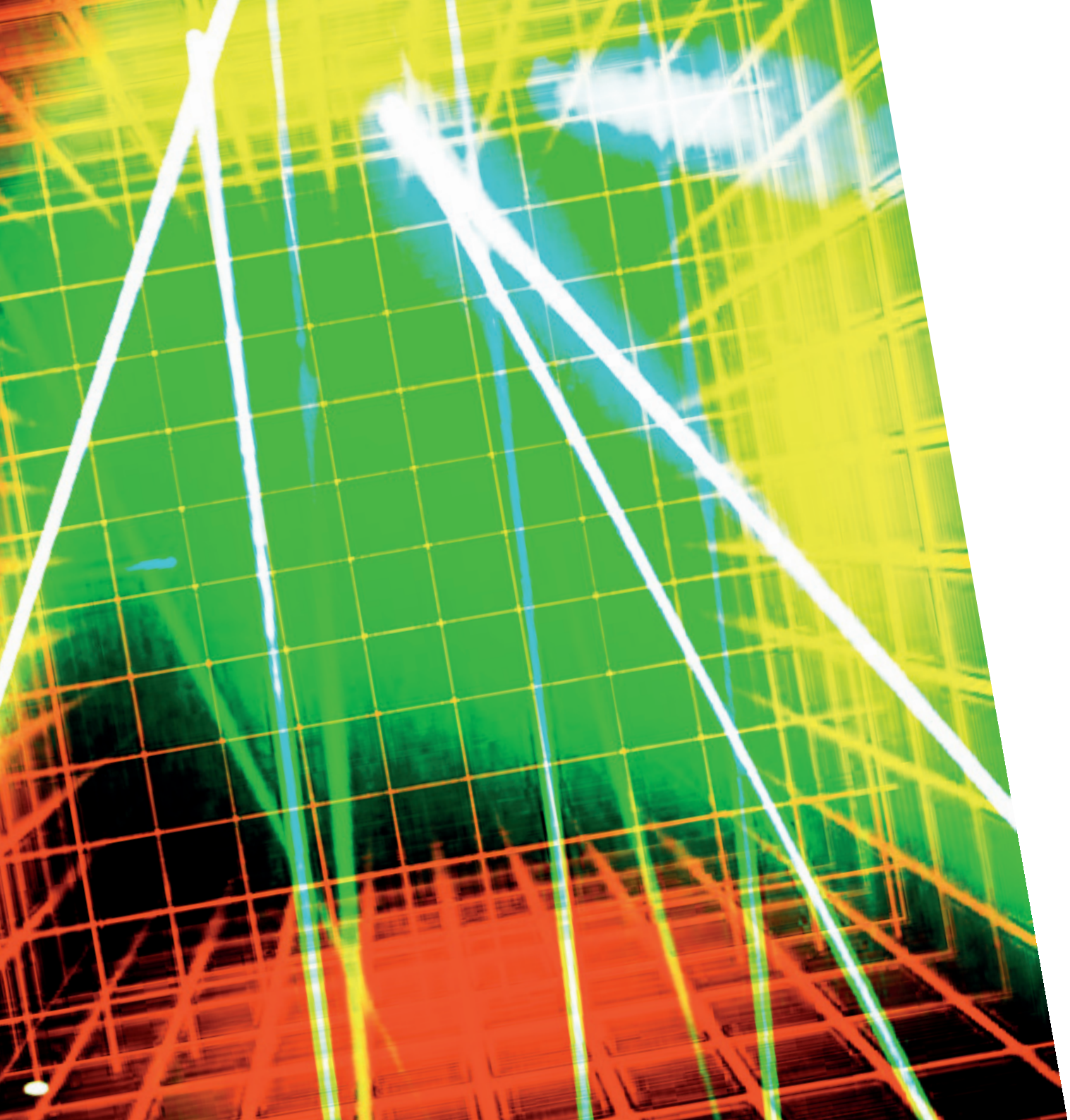
Consequently, European security cooperation does not lend itself entirely to the study of the field as 'high politics' between states or as inter-organizational rivalry. By focusing on where and how interaction is de facto taking place rather than where or how it was supposed to take place according to political communiques, agreements and decisions, it is more difficult to dismiss EU–NATO cooperation with reference to poor performance, as is often done.

In doing so, however, 'the strength of weak ties', to use Mark Granovetter's term, is neglected. EU–NATO cooperation is maintained through 'thin' and informal cooperation 'on the ground', and such informal dynamics are only fully captured by a change of focus.

Finally, the foundation of informal practices should also be focused upon. A common understanding of how things are done informally among EU and NATO military personnel, for instance, goes beyond the 'double-hatting' of the commanders and chiefs of defence in the Military Committees of EU and NATO.

Informal cooperation is also enabled by the shared 'background' knowledge that practitioners bring into the EU–NATO setting. Such knowledge 'enables practitioners to share similar beliefs related to their practices, to entertain similar reasons and to act with common sense', according to Granovetter. Education and the training of staff and personnel are vital for this shared 'background' knowledge, experience and professional ethos, which constitute an evolving EU–NATO community of practice. Although NATO norms have inspired EU institutional practice, the Comprehensive Approach demonstrates that inspiration goes both ways.

Future EU–NATO cooperation will therefore most likely develop around – more than through – official formats. It will develop not from the top but from the bottom. And while it might be mostly invisible, it will have increasing significance for how European security is organized.



Enhancing NATOs Cyber Defence: Destination or Journey?

Mr. **Ian J. West**, Chief, Cyber Security, NATO Communications & Information Agency

While NATO may not be playing a major role in global cyber defence, it has made significant progress to protect its own systems, to improve the defence systems of the allies and to collaborate with partners in industry and academia. The cyber threats facing the Alliance are largely similar to other large organizations and governments. Threats from global malware, targeted attacks against NATO and 'hacktivism' top the threat table.

Cyber defence has been on the agendas of almost all of the NATO summits and meetings of principals since 2002. In the 2010 NATO Strategic Concept, the Alliance recognized the importance of cyber defence collaboration. Staffs were tasked to facilitate cooperation among nations, with academia and with industry. The Alliance's commitment to implementing effective modern cyber defence reached a very significant milestone at the end of October 2013 when, for the first time, all NATO sites achieved the protection from the very latest intrusion detection and prevention technology.

In 2014, the Alliance agreed on an Enhanced Cyber Defence Policy, which builds upon the original 2008 policy.

Probably the most important lesson learned is that there is no end to the requirement to update our cyber defences continuously. This is a long-term commitment from the Alliance. The Alliance also needs the ability to better anticipate and prevent threats. We must be able to discover and recover from cyber attacks. To ensure that our defenders have the best possible chance, the capabilities delivered must be built upon and extended to all NATO sites. And we must improve our cyber resilience – the ability to anticipate and repel attacks on networks and to recover from potential damage in the event of a successful attack or incident.

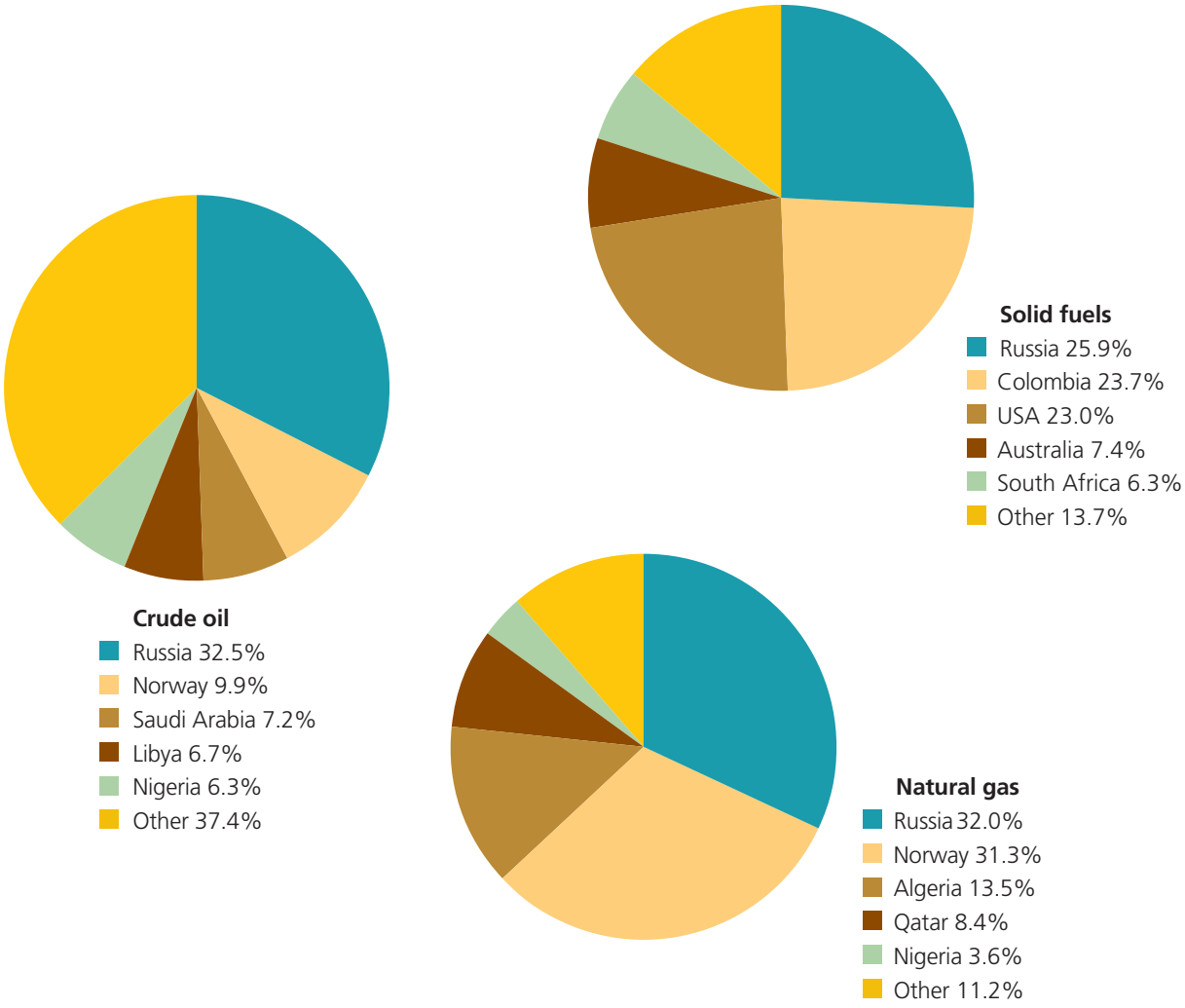
Several multinational Smart Cyber Defence initiatives are underway, intended to share ideas and jointly develop cyber defence capabilities through collaboration and cost-sharing. Multinational cooperation is also key to keeping costs down and capabilities strong.

In all military areas, the 'train as you fight' mantra is followed. The same is true in cyber defence. The Alliance's cyber defenders engage in multinational exercises to practice procedures and tactics for defending NATO networks; and they do so in an ever more effective and efficient manner. Bringing together the unique cyber expertise will possibly create the strongest team of any organization, anywhere.

NATO and the NCI Agency are very active in international cooperation, working to create safer information exchange, better capabilities for all and to ensure that NATO and the allies are interoperable when the need arises. NATO must work within the Alliance framework, as determined by the 28 nations which have defined guidance in terms of how cooperation can and must take place.

In other words: NATO is in cyber defence for the long term. And, as our Secretary General recently declared, 'In our interconnected world, we will either succeed collectively or fail individually'.

Main foreign suppliers of energy to the EU, 2012



Source: European Parliamentary Research Service & Eurostat

Energy as a Strategic Weapon

Ambassador **Matthew J. Bryza**, Director, International Centre for Defense Studies, Tallinn

In a moment of friendly candour, one of the most senior officials from the Russian Foreign Ministry told me privately in late 2008, 'We Russians are hard because we know we are weak. When we have an issue on which we know we are stronger, we will fight like mad. And, for us, that key issue is energy'.

Indeed, Russia has repeatedly used natural gas as a strategic weapon, most notably when it cut off gas to Ukraine and the EU in 2006, 2009 and 2010. A lesser-known case occurred in Lithuania in 2012, when Gazprom admitted it was punishing Vilnius for implementing EU directives to strengthen energy independence from Russia and imposed a gas price 15% higher than the price paid by Germany and 30 percent higher than the average price for Europe.

Today, energy is a weapon in Moscow's 'hybrid' war against Ukraine, along with covert invasions, military advisers and mercenaries, and information warfare. The Kremlin's intention to double Ukraine's gas price aims to bankrupt energy-intensive industries, thereby destabilizing the Ukrainian political system.

Less obvious has been how Moscow has exploited the gravest internal Ukrainian weakness: massive corruption at the nexus of politics and energy. Ukrainian oligarchs (including top politicians) have generally made their fortunes by buying Gazprom gas cheaply, then either using it to secure competitive advantages for their petrochemical and metallurgy factories or selling the gas in Europe for double or triple the price.

These opportunities for self-enrichment have won Moscow the loyalty of ousted President Yanukovych and many other top Ukrainian politicians while hamstringing the state's legitimate decision-making, especially in times of crisis, as in Ukraine's current conflict with Russia.

The EU can help Ukraine to help itself by pressing three key demands to stem this flood of corruption: (1) Kiev's installation of a gas metering station on the Ukraine–Russia border; (2) Brussels's oversight and/or partial control of the Ukrainian gas transit system; and (3) Moscow's acceptance of a single Russian gas price for all EU member states (with transit costs across Ukraine determined by a transparent formula and without middlemen). Moscow will resist and use energy as a strategic countermeasure.

Furthermore, Russia is positioned to rely on EU gas markets for decades to come, given its massive pipeline network. And Russia's dependence on European markets is set to grow as a result of the expansion of the Gazprom Nord Stream pipeline under the Baltic Sea and possible development of the South Stream pipeline under the Black Sea.

Europe should call the Russian bluff and demand changes to how it deals with Moscow on natural gas. This would allow the EU to take advantage of President Poroshenko's urgent need to tackle Ukraine's massive corruption and help the country emerge as a stable and prosperous country, which Moscow is less tempted to undermine.

[2] *Gazprom Vice President Valery Golubov admitted in February 2012 that Vilnius's determination '…justified the price increase'. [Moskovskie Novosti], February 11, 2012, available at http://www.mn.ru/business/20110211/300430801.html.*

Photo: Ulf Palm, Folk och Försvar

Sweden and Finland: Operational Partners or Allies-to-Be?

Dr. **Ann-Sofie Dahl**, Senior Research Fellow, Centre for Military Studies, Copenhagen

For the past twenty years, Sweden and Finland have cherished their privileged positions as NATO's most active and engaged partners in the otherwise rather disparate group of PfP countries, the two countries alternating in the role as the Alliance's 'partner number one'.

As operational partners, security producers and substantial contributors to basically all NATO operations in the last two decades, the Nordic partners have earned special positions for themselves within the extended NATO community. The ISAF operation provided the two countries – as well as other operational partners – with an unparalleled platform for even closer and more confidential cooperation with NATO.

With such an exclusive relationship already at hand, the need to embark on the logical next step and apply for full membership status in the Alliance has not been obvious in all political circles. Such a move is assumed to involve a long and uphill domestic struggle, and debate on the issue remains relatively limited in spite of a certain increase in public support for membership in both countries (though numbers dropped again in Sweden right after Crimea). It is, thus, quite unlikely that Swedish and Finnish applications for NATO membership will be delivered to the Secretary General's desk any time soon.

Events in Ukraine have, however, provided the Nordic partners with a brutal wakeup call in two aspects. First, with the Ukraine crisis, and the military support and reassurances provided to the most exposed and vulnerable NATO members, the Alliance has turned to focus almost exclusively on collective defence and Article 5 commitments, from which partners are excluded. The separation between allies and partners has become more distinct, and the door to NATO now appears to have been shut closed, with a 'members only' sign hanging on the outside. Even long and trusted operational partners such as Sweden and Finland are now excluded from the deliberations, information and the kind of access which was regularly and generously granted them prior to the spring of 2014.

Second, after decades and more as contributors and security producers, the two Nordics – Sweden, the larger of the two, in particular – are now warned by neighbours and observers alike that their non-membership status might instead create something of a security vacuum in the Baltic Sea region.

In lieu of a membership process, Sweden and Finland are now struggling to compensate for the post-Ukraine dilemmas. In addition to military budget increases (Sweden), this involves activities such as intense participation in NATO exercises, signing Host Nation Support agreements, and a new bilateral initiative for even closer Swedish–Finnish defence cooperation.

For NATO, the discussion on partnership already anticipated for the Wales summit entered into a new phase with the Ukraine crisis; the need to develop a strategic infrastructure and find ways to incorporate the operational partners seemed more urgent than ever. These requirements were met in Wales, as five partners – Sweden, Finland, Australia, Jordan and Georgia – were given a special status as 'gold card members', with further deepened cooperation through the new Enhanced Opportunities Program.

This report is part of the research-based services for public authorities carried out by the Centre for Military Studies for the Danish Ministry of Defence. The Centre for Military Studies is a research centre at the Department of Political Science at the University of Copenhagen.

At the centre, research is carried out on security and defence policy and military strategy, which constitutes the basis for research-based services for public authorities for the Danish Ministry of Defence and for the political parties behind the Danish Defence Agreement.

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The report was published with support from NATO.

Layout: SIGNS & WONDERS

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