

Imagining NATO 2025

- Colonel Faut, Ladies and Gentlemen,
- Grateful for the invitation. My bosses are all at the Chicago Summit today. Having been at several NATO Summits myself, I can say to you confidently: you are not missing much! These events are so hectic and so stressful that you barely realise what's going on.
- Meeting here today, in these wonderful premises of the Royal Higher Institute for Defence, is clearly the better deal!
- You have asked me to look to 2025 – that's 13 years ahead. Difficult thing to do. Why? Let's look back 13 years: 1999 Strategic Concept.
- Very Euro-centric, due to the problems we faced at the time: Russia, enlargement, Balkans engagement. There was no will to look beyond Europe.
- Who would have believed that we would soon be in Afghanistan – and that we would stay there for over a decade? Who would have believed that we would run a military operation in Northern Africa – with a UN mandate, supported by the Arab League, and with Arab pilots even flying sorties alongside NATO pilots?
- These developments are healthy reminder of how quickly things can change – and that what might look improbable or even outright inconceivable today can become “mainstream” tomorrow.
- But even if predictions often fail, they are useful nevertheless. They concentrate the mind. And they force us to better define what we want to achieve.
- So let us look at some of the major features of the world in 2025;
- Let us then look at what this landscape means for NATO;

- And then, in a third step, let us look at what NATO needs to do NOW in order to prepare for 2025.

A few “certainties” of 2025:

- In 2025, nearly two thirds of the world’s population will live in Asia
- Asia becomes the first producer and exporter of the world
- China will have become the second world economic power
- In 2025 the United States will remain the single most powerful country, but it will be less dominant. US military spending remains high. The US retains its internationalist posture.
- The United States and Europe will have lost their status of being the leaders in scientific and technological innovation. That role is now being played by Asia.
- Resource issues will move up on the international agenda:
 - About 3 billion people will face shortages of water in 2025
 - Climate change could add to resource scarcity. Of course, the impact of climate change will vary by region. Some regions may even benefit from it. But a number of regions will begin to suffer harmful effects, particularly water scarcity and loss of agricultural production.
- Terrorism, proliferation of WMD, and failing states will remain key concerns
- Emerging technologies (e.g. cyber) give non-state actors more destructive power and may change the way of war (e.g. unmanned drones)

“Wildcards” (events that could radically change future developments – like “9/11”)

- Persistence of the financial and economic crisis;
- A great power war;
- A technological disaster which could influence the choices of priorities of governments (e.g. a nuclear accident like Fukushima diminishing the attractiveness of nuclear power);
- The use of WMD (a nuclear “9/11”);
- Pandemics with devastating effects;
- The collapse of the European integration project;
- Sudden acceleration of the impact of climate change;

Positive “Wildcards”

- A breakthrough in the field of renewable energy production;
- A new wave of technological innovations and rapid economic growth
- Progress towards a cooperative world order, strong pressure of public opinion (social media – “Arab Spring”).

But what does all this mean for NATO?

Let us narrow down the future landscape by focussing on the major trends that will pose specific challenges to our Alliance:

- Patterns of Conflict
- Domestic Changes in Alliance nations
- Changing US Defence policy

Patterns of Conflict

- Rise of “de-territorialized” threats, such as international terrorism or cyber attacks
 - no early warning;
 - anonymous - dilemmas of attribution;
 - affect only one or few Allies - difficult to generate the solidarity required for a collective response.
- Failing states will continue to pose a major problem
 - provide safe havens for terrorist groups;
 - breeding ground for many other illicit activities, such as piracy and the trafficking of narcotics or people;
 - Interventions will always be risky, with uncertain legitimacy and duration;
 - Opponents do not adhere to internationally agreed restraints on violence or the “rules of war”;
 - Moreover, even a successful intervention will be followed by an extended post-conflict reconstruction phase that generates additional political, military and financial burdens;
 - Finally, as has been demonstrated by the course of events in the Balkans, Iraq and Afghanistan, the outcomes of such interventions will often be ambiguous, as the results of even the most extensive nation-building efforts will hardly ever meet initial expectations.

- So there will always be a cruel choice: whether to choose engagement or whether to choose indifference. Either choice has its costs.
- Proliferation of WMD
 - The number of states able to master the nuclear fuel cycle is growing. This means that the number of “virtual” nuclear weapons states is also growing;
 - The commercialization of proliferation. Selling sensitive technologies will add yet another element of unpredictability to the international system;
- Inter-State War
 - As the 2003 Iraq war and the 2008 Russian-Georgian war demonstrated, classical inter-state wars cannot be ruled out.
 - This is particularly true for Asia, where we can witness worrying developments. On the one hand, we can see attempts at community-building. On the other hand we see growing nationalism – and growing military budgets. We see gunboat diplomacy – especially when states compete for energy-rich territories. We also see nuclear rivalries and
- **Second change: Domestic Changes within the transatlantic community.**
- Even in 2025, the US and some other Western nations will be inclined to use force when they consider that the cause is just and that vital interests are at stake.
- However, the societies of many European countries might increasingly reject the use of force, especially when the challenges are not of an existential nature;
- Some have called this phenomenon “the post-heroic society”.

This phenomenon should not be overstated, all the less so as it can be compensated, at least in part, by moving towards all-volunteer forces and by employing private security firms;

- Still, should such a trend become stronger, it will have severe political ramifications. In future non-existential contingencies, some European governments might prefer to opt out, because they will not want to risk divisive domestic debates. The budgetary crisis might contribute to such a development, because the lack of certain military capabilities could provide a convenient excuse for opting out.
- All these domestic developments could undermine the solidarity among Allies. It is therefore all the more important that nations cultivate a national strategic debate that highlights the continuing need for armed forces and NATO. Nations should not leave all public diplomacy efforts to NATO. Governments must do their own fair share in this regard.
- It is equally important, however, that NATO is able to conduct operations even if some members chose not to participate. Because such operations might become more common than operations of the ISAF-type, in which all Allies are involved.

Third factor: new US Defence Policy

- In February this year, at the Munich Security Conference, US SecDef Leon Panetta spoke of a “strategic turning point”.
- What did he mean by that? He meant two things:
 - The era of growing defence budgets is over
 - US attention tilts towards Asia/Pacific
- The US proceeds from the assumption that Europe is now largely stable and at peace
 - Europeans have become security producers rather than

consumers

- This allows the US to focus on the area where it is needed most: Asia-Pacific region.
- And indeed, as I just pointed out, Asia is going to be the most dynamic – and probably the most volatile – region in the coming decade.
- The US is needed there, not least as a “pacifier”, given that the rise of China makes many Asian countries nervous.
- So whether we like it or not, the US focus on Asia is irreversible. We have seen it coming for quite some time. And we should be relaxed about it. Because if Asia is the most volatile region, we should be interested in stability there.
- But what does this US shift mean for NATO? Can NATO still count on US leadership if the US is looking elsewhere?
- And will the United States still look towards working with a Europe whose collective military capabilities are likely to continue to decline, especially when compared to those of the US?
- Many questions. So what about some answers? What must NATO do now to remain an effective security provider in 2025? What must NATO do to cope with all the structural changes that I outlined?

Again, I will suggest three major agenda items.

Item One: Military Transformation

- “Soft power” approaches are in fashion, but “hard power” counts. Famous military strategist Ronald Reagan: “I once played a sheriff without a gun – I was dead 27 minutes into the show”.
- NATO's greatest asset is its ability to project collective military

power. This is what sets it apart from other institutions – and, let’s be frank – this is also what attracts so many partner countries to us.

- So NATO must remain focused on force transformation towards expeditionary forces. No NATO Ally can afford forces that deal exclusively with territorial defence – not today, and not in 2025. Despite the budgetary crisis, we also need to acquire certain new capabilities, such as missile defences or air-to-ground surveillance. And we should also maintain our nuclear deterrent, especially in light of proliferation developments in the Middle East.
- It is crucial that we make these capabilities available in a transatlantic framework. Because any major military operation undertaken by the West will have to involve the US – either in the driver’s seat or at least as an “enabler” of a European-led coalition, as in the case of the Libya operation.
- What about a purely European approach? The European Union might play an increasing role in harmonising the defence policies of its members. But compared to a transatlantic forum, a European framework is only second-best. Why? Because a purely European approach would tilt towards the lowest common denominator. And this would make Europe even less relevant.
- Simply put, the US remains the military benchmark, and Europe will have to keep up, if only in certain key areas.
- What about ideas such as the pooling of certain capabilities, common funding and acquisition, or unified logistics (“smart defence”)?
 - Financial austerity might – might – convince some nations to be more forthcoming in this respect.
 - But “smart defence” is no remedy for NATO’s military problems. Larger countries will not want to pool and share too much; and some countries will be regarded as politically

too unpredictable to make one's military planning and procurement dependent on them.

- That's why I see "smart defence" not so much as a short-term deliverable, but rather as a long-term gradual change of the way Allies do business. It is first and foremost about a change of mind. And if the debate about "smart defence" brings home that in future we will have to rely even more on one another, then this initiative will have already achieved a lot.

Item Two: "Connectivity"

- NATO needs to be better connected to the broader international community.
- The nature of today's security challenges makes NATO's success dependent on how well it cooperates with others.
- The more NATO engages in failing states, the more its success will be determined by non-military aspects – in particular by the political and economic developments in the crisis region. These civilian developments are being pushed forward by civilian actors. Hence, to a large degree, NATO's operational success depends on the engagement of other, civilian, actors.
- NATO therefore needs to establish close and trustful relations with these other security stakeholders – be it the European Union, the United Nations or numerous NGOs. And it also needs to work closely with other countries that are willing to contribute, either militarily or financially, be it Australia or Japan. These partnerships should be regarded as an indispensable "capability" for NATO.
- That's why enhancing NATO's "connectivity" (NATO Secretary General) is a precondition for its future as a viable security provider. And given that Asia will be the most dynamic region in 2025, reaching out to countries like China or India becomes an investment in the future.

- In essence, what we must do is to counter the dark sides of globalisation, such as terrorism and proliferation, by making the positive forces of globalisation work in our favour: the opportunities for global cooperation have never been greater, and NATO must exploit these opportunities.

Item Three: Political Dialogue

- Allies must use NATO as a forum for a political dialogue about broader security developments.
- Many new challenges, from proliferation to cyber attacks, do not fit into traditional military categories. Nor can they be deterred by the threat military retaliation. To develop a response, these challenges must be analysed in depth. And NATO must discuss their implications in depth.
- Alas, this is easier said than done. At present, many NATO members approach discussions on emerging challenges (e.g., the implications of a nuclear armed Iran) like they are approaching a visit to the dentist: they try to avoid it. As one of my colleagues used to say, in NATO we only become experts about a certain region once we have decided to launch an operation there.
- Why can't we have forward-looking debates? Because NATO's image is that of an operations-driven alliance. Over the past 20 years, NATO has defined itself by its operations. And so the public might get the impression that any debate in NATO was only the first step towards military engagement. As a result, NATO risks to under-perform in precisely those areas which will characterise the security landscape in 2025: proliferation, cyber, climate change, and energy.

- Looking at these issues now, before they have developed into major security challenges, should be a major concern of ours. On a national level Allies have grasped the importance of these issues. Some NATO nations are quite busy looking at cyber defence, or at the nexus between climate change and conflict. Some have even adjusted their bureaucratic structures within certain ministries to better reflect emerging challenges.
- Collectively, however, NATO lags behind. Only recently have we begun to look at these issues – and at how they are connected – more systematically. We created the Emerging Challenges Division, including a special civil-military unit that analyses future regional flashpoints. We have also reformed intelligence cooperation, in order to support our political discussions.
- But we are still far away from having turned NATO into a truly forward-looking Alliance. Managing our ongoing operations is still using up most of the time of our decision-makers.
- This needs to change – and it needs to change urgently. Because by refusing to look ahead and debate political and military options in future crisis regions, we would condemn ourselves to an entirely reactive approach. And we might miss precious opportunities for a pro-active policy.
- That's why the NATO 2025 must not just remain militarily capable; it must also be a political discussion forum.

Why nothing beats NATO

- Ladies and Gentlemen
- Given this long list of NATO's challenges dilemmas, one may well conclude that NATO has run its course and that, at age 63, has no choice but to opt for early retirement. If the problems of Alliance management in today's security environment have become so severe, what sense does it make for us to carry on?

- I would argue that it makes a lot of sense to carry on. Yes, achieving consensus, acting together, and sharing the burdens of security may become even harder tomorrow than it is today. But has anyone ever said that managing alliances is easy?
- So let us keep things in perspective. The US will remain the number one global power well into the future. And being militarily allied with the world's strongest power doesn't strike me as a bad idea.
- By the same token, only in Europe and Canada will the United States find a group of like-minded nations that is predisposed to work with the US. Everywhere else, the US must work with complicated bilateral relationships.
- In other words, if North America and Europe want to enjoy a politically predictable and militarily relevant security relationship, they have little choice other than NATO.
- American frustrations about European military under-performance will remain. And yet no other group of nations can “co-opt” others as successfully into a common strategy.
- So if we don't lose our nerve, the transatlantic relationship will remain the strongest community of nations, with the strongest institutional foundations two continents have ever created – a precious asset even in the world of 2025.
- Thank you