CHAPTER 2

The Need for NATO?

Abstract  The need for NATO and its survival in the new world order. NATO responding to new challenges. Threats from China and Russia, burden-sharing, rising costs, European defence policy, enlargement, new roles and new partnerships.

Keywords  New world order • Future threats • Challenges

INTRODUCTION: DOES NATO HAVE A FUTURE?

Will NATO survive the next 70 years? Much will depend on future threats, whether NATO is viewed as the most appropriate and least-cost solution to these threats and whether NATO will adjust to survive. The future is uncertain and no one can predict it accurately. Uncertainty means the emergence of new threats embracing known/knowns but the more difficult threats are the known/unknowns and especially the unknown/unknowns. Defence policy-makers have to deal with these uncertainties. They have to make judgements about the likely future threats, the form these will take and their geographical locations over a time-scale of at least 50 years. If policy-makers get it wrong, the price paid might be defeat in battle, national conquest and foreign occupation.

Views about future threats require judgements on future military forces, non-conventional military forces (e.g. guerrilla forces; terrorists
and their weapons) and possible developments in new technology. NATO has to respond to these new and developing threats. It has responded successfully in the past. The classic example was the end of the Cold War when there was pressure to disband NATO. Its critics claimed that its job was done and it was no longer needed. Instead, NATO showed that it was capable of adjusting to change and acquired new roles and new members, including members from the former Warsaw Pact.

A Previous Look at the Future

A previous economic study of NATO considered its future over the period 1999 to the near term and long term (Sandler and Hartley 1999). A major issue identified was the optimal membership size of NATO and the need to measure the marginal or incremental benefits and costs that new members add to the NATO alliance. New functions appear to have been added without regard for the strains they may create for the alliance. There is also scope for developing a more dynamic theory of burden-sharing to replace current static theories. The development of the European Union’s defence policy required understanding of Europe’s defence industrial base and its structure, conduct and performance. Further strains on the alliance will arise from costs imposed on the same small subset of NATO allies (Sandler and Hartley 1999, p. 265).

In the near term, it was forecast that NATO will consist of two approximately equal-sized allies, namely, the USA and the European Union with defence burdens shared fairly equally. One big question identified in 1999 was whether the NATO allies were prepared to move away from unanimous decision-making to allow the alliance to act quickly. Otherwise, the fear is that as NATO admits new members, it will become less decisive and so less effective. NATO will also have to address a growing list of public good concerns. Unless free riding can be confronted, it will challenge NATO’s cohesion (Sandler and Hartley 1999, p. 262).

A longer-term perspective for the period 2000 to 2010 was also considered by Sandler and Hartley (Sandler and Hartley 1999, pp. 260–264). Over the longer-term, it was possible that the USA and Canada might have left NATO with a European NATO replacing the current alliance but with a US commitment to return in an emergency. The future battlefield will comprise robots and drones with casualties in the form of assets rather than people. Greater technology will require higher R&D costs in defence industries leading to higher costs with allies having to combine their R&D
efforts and combine their purchases if these weapons are to be affordable. Climate change was anticipated with growing populations placing greater demands on air, water, land and natural resources. These pressures may lead to conflicts over the property rights to disputed resources with NATO allies possibly being involved in these conflicts (Sandler and Hartley 1999, pp. 263–264).

As with all forecasts, some are accurate, some are wrong and some await a verdict. Certainly, some of the forecasts remain relevant to the future challenges facing NATO. As always, the future is uncertain: no one can predict it accurately. Today’s winners are likely to be tomorrows losers.

**Future Challenges**

NATO faces massive future challenges and these have been assembled around the following themes:

1. *A New World Order*
   
   A new world order means new threats from newly emerging military powers and new technology. There has been a shift from the single threat from the former Soviet Union during the Cold War to a new world order of complex and changing threats creating a new security environment with a new range of risks and a diverse spectrum of threats. NATO is now facing threats on three strategic fronts: namely, the home, eastern and southern fronts. The result is threats which are geographically diverse requiring varying responses with individual Member States expecting NATO to respond to their specific national requirements. As a result, NATO is finding these diverse risks are unmanageable leading to strategic overload.

   China is an obvious example with questions as to whether it is within NATO’s sphere of influence. The immediate China threat might involve Taiwan, the possibility of conflict and the probable involvement of the USA. An emergent Russia, cyber warfare, terrorism and space weapons form additional threats. In future, the USA will focus on the threats from China and Russia. Further new threats are likely to involve interference in national elections, the exploitation of organised crime networks, online intervention and infrastructure attacks (trains; hospitals; utilities; IT networks). For the future, the USA prefers Europe to be militarily self-sufficient
and responsible for its own defence and to contribute to the
defence of the Middle East and North Africa. Instead, there are US
concerns that NATO Europe is ‘facing death by a thousand cuts’
as European members fail to increase their military spending and
achieve the NATO target of spending 2% of their GDP on defence.

The new threats have been summarised: the end of the Cold
War has resulted in the slaying of a large dragon to be replaced by
life in a jungle filled with a bewildering variety of poisonous snakes
(Kilcullen 2020). Threats and enemies have evolved in a Darwinian
fashion. After the Gulf War, terrorists concluded that it was mad-
ness to engage the West militarily on its own terms. Each genera-
tion of the West’s foes is learning new lessons (e.g. about monitoring
communications to avoid detection). There is also a view that the
long years of Western air superiority are ending with a future of
unjammable cheap drones operated by non-state adversaries able
to deploy swarms of flying killers. Critics of NATO ask why it con-
tinues to buy costly weapons systems such as F-35s when Ikea-type
platforms are perfectly adequate (Hastings 2020)?

Threats have emerged in new forms. The Chinese and Russians
are using methods designed to cause chaos but just short of pro-
voking a western military response. Examples include militias, sur-
rogates, cyber attacks, fake news and ‘little green men’
(non-uniformed Russian personnel) Also, overt and violent con-
flict is a small component of conflict: non-military measures might
dominate any confrontation (Hastings 2020; Kilcullen 2020).

2. Threats from within NATO

There are internal threats from within Member States. For exam-
ple, voters in European states have a preference for social welfare
spending rather than defence spending leading to charges of ‘leth-
argy’ in NATO with continued peace resulting in complacency.
Similarly, the USA is increasingly reluctant to continue ‘paying for
European defence’ which is seen as militarily weak in airlift, air
tankers, intelligence, surveillance and drones. Members are also
cconcerned about the position of Turkey as a reliable ally reflected
in its preference for a Russian missile defence system and its involve-
ment in the Syrian conflict (e.g. Idlib).

There is a more general problem of securing support for defence
within democracies. Often, political leaders fail to explain threats
to voters, apart from the obvious one from terrorism. The result is that voters become indifferent to national security issues.

3. **Burden-sharing**
   The continuing debate between the USA and Europe over burden-sharing. The USA claims that it is bearing an unfair share of NATO’s defence burden although such a claim is sensitive to definitions and the identity and views of the US President. For example, President Trump has been critical of NATO and Europe’s limited defence contribution (see Chap. 3). One view claims that President Trump values “unpredictability, decision by impulse, sowing discord among allies and thereby spreading deep uncertainty. But in such an atmosphere, if posturing and power games go wrong … conflict might become a calculated risk” (Spohr 2019, p. 74).

4. **Costs**
   Defence equipment is costly and unit costs in real terms continue to increase. The long-term trend forecasts a single ship navy, a single tank army and Starship Enterprise for the air force. The future is likely to be one of smaller Armed Forces, fewer new projects and shorter production runs for national defence industries.

5. **Migration**
   International and illegal migration is especially affecting the southern NATO countries (e.g. Greece, Greek Islands, Turkey). Large movements of peoples are creating pressure on local populations and local resources. As a result, tensions arise within NATO and the EU over the desirable allocation of refugee populations. Which European nations are willing to accept and pay for migrant labour is another aspect of burden-sharing.

   There is another dimension which is affecting US attitudes towards NATO. Increasingly, the US population comprises more non-European immigrants leading to less support and willingness for the USA to be involved in the European dimension of NATO.

6. **Trust**
   Loss of trust between Member States. Turkey is an example of a nation which has established links with Russia involving the purchase of the Russian S400 missile defence system. Also, Turkey is involved in Syria and conflict with the Kurds in Syria, leading to speculation about Turkey’s possible exit from NATO.
7. **European defence policy**

European efforts to create an independent and strategically autonomous defence industry, an independent defence policy and an independent European army might be a future threat to NATO.

The European Union has launched a number of defence initiatives including the 2016 European Defence Action Plan (EDAP), a European Defence Fund, Permanent Structured Cooperation (PESCO) and the European Intervention Initiative. The challenge for NATO is to integrate these various EU defence initiatives into NATO and a new transatlantic initiative between the USA and the EU within NATO (see Chap. 5). But the EU has its problems: its institutions are unable to function effectively with 27 different members each with different visions of their future. Also, the EU has failed to develop as a serious foreign policy actor so that the onus to act and enforce peace returned to the USA and NATO which had to adapt its doctrine to ‘out-of-area’ missions (Spohr 2019, p. 74).

8. **New members: Enlargement**

Questions arise as to whether there is a limit to the size of NATO and if so, what is this limit? Is NATO ‘too large’ and what about possible new members from Sweden, Finland, Georgia and Ukraine? Each new member raises issues about their costs and benefits. There are fears that the eastward expansion of NATO will be viewed as a threat to Russia.

9. **New roles**

New roles are emerging for NATO and its geographical sphere of influence. Should it have a role in space; should there be a greater focus on special forces and maritime forces rather than large-scale land forces; and ballistic missile defence for the Member States? New technology means new threats from cyber warfare, artificial intelligence, space, robots and UAVs. Critics regard NATO as strategically ‘brain dead’ and no longer relevant to 2020 and beyond.

10. **Decision-making**

With the increase in its size, NATO needs a new decision-making organisation capable of making speedy decisions responding quickly to a range of new threats. More members mean that decision-making will be slower when reality requires speedier decision-making. The larger organisation cannot be embedded in slow procedures requiring unanimity from large numbers of members.
11. *The NATO social contract*

There are fears about the end of the traditional social contract underpinning NATO. Under the traditional contract, the USA bore Europe’s defence burden with Europe accepting and supporting US foreign policy. The new world order requires a new NATO social contract. What role will NATO play in the new global power struggle?

12. *Threats below Article 5*

NATO needs to consider whether it should respond to threats which are below the Article 5 threshold (at the sub-Article 5 level). An example was the UK Salisbury Russian-sponsored chemical attacks and the response of some NATO members through the expulsion of Russian diplomats.

13. *New partnerships*

There is scope for NATO expanding and creating new partnerships for peace with other countries. Which nations are potential candidates for new partnerships with NATO?

14. *Brexit*

The UK exited the EU in January 2020 but remains a member of NATO. The UK’s precise role in European defence post-Brexit remains to be resolved: the UK’s military role will affect its contribution to European defence within NATO.

15. *Pandemics*

The 2020 coronavirus pandemic poses a threat to world health including the health of citizens of Member States. The pandemic involves transnational externalities where actions in one country create benefits and/or costs in other nations. The pandemic is mainly a medical and health problem with no immediately obvious military aspects which might involve NATO. However, NATO has a role in providing international collective military action. It can provide additional resources to national governments in such forms as military personnel, transport, communications, accommodation and medical treatment for sick patients. For example, national governments might need transport for delivering food and medical supplies to vulnerable citizens; they might need additional military personnel and surveillance systems to protect national borders, so reducing the international transmission of the virus. Increased border protection might also be needed to control illegal immigration which might be a further source of interna-
tional virus transmission. In these forms, NATO provides club goods which are available to Member States only. Pandemics have a further dimension in that they can be used in cyber warfare to create disinformation by potential adversaries (e.g. Russia; China) leading to loss of trust between allies. Pandemics also remind us of the potential threats from biological weapons. Higher public spending on health care emergencies might require compensatory reductions in other government spending with national defence spending a candidate for cuts.

NATO has survived by adapting to change. It has changed its traditional focus on collective defence to include out-of-area crisis management missions, cooperative security partnerships with non-NATO partners across the globe, training and advisory efforts in Africa and the Middle East and strategies to manage and respond to threats which are below the level of armed conflict (sub-Article 5 level). NATO must build on its strengths which include its established and integrated command structure, its force generation capability, interoperability standards and other political and military decision-making structures (Ellehuus 2019).

One view on NATO’s future is that its biggest challenge will be to prevent separation (divorce) between the USA and Europe. The obvious question is whether Europe is a burden on the Americans and whether European weakness makes America weaker? Burden-sharing will continue to be a major issue within NATO. Economics can contribute to understanding of this issue and many others in the list of challenges facing NATO. Other challenges include enlargement, European defence policy, trust, new roles and decision-making. But the issue of burden-sharing dominates the immediate future.

REFERENCES

Ellehuus, R. (2019). *NATO at 70—Shaping the Future for the Next 70 Years*. Washington, DC: Commentary by Center for Strategic and International Studies.

Hastings, M. (2020, March 8). The West v the Rest, Book Review by Max Hastings. *The Times*, pp. 35.

Kilcullen, D. (2020). *Dragons and the Snakes: How the Rest Learned to Fight the West*. London: Hurst.
Sandler, T., & Hartley, K. (1999). *The Political Economy of NATO*. Cambridge: Cambridge University Press.

Spohr, K. (2019). 1989–2019: How the End of the Cold War Shaped Today’s World, An Interview with Kristina Spohr. *RUSI Journal, 164*(7), 68–76.