NATO – An Alliance in Permanent Transformation

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I. Introduction

When I was asked to come to Rome to address the NDC's Senior Course on this 3rd day of October, the National Day of my country, I said "yes" since without NATO, Germany would still be a divided country at best or, had the Warsaw Pact succeeded in implementing some of its plans, an occupied country or a destroyed country.

NATO prevailed in the Cold War, the longest of the three wars fought in the 20th century over the destiny of Europe. NATO prevailed since its initially twelve and then sixteen members shared the same values and convictions, and they were united in their determination to resist and, if necessary, to fight in defence against an attack on one member or all of them.

For you this is history. For my generation, it is a past that still lives in our memories because the East-West confrontation had a day to day impact during most of our lives. For us the days when the Berlin Wall came down and the division of Europe came to an end were moments in which miracles occurred and in which we saw history in the making. It is a history that you can read about and most probably did.

I therefore thought I should very briefly provide you with a rundown of NATO's evolution, discuss where NATO stands today, and end with a few remarks on what NATO should do in the future.

II. NATO's Evolution

The North Atlantic Alliance was created in April 1949 by twelve founding members. The Alliance was designed as a politico-military organisation to consolidate the battered democracies of post World War II in Europe and to defend against the threat of Communist aggression from the growing military capability of the former Soviet Union. Lord Ismay, the first Secretary General, coined the famous phrase: "NATO was founded to keep the Americans in, the Russians out, and the Germans down."

But the world has changed radically and so has the Alliance. In fact, since its founding NATO has been in a continuous process of adaptation. The evolution of NATO's strategy from Massive Retaliation, to Flexible Response, followed by the Rome 1991 and the Washington 1999 Strategic Concepts bears witness to a process of permanent change. What remained unchanged throughout its evolution, however, were NATO's common values and visions, which still include

- freedom and security;
- a just and lasting peace;
- democracy, human rights, individual liberty and the rule of law;

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- cooperation and solidarity;
- and free market institutions and free enterprise.

It would be these values that gave people hope and inspiration, and it was NATO's concept of dialogue and credible defence that eventually led to the fall of the Iron Curtain.

At its London Summit of 1990, NATO declared the Cold War over and extended a hand of friendship to Central and Eastern Europe. A new and broad approach to security, based on cooperation and dialogue with non-NATO member countries, began. London was the port of embarkation in which NATO's long and still unfinished journey towards a Europe whole and free began, and which had been the vision of its founding fathers. During this journey, NATO saw two different strategic concepts, launched the Partnership for Peace (PfP) initiative, and established the Mediterranean Dialogue. At the Madrid summit in 1997, the Alliance invited Poland, the Czech Republic and Hungary to begin accession talks, and also formalized relationships with two strategic partners, Ukraine and Russia.

The 15th NATO Summit held in Washington in April 1999, exactly where the Washington Treaty had been signed 50 years prior, saw the accession of the Czech Republic, Poland and Hungary, the decision on a new Strategic Concept, and the unbending resolve of the Alliance to bring its unprecedented air campaign in Kosovo to a successful conclusion.

This campaign, although a success at the end of the day, ushered in the crisis that still lingers unresolved. First, it revealed the growing capability gap between the U.S. and the other Allies, and second it amply demonstrated that it is not as easy to achieve political consensus on the conduct of operations as it is in a national chain of command. Unjustifiably, the campaign was called by detractors as a "War fought by Committee". This had an impact on initial operations in Afghanistan, when the U.S. politely declined NATO's offer of support, although the Alliance had invoked Article V after 9/11. From this moment on NATO was seen by some as a toolbox from which the U.S. might choose and pick, and the flawed philosophy of "the mission defines the coalition" moved to the foreground.

But back to 1999. The Strategic Concept, approved at the Washington Summit, acknowledged "the appearance of complex new risks to Euro-Atlantic peace and stability, including oppression, ethnic conflict, economic distress, the collapse of political order, and the proliferation of weapons of mass destruction." It added conflict prevention, crisis management and partnership to NATO's traditional task of collective defence.

As a consequence of the terror attacks of September 11, 2001, an attempt at repairing cooperation with Russia which had been damaged during the Kosovo crisis, was made when the NATO-Russia Council was established at the NATO-Russia Summit in Rome on May 28, 2002.

Real progress was achieved at the November 2002 summit at Prague. The "Enlargement Summit" (invitation of 7 new members) was transformed into a "Transformation Summit". Some crucial decisions were taken at Prague:

- the NATO Response Force (NRF) was created;
- the second round of streamlining NATO's military command structure was finalised;

- Allied Command Transformation (ACT) was established;
- nations accepted the Prague Capabilities Commitment (PCC);
- and the nations endorsed a military concept for defence against terrorism.

The June 2004 Istanbul Summit, which followed NATO's "near death" experience of the crisis over Iraq, has proven that the Alliance is much alive as far as operations are concerned, but that the Prague momentum in transformation has not been sustained.

NATO is still far from having the forces that NATO needs today: forces that reach farther, strike faster and can take on the full range of NATO's missions. Moreover, NATO has to go the extra mile to adapt its political machinery.

Is NATO therefore an alliance in permanent transformation, confidently charting its course from one step of implementation to the new decisions that mark the next step to be taken, before step one has been fully implemented?

To give you an answer I will try to respond to three questions from the vantage point of an outside but rather benevolent NATO observer:

1. Where does NATO really stand in fall 2005?
2. What is needed to guarantee security for all NATO nations?
3. What needs to be done to achieve this aim?

III. Where does NATO stand in fall 2005?

As often as Heads of States and Governments, and ministers of NATO member states meet at Brussels or elsewhere, the general public gets the message of Alliance unity, the resolve to tackle issues commonly, and the renewed determination to use NATO as the prime source of transatlantic consultation and common decision-making. Just recently we heard that there is a need to talk more to one another, although those of us who have attended North Atlantic Council (NAC) meetings never saw the need to complain of too little talking. This remark therefore reveals a sobering reality: As soon as the TV cameras are switched off and members would be well advised to discuss issues that really matter for the future of transatlantic cohesion and co-operation, such as the recent issue of a Chinese weapons embargo or possibly sooner rather than later Iran, either there will be at least one non-U.S. NATO member that will block consultations by stating that NATO is not the right body to discuss the issue and that it should stick to its responsibilities for collective defence and for NAC authorised operations, or there will be no interest on the side of the U.S. since NATO as a coalition is not seen fit to do what the U.S. thinks should be done.

The result is an alliance increasingly reduced to the monitoring of ongoing peace support operations (PSO) and which pretends to transform its military and political structures, while remaining primarily focused and prepared in the short to mid term to respond to the rather unlikely return of a threat that would call for a collective response in accordance with Article V of the Washington Treaty. Such an alliance will still be viewed as useful, but as its use is rather unlikely in the near term it will not be seen as indispensable. Since it does not produce any exciting news, it will soon disappear from the radar screen of public awareness. Its staff will continue to work frantically, but as no one will notice NATO's achievements the question will be raised sooner or later whether it is really needed any longer. As much as I

hate to say this, I am afraid there may be a lot of truth in that description of today's NATO if one leaves aside the usual euphemisms of the professional NATO well-wishers.

Obviously, I will not end here and leave you with the impression that NATO's fading away is unavoidable. It is definitely not. On the contrary, NATO must not fade away since both the U.S. and its European and Canadian allies may need it more badly than ever before. But NATO needs a new vision, and it needs clarity about its future role that clearly must go beyond Article V obligations and peace support operations. Expeditionary intervention operations, and with it the follow-on PSO, should no longer be seen as exceptional contingencies but rather as the rule. To this end, it is unavoidable to identify the underlying problems and questions that surfaced during the recent crisis brought on by Iraq and which produced unprecedented tensions between the Europeans and the U.S.

Any description of today's state of transatlantic affairs has to begin with a brief look at

- the relationship between the U.S. and Europe;
- the threat perceptions on both sides of the Atlantic;
- and the approaches chosen to achieve security.

Europe, Canada and the U.S. achieved a historic and common success in ending the Cold War on their terms and bringing to an end the three wars fought in Europe between 1914 and 1991 over the question of Europe's destiny. But although it was a common success, the two sides, the U.S. and Europe, arrived at different conclusions how it was brought about.

The Europeans, tired of the wars still fresh in the memories of many and wary of confrontation, saw the success as a result of a combination of strength and the determination to resist, the attractiveness of modern democratic societies, and their patient diplomacy by which they had penetrated and indeed opened the Iron Curtain. Some of them concluded that exactly this approach could help stabilise Europe and its periphery, and could suffice to cope with the unrest that could, as so often happened in history, accompany the demise of such a great empire as the Soviet Union. Europe indeed pursued this course of action throughout the dramas over Yugoslavia, although it brought the Europeans quite often to the brink of appeasement. They in their majority still pursue this course in today's world as the Europeans concentrate primarily on domestic affairs and the consolidation of Europe.

The American conclusion was very different. They saw the success in winning the Cold War as a triumph of strength and resolve. The U.S. emerged from the Cold War as the world's sole superpower, and the U.S. began to dream of becoming invulnerable and of being capable of establishing a new world order based on human rights, the rule of law and democracy, brought about if necessary using its multi-faceted and dominating power.

This American dream came to a brutal end on the sunny morning of 9/11 in 2001. The unthinkable had occurred. The U.S. had come under attack by an enemy who did not possess any military power, but who was determined to inflict maximum damage through its exploitation of the hatred of religious zealots and by using asymmetric warfare to hit non-military targets.

The world and indeed Europe rallied behind the U.S. on that day as did NATO. But the U.S., determined to react, wanted to do it alone and on its terms. I mentioned the main

reasons a minute ago when I talked about the Kosovo Air Campaign. NATO then slid into the Iraq crisis, which seems to have revealed two points of permanent change.

- Europe is no longer confronted with a threat that had united the Europeans, and which had made them so often accepting of American proposals during the Cold War.
- The U.S. no longer depends on Europe, which provided the potential Cold War battlefield and allowed the U.S. to plan for a forward defence of its territory.

It was probably this second reason that so often made the U.S. accept European compromises. But now no longer forced to find a mutually acceptable compromise, the arrogance of power met the arrogance of the impotent, who in addition felt itself to be on the high moral ground.

One of the underlying basic differences between the views of the Americans and some if not most Europeans, is how to balance hard and soft politics in crisis management in conjunction with the issue of the legal use of force. No doubt, the U.S. is more inclined to use force and to do it early than the Europeans. No doubt as well that the Europeans wish in their majority to preserve some of the restrictions that international law, and in particular the UN Charter, imposes on the use of force – although most if not all of them understand there might be situations that legitimize the use of force which, as was the case during the Kosovo crisis, fall outside the legal use of force under Article 51 or whereby a United Nations Security Council Resolution (UNSCR) cannot be obtained. So far there are no answers to these truly fundamental questions. They might therefore come back should there be another crisis.

The other unresolved issue concerns the decision-making process. No doubt, the clear majority of U.S. allies wishes to preserve a decision-making process where the views of all allies are taken into account, and at the end of which a unanimous decision should be the aim. The present U.S. government, however, prefers that "the mission defines the coalition," although there is little to no hope that this approach will ever be accepted by NATO, as even the staunchest of the U.S. allies in Iraq recognises that there is no chance to wage future wars against the opinion of its own nation's majority. Nevertheless, I believe that there is a chance to reconcile these truly opposing views without giving up the consensus principle, by limiting influence on the conduct of operations to those nations that really contribute.

The other issue that continues to reduce European influence on the U.S. is the capabilities gap. Rightly so, as there is no international organisation that does not follow the principle that influence is commensurate with contributions. Insisting on equality and shared responsibilities in decision-making has a price tag: the political will and the ability to contribute. Obviously, the price can be paid in other than military capabilities currency, but nations without a really substantial capability to contribute and the political will to share risks should be reluctant to claim equality.

As these and other questions remain unanswered, for the time being NATO is not as healthy as it needs to be in the present situation of international instability.

NATO's 1999 Strategic Concept is to some degree outdated and neither in line with the U.S. National Security Strategy nor the rather inconclusive EU Security Strategy. It should be no surprise then that the NAC discusses many more operational issues than such a political

body should, and that the two Strategic Commands acted in self-defence when they drafted and agreed a common Strategic Vision.

Moreover, the absence of a clear and agreed vision offers the nations loopholes when they do not meet the obligations they accepted at the Prague and Istanbul Summits, respectively. Thus the capabilities gap between the U.S. and the Europeans continues to grow, NATO seems inclined to reduce transformation more or less to the NRF. Overdue political transformation has not been addressed until recently.

My conclusion on the state of NATO at this time is therefore:

1. it is indeed no longer the primary place of transatlantic consultation;
2. it is no longer the option of choice for all NATO nations in crisis management;
3. there is no real agreement on how to cope with future crises, since there are gaps between the U.S. and its allies in four areas:
    i. the resolve to use all necessary means, including military means;
    ii. the capability to act across the full spectrum of political options;
    iii. military capabilities that seem to have developed into a gap of conceptual thinking;
    iv. and the absence of political will in most European countries and in Canada to take appropriate steps to modernise their armed forces;
4. and there are divergent views on the future role of NATO, ranging from a global alliance ready to act in expeditionary operations where needed, to collective defence plus some PSO.

IV. What is needed?

A common appreciation of the situation, and common and agreed conclusions.

The experts in NATO and in the NATO Nations do not suffer from a lack of threat awareness. There is a relatively strong consensus on the scope and the nature of the threats NATO is confronted with, and there is not much difference in the threat assessments of NATO, the EU, the U.S. or U.S. allies. The differences lie in the political preparedness to make the public aware of the threats and in offering views on how to cope with these threats, which are global in their nature and trans-national in scope, including views on the use of military force.

You are better aware than I am of the uncertainties, risks and dangers ahead of us and to offer you a risk assessment would really mean to carry coals to Newcastle. But allow me to remind you of one paragraph in the Bi-SCs Strategic Vision paper:

“With the requirement to meet the threats from where they may come, the Alliance will operate in a wider strategic environment that is influenced by several key factors and drivers for change. Foremost among them are: globalisation, the increasing sophistication of asymmetric warfare, the effects of changing demography and environment, failing states, radical ideologies and unresolved conflicts. These factors are liable to lead to shocks to Alliance security interests over the next 15 years, particularly as tensions, crises and conflicts will occur with little warning.”

This sobering reality is not the reality in which our nations live, particularly those in Europe. Most Europeans believe that they live at peace.

In reality, however, all our nations live in a world full of discrepancies, and each of these discrepancies can produce instability, crises and conflicts. Let me remind you of a few of them.

First, there is an ever growing disparity between the rich and the poor nations. We got used to the reality that ten percent of the inhabitants of our world possess and dispose of ninety percent of the world's wealth. But the living conditions of the poor are likely to deteriorate as the resources required to house, feed and occupy their increasing populations, who are mostly young and have no hope for a bright future, are lacking. As a consequence we will see, as the populations outside Europe and Russia grow, increasing competition for critical resources, the most critical of all being the world's water. And remember, the water of 460 rivers is shared by two or more nations. We will see failing states, and we might see much more unrest and revolt. These and other reasons for conflict, occasionally fomented by fundamentalists, may produce terrorism and may breed terrorists. Most researchers believe that we may see in the foreseeable future a more or less constant pattern of 20 to 25 armed conflicts per year. There is little reason to cast doubts on this gloomy forecast.

Second, the growing interconnectivity and the interdependence of our world will make everyone aware that in reality our world consists of three different worlds that exist in parallel: the post-modern, the modern, and the pre-modern. In each of these worlds there are different ways to settle conflicts, and the post-modern way of peaceful settlements has been and will for quite some time not be applicable on a global scale. Therefore, whether we like it or not, we have to accept that the use of force will remain an instrument of international politics. Consequently, the future will bring war back onto the world stage. War is alive and well outside Europe and North America. This is another rather unpleasant discrepancy.

The nature of war, however, is likely to change. Wars will no longer be primarily armed conflicts between states, but wars will increasingly be intrastate conflicts, or conflicts between states and non-state actors who may operate from the territory of a failing or hijacked state. The nature of war may remain unclear, but one aspect seems to be certain: The future will most probably bring an increase in the use of force and violence, accompanied by little or no respect for the limits and rules set by international law. NATO and its nations need to think through what this type of asymmetric warfare means for strategy, training and equipment, and NATO should continuously refine its counter-terrorism concept.

This discrepancy will most probably lead to ever growing violence against unarmed and unprotected civilian citizens of our nations. NATO's adversaries, in particular those who hate us because they see our way of life and our way of communicating with the world as a deadly threat to their islands of ideologies, religious fervour and fanatism, will not show the slightest respect for law. They will increasingly seek to attack the Achilles heels of our post-modern societies – our citizens – in order to compensate for their military inferiority. No country should ever believe it is safe against terrorism. Terrorism will remain with us for a very long time to come, and our nations must know that they have entered into a conflict of a global scale and of unknown duration, against an enemy whose face we do not know and against whom one cannot achieve quick victories. They should note as well that there is no

chance to defeat terrorism by military means alone, and our publics must also understand that there is no hope at all for a negotiated settlement with terrorists who hate us and who have but one demand: to force us to give up our way of life.

These discrepancies exist between us, the nations who share the same convictions and values, and most of the countries in the world. The democratic nations will definitely not be able to eliminate them, but as they might be able to reduce them to some extent they should intensify their efforts to eliminate the reasons for conflict. They may thus succeed in drying up the swamp in which terrorism lives and from which it is feeding.

The more specific threats such as terrorism and its links with organised crime and failing states, proliferation, and more or less free access to modern technology, are those with which you are familiar.

These new threats raise many questions, among them whether the extant definition of self-defence, which in principle requires waiting until an attack has occurred or is imminent within hours, is good enough in a world in which weapons of mass destruction (WMD) are spreading and cyber attack may become an option. There is no doubt that pre-emption is permissible under extant international law if an attack is imminent, but the unresolved question is whether the preventive use of force could become a strategic option. In my view there is an urgent need to discuss and to find the proper legal basis for this question. In addition to these trends and factors, which will determine NATO's strategic environment, NATO's nations must be aware of the fragility that governs the international environment today as we speak.

Beginning with a glance at these fragilities, I will start with the most powerful actor, the U.S., which is truly the dominant and indeed only global power in all areas of politics ranging from the cultural to the military domain. But American dominance is acquired by leaving huge domestic and social problems unresolved, and it is paid for by borrowing money from foreign nations, in particular in Eastern Asia – a tendency reinforced by natural disasters such as Katrina. The incredible amount of 780 billion US dollars (USD) held by Japan and the 180 billion USD held by the Peoples Republic of China (PRC) do not bode well for American sustainability if one takes into account the permanently growing "double deficit" in the U.S. trade balance and the U.S. budget. It is a powerful weapon that the Chinese in particular have in their hands. Should they one day decide to use it, while it would hurt them it could also bring the U.S., and with it most of our nations, economically to our knees. It is therefore a fragile position of power that the U.S., the undisputed and indeed irreplaceable leader of NATO, enjoys.

Turning to Europe, there is a European Union in its most severe crisis ever with the French and then Dutch voters rejecting the draft European Constitution. The political instability produced by the German voters two weeks ago made things worse, because the erstwhile engine driving the process of European integration was switched off on a day in which Germany turned inward to cope with hitherto unknown domestic instability. All this does not mean the end of the EU, but the preparedness to invite other nations to join may well wither away despite all Europeans knowing that there is no better way to resolve the many unresolved European problems than through integration. Integration is the approach that may help find solutions for the many problems in Europe ranging from the Balkans through the

Caucasian powder keg to Ukraine. Europe must in my view stick to its vision of a Europe whole and free, and both NATO and the EU must keep their doors open lest the ghastly ghosts of nationalism haunt Europe again.

Fragility is a benevolent but fitting description of the status of Russia as well. Russia's domestic development towards a quasi authoritarian regime gives as much reason to be concerned as does its heavy-handed approach towards the unrest in its Caucasian underbelly. Russia is doing economically well, but its wealth is being paid for by the export of commodities such as oil and gas, and far too little of the revenue is being reinvested in the repair of the consequences of almost 80 years of socialist mismanagement. Russia's industrial sector is therefore far away from being competitive in the world market. In addition Russia has to struggle with a demographic problem reinforced by the spread of illnesses such as AIDS and tuberculosis, which pales all European problems of that nature. The Russian population will probably shrink to less than 100 million within the next fifty years or so, while simultaneously the illegal settlement of Chinese into Eastern Siberia may well grow beyond the more than one million illegal Chinese immigrants of today. Russia will for this reason alone not be able to be a pole in a multi-polar world of which her leaders speak so often.

Whether the PRC will be able to become a real pole in tomorrow's world remains to be seen. True, China appears to be the rising giant at the Eastern rim of the Pacific Ocean, but questions remain. First, it is by far too early to judge whether the Chinese economic success will be sustainable. Second, a number of huge domestic problems are simply not addressed, such as the incredible and still growing number of 150 million unemployed. Third, the growing demand for energy will increase China's dependence on energy imports, which by the way may make many of us, sooner rather than later, long for today's oil prices. Fourth, the unresolved issues in Eastern Asia, from Taiwan to territorial disputes with Japan to growing nationalism in the region, could produce crises that may limit China's range of political options a considerable degree.

For all these reasons I see today's world in a state of fragility. I conclude it is urgent that solutions be found for the many security problems our nations are confronted with, since without security at the borders and beyond none of our pressing domestic problems can be addressed.

This background should be kept in mind when one wishes to answer questions about the future of NATO.

In my view there is no better answer for both the U.S., and the Europeans and the Canadians, than a strong and viable transatlantic alliance. The simple but rather convincing main reason for this view is the stark reality that I described earlier of being confronted with a number of truly global challenges. Every major challenge in the world today is one faced both by the U.S. and the European Union, even though we may occasionally view them differently. Moreover, each of these challenges can be confronted more effectively and more expeditiously with a dimension of transatlantic cooperation at the core of the response. The transatlantic alliance is therefore indispensable. No nation state, the U.S. included, could act in the same way, and definitely not the so-called multi-polar world which will remain a fiction, and most probably not a coalition of the willing which is and will remain an ad-hoc

arrangement. Ad-hoc arrangements, furthermore, require time to be forged, and this could prohibit a timely response to a crisis, or even worse eliminate any opportunity to prevent it.

Some believe that the EU or the UN could be alternatives to putting all eggs into the NATO basket. I do not believe that these two represent realistic alternatives. The EU lacks the military power projection capability to act at a global level and scale, and the UN is by far too diverse in its composition to be able to identify a common set of values and interests, which are after all the prerequisite for common action. EU military capabilities are often described in a rather exaggerated way. To believe that the EU could use its battle groups, useful as they are, and could really conduct independent operations is one of the exaggerations.

Speaking in more general terms, I should add that it does not make much sense to do what some NATO nations obviously do, namely keep NATO down and keep popping the EU up. Whether we Europeans like it or not, realism suggests that the EU will need a very long time, if it can at all, to become a truly global actor capable of conducting military operations across the full spectrum. It is therefore better for the U.S. and for Europe that the two organisations, NATO and the EU, work together and seek to widen cooperation that includes the U.S.

In addition, any comparison of interests of all hypothetical partners will reveal that there is no grouping other than the Americans and the Europeans who have so much in common. Ideas such as balancing American power by promoting a multi-polar world or by creating partnerships between the Europeans, Russians and Chinese are simply not thought through, and they are definitely not in the interest of Europe. Such ideas will at the end of the day divide Europe and make it impossible for Europe to be seen as a partner in Washington. Such ideas in reality strengthen U.S. dominance and reduce European influence.

I therefore do not see a better solution than a transatlantic but mature partnership. This not only requires progress on the side of the Europeans, but some change in attitudes on the side of the U.S. as well. It is no longer good enough for the U.S. Government to pay lip service to NATO while avoiding its involvement in decision-making. NATO is not a toolbox and must never become one. It is an alliance between the most powerful nation on earth, the U.S., and its European and Canadian partners. Moreover, NATO is the only legal framework that firmly ties the U.S. to most of the EU member states and Canada. It therefore is no longer good enough for the non-U.S. allies to enter commitments on paper, but to implement them either slowly or not at all. Moreover, as the strategic environment has changed and is likely to change further, NATO needs a new vision:

1. The strategic outlook is no longer regional, it is global.
2. The range of missions goes far beyond collective defence. It encompasses crisis prevention, crisis management including conflict pre-emption, expeditionary intervention, post conflict stabilisation, and collective defence should prevention fail.
3. NATO must pursue a holistic approach, which calls for a wider set of tools as well as much closer and deeper cooperation with other international bodies.

NATO must therefore, and this is my answer to the question of what is needed, widen its scope of transformation to include political transformation, and it must further adapt to a profoundly changed strategic environment.

V. What needs to be done?

The first and in my view indispensable step is to develop and agree a concept that will guide both political and military transformation.

The present situation of transforming the military but leaving the political side of NATO more or less as it emerged from the nineties, a period that one should be acknowledged as a period of profound military and political transformation, is no longer good enough. The realities, ranging from the Secretary General's desire to have more political debate in NATO to the fact that too many NAC meetings look like a pro-seminar for platoon leaders, underline this point.

NATO must transform its political side of the house as profoundly as NATO has asked the military to do. Such a transformation must raise the question of decisions by consensus as well. At this moment all NATO committees are bound to achieve consensus, and the result is unavoidably that the best one can achieve after considerable time and effort is the lowest common denominator. Is this really what we need in a time full of uncertainties? I could therefore imagine one preserving the consensus principle for NAC decisions, but opening the door for majority rule at the committee level. If one adds as an additional precautionary step a clause that obliges both the Policy Coordination Group (PCG) and the Military Committee (MC), respectively, to report in detail to the NAC the minority views and the reasons why the majority did not accept them, then all nations have a guarantee that their concerns will be made known to all nations before the NAC seeks to achieve consensus.

Political transformation also calls for a reaffirmation from all NATO nations to use NATO as the option of choice in all situations that require co-ordinated transatlantic action and a consolidated transatlantic appreciation of the situation. To do so would require the Europeans to give up the idea of consulting first in the EU, and the U.S. to abandon the flawed idea to develop its concept in Washington, only to ask the allies to join a coalition of the willing. This latter approach is by the way, a perpetuation of what might be called "ad-hockery" and detrimental for the cohesion of NATO. What I have in mind is consultation in NATO leading to a decision at 26 and delegation of the execution to a coalition of the willing. It is the moment of execution when the mission defines the coalition, not the moment of the political decision. This obviously at the same time means that allies who do not contribute to the execution have no right to influence the conduct of operations. Their decision not to participate in the execution of a NATO decision also reduces their rights to information. I know very well that such ideas could be a bombshell, but most of us may share my view that future military operations will require exploiting the qualitative edge that NATO and its nations enjoy through their ability to win and maintain information dominance. Time will therefore be of the essence and thus delegation, quite often pre-delegation of responsibility to the executing commander, will be indispensable.

Delegation of responsibility means as well to allocate all necessary resources to the commander in the field. NATO must therefore modernise its procedures of financing operations beyond the Cold War formula of "costs lie where they fall". To apply this outdated formula to the NRF could well mean that the NRF will remain a dormant force that will never be used for that which it was created: a rapid response at the early stages of a conflict that can

extinguish a spark before it becomes a fire. If politicians remember how expensive it is to come too late as we did in the Balkans during the nineties, they will hopefully agree that common funding of NRF deployments might in the end actually save a lot of money.

Delegation of responsibility means as well to reduce to the extent possible national reservations, or caveats, which often hamper NATO commanders from using their forces in a proper and meaningful way and that prevent rules of engagement (ROE) without amplifying national instructions. As many of you know it is this reality, in conjunction with the manpower intensive insistence of nations on national responsibilities for logistics and often overlapping national command and control (C2), which makes NATO deployments so expensive and increases quite often NATO´s reaction time far beyond the tolerable.

None of these issues represents a military problem. They all require political solutions. Should NATO´s nations be unable to find solutions we might see an Alliance that possesses a military rapid reaction capability, but is unable to use it "in time" for political reasons. Taxpayers on both sides of the Atlantic will not tolerate such a situation forever. I said earlier that acting in time will be of the essence in future crises, and this raises questions whether an alliance of 26 members can afford to pursue a bottom-up decision-making procedure, and whether it can stick to the principle of unanimous decisions. To begin with the latter, my recommendation is to preserve the consensus principle at the truly political level of the NAC since it is the expression of respect for national sovereignty, but as I mentioned a minute ago to consider a majority rule regime at the level of the subordinate bodies.

All nations know that at the end of the day it will be the contributions which they make that determine their degree of influence, and most of them will accept the efforts of a few to speed up decision-making, provided they are kept in the loop and are given a fair chance to protect their national interests.

Should NATO arrive at the end of its deliberations on political transformation with the conviction that a truly new approach is necessary, and since one needs holistic solutions that NATO as a mililtary alliance cannot provide, then one could think of widening NATO´s inventory or alternatively of a steering body that would direct NATO, the EU and the U.S. towards joint contributions in a common effort to end a conflict. As I do not believe that the first option is feasible under the prevailing circumstances, my preference goes for the latter. I could imagine that a steering committee consisting of the Secretary General of NATO, the President of the EU Commission or the EU President, and the U.S. President could be established which would be given the task to direct NATO, the EU and the U.S. Government to make contributions for the resolution of emerging crises, after consultation in NATO has led to the conclusion that common action of all three or one or two of them is needed to protect common interests. I readily admit that something like this may not happen tomorrow, but logic suggests that it would be an effective solution to the challenges presented by a world full of uncertainty. Moreover, it is much better to have a bold vision than to reduce one's self to muddling through.

As I said this will not happen tomorrow, but the next crisis might very well come tomorrow. We need to find a short term solution that will give NATO access to non-military instruments. I therefore believe that one should look into a "Berlin Plus in Reverse" approach, i.e. an agreement between NATO and the EU that the EU will provide non-military assets and

capabilities for NATO in crises which affect both, and in which NATO was asked to take the lead.

Obviously these and other changes would lead to a new concept for NATO, which I would call a Grand Strategy that has to answer other unanswered questions, such as the priority for military action and the legality of the use of force.

I do not wish to dwell at length on these highly political and intensively debated issues, but an alliance that claims to be the defender of freedom and the rule of law has to demonstrate through its actions that it will use its power only when its members' vital and legitimate interests are at risk, and that even then its actions will be governed by the rule of law. This must, however, never mean that NATO's hands should be tied by a narrow interpretation of international law that evolved through centuries in a world in which only states acted, and that no longer exists.

I said earlier that NATO must take a holistic approach in crisis management, which will often mean that other than military means need to be used. On the other hand it seems questionable whether the old mantra, "the use of force being the last resort of politics," will remain unchallenged. We live in a world in which cyber attack and the use of WMD belong to our opponents' range of options. In such a world the option of using force as the first resort must not be ruled out. We need to think prevention through. It goes without saying that any use of force must be both legal and legitimate, but it could well be that reflection upon prevention may produce a new and wider definition of self-defence that leads to a different understanding of intervention. I could imagine that the key to such a debate may lie in a new understanding of national sovereignty. If sovereignty were no longer seen as the right to act within one's area of responsibility as one likes, but as a responsibility to protect a state's citizens, then intervention might possibly be regarded by a majority of states as being legitimate should a government not live up to this responsibility. A government that failed to honour its obligations would no longer be protected by Article II of the UN Charter.

I therefore do not rule out that a new understanding of legitimacy and legality of the use of force might evolve over time, either as a new convention or through actions taken by state parties as is customary under international law. Thus preventive military action could well become a legal instrument in NATO's toolbox. This toolbox, however, must contain both military and non-military instruments, and the allies must agree that there is no automatic priority for the one or the other set of tools.

These and other principles should be laid down in a new NATO strategy paper since the extant 1999 Strategic Concept falls short of meeting such requirements, as does (although an excellent paper) the Bi-SC Strategic Vision document. On the other hand, I am fully aware that any debate on a new strategic concept might be divisive at this point, taking into account the shaky cohesion of NATO. Such a debate should therefore be prepared in informal discussions between groups comprising two or more nations. The Secretary General must be kept informed, and he has to judge at which time NATO might be ready for debate in the NAC.

Such a new strategy paper could serve as both a guideline and a benchmark for future force planning, since it will contain a new mission for NATO. SACEUR calls the elements of

NATO's mission anchor points. Using them as a point of departure, I offer as elements of NATO's future mission six tasks:

1. NATO must prevent crises and armed conflicts. It must transform into a preventive alliance.
2. NATO must focus its efforts on the global war against terrorism.
3. NATO must defend the member nations' critical infrastructure.
4. NATO must defend against WMD, and it has to be prepared for consequence management.
5. NATO has to be prepared to conduct and sustain stability and security reconstruction operations.
6. NATO should be prepared to provide energy security and to defend against cyber attacks.

I would be remiss if I stopped here. It does not suffice to adapt or to modify the strategic concept. With this new mission, NATO should also take a fresh look at force planning. No doubt, NATO deserves praise for the steps taken so far in transforming its military capabilities, most notably in establishing the NRF. But I also hope that no one among you believes that the initial operational capability (IOC) of the NRF means the end of transformation. Transformation must go on, and it should over time encompass all NATO forces. Obviously, such transformation may have an impact on other than military aspects of national security, as the nature of the new trans-national threats demand first that there is no longer a dividing line between external and internal security, and second that threats are confronted at their source. Moreover, transformation will increasingly be a process in which it might be difficult to define the end-state. Most nations are at this time at the beginning of a transformation that focuses primarily on information dominance, but the next revolution in military affairs (RMA) based on nanotechnology, biotechnology and robotics may soon knock at our doors. NATO's nations must therefore no longer wait to modernise their inventories or they might face a double gap: a modernisation and capabilities gap, that sooner rather than later develops into a gap in conceptual thinking.

But if I see it correctly, many if not most nations still invest in fighting yesterday's battles and therefore run the risk of missing the train of truly rapid technological development.

It therefore seems to me that a new approach to NATO's force planning procedures, or at least an unbiased stock taking, is necessary. This effort should focus on Europe, without leaving Canada in the margins. The two SCs should identify the requirements and present their findings to the Military Committee, which based on them should develop proposals for presentation to the NAC as the NATO Military Authorities' (NMA) contribution to Ministerial Guidance. NATO would thus demand from nations, including the U.S., to make specific contributions, which in the case of the non-U.S. nations should complement U.S. capabilities while ensuring full interoperability.

Such guidance should direct Europe to develop a limited capability of acting independently in defence of European security interests in those cases in which the United States is either not capable of taking on additional tasks due to other commitments, or is unwilling to join a European action.

Taking on the task of planning for such capabilities, the European military must understand that transformation means focusing on three functional areas:

1. Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR);
2. effective engagement;
3. and focused logistics.

A NATO-compatible European capability would serve two strategic objectives simultaneously:

- It would allow Europe to implement its Security Strategy as agreed by the Heads of States and Governments of the EU.
- It would enhance European influence on U.S. decision-making since European assets would likely be those that the U.S. does not possess in sufficient quantity. This means that those assets should be selected and developed in a way that ensures a limited autonomous European intervention capability on the one hand, and which focuses on those areas for which the U.S. depends upon allied support on the other.

Force planning following such a line would produce European armed forces that tie European capabilities to American global projection capability. Thus Europe could benefit from American global capabilities, and the U.S. would benefit as well since European capabilities would enhance the sustainability of the American military. But force planning that is limited to intervention and post-conflict stabilisation does not suffice.

Europe must focus as well on tackling new threats to its security stemming from terrorism and organized crime. This requires linking defence and homeland security in ways so far not foreseen by EU countries. One of the instruments that will enable nations to do so is one that nations need to have for their military forces anyway: information management that produces information dominance. Europe must therefore concentrate on the capabilities that really matter such as C4ISR, and it must reinforce national efforts by agreeing, first in the field of intelligence and then in force planning, to closer cooperation that must to some extent pursue a division of labour. Thus one could produce intervention forces on the one side, while on the other envisage some multi-nationally manned but NATO owned and operated assets, in the enabling forces and force multiplier category. Such assets are by the way urgently needed for the NRF, otherwise this force will be condemned to fight while remaining blind and deaf. Remember, it is information dominance that matters more than anything else, and that is the reason why I believe that a NATO owned and operated Alliance ground surveillance system is the most urgently needed capability NATO must acquire.

Such a force planning approach would ensure full C4ISR interoperability both in NATO and the EU. At a time in which the boundaries between defence and homeland security are diminishing, this would include interoperability between the armed forces and other security forces such as police, border control and customs. This division of labour would secondly require European strategic sea and air lift capabilities tailored to complement U.S. capabilities. Third, such an approach to force planning would require much closer cooperation between European industrial companies and, perhaps most importantly, clear coordination of research and development activities.

But European efforts to match these ambitious goals by acquiring adequate capabilities will be constrained by two limitations: personnel and finances.
Demographics and the subsequent need to preserve some social balance will increasingly constrain defence budgets. The number of well-qualified and highly mobile young people will decrease, making it increasingly difficult to recruit young Europeans for military service at reasonable cost. On the other hand, any increase in manpower costs will diminish the capital investment share of the defence budget. The demand for less manpower intensive equipment and for unmanned or robotic systems will therefore grow, and with it the necessity to invest more in equipment modernisation. Most importantly, however, this transformation requires upfront investment now.

I harbour severe doubts that NATO's extant force planning procedures, despite its new appreciation and emphasis on Expeditionary Planning Situations, will ever be able to bring about such a profound change. At the end of the day NATO procedures still call for a bottom-up approach, which allows nations to plan their national force posture. Hence NATO's inventory shows significant duplication and overlap, and NATO does not possess the power projection capability and sustainability one could expect from an investment which, if one adds up all European defence budgets, is as big as 60% of the U.S. defence budget.

VI. Concluding Remarks

What I tried to outline in my presentation is that transformation will and indeed must go on. It will succeed if NATO returns to the cohesion that was after all key to winning the Cold War. I therefore believe we have to find something like a two-component adhesive glue: at the political level a new strategic vision and the political will to transform NATO beyond the military realm, and at the military level the continuation of transformation beyond the NRF by establishing a few affordable and feasible NATO owned and operated component forces. Cohesion would be preserved, while the difficult debates over a new strategic concept would unfold, which as noted earlier may at their beginning indeed be divisive. No doubt, such an approach would make the non-U.S. nations more dependent on each other, but it could also encourage the U.S. to think of NATO as its option of choice in crisis management.

Thus the allies could become the indispensable partner of the indispensable nation, the U.S.

I should also remind you of one lesson that we learned again and again during the many crises NATO went through in its 56-year history: It was quite often the ability of the military to translate political ambiguity into clarity, along with the common sense of purpose shared by the armed forces of all NATO nations as they stood shoulder to shoulder, that preserved transatlantic cohesion. Speaking to a predominantly military audience today, I end by asking you to do your utmost in preserving and strengthening this indispensable alliance.