

University of Reading International Model United Nations Conference 2015

North Atlantic Treaty Organisation



Topic A:

Responding to increasing threats in NATO's periphery: Eurasia and beyond

Topic B:

Assessing the suitability of the 2% defence spending target.

Study Guide

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Topic A: Responding to increasing threats in NATO's periphery: Eurasia and beyond

Introduction

The direction of this topic will essentially be interpreted by the delegates intending. It is up to member states to decide where NATO needs to direct its future attention and how to decide its relevance in an increasingly dangerous world. In the cases posed, the apparent threats to NATO's are all highly theoretical nature, making it as critical to understand NATO's historic role, as well as its current state, in order to come to a consensus on how NATO should act in the face of apparent adversity. As such it is difficult to assign particular bloc positions, and delegates are recommended to examine their nations history within NATO and their general approach to defensive action, overseas intervention and activities outside NATO's usual sphere.

NATO's historic purpose

The North Atlantic treaty alliance was originally formed as a collective defence organisation composed of North American and European states to counteract the Soviet Union and members of the Warsaw pact after the devastation of world war II and the subsequent East/West divide.. It was primarily perceived as an organisation determined to deter a Soviet attack against smaller western European states, many of whom were considered to be at extremely high risk of soviet infiltration and political destabilisation. In relevance to Europe, a renowned statement made by the then NATO Secretary General, Lord Ismay, in 1949 stated that the organization's ultimate goal was "to keep the Russians out, the Americans in, and the Germans down."

The most defining characteristic of NATO is that Article V of the NATO treaty considers an armed attack against any one-member state to be an attack against all member states, essentially acting as a deterrent for any member state against any potential aggressor. To date, this article has only been cited on one occasion, the 9/11 attacks on New York, but its existence has been widely credited as an equally effective deterrent to how some academics accredit nuclear weaponry, which three NATO members currently possess.

The Revolutions of 1989 and the dissolution of the Warsaw Pact in 1991 removed the *de facto* main adversary of NATO and caused a strategic re-evaluation of NATO's purpose,

nature, tasks, and their focus on the continent of Europe. This shift started with the 1990 signing in Paris of the Treaty on Conventional Armed Forces in Europe between NATO and the Soviet Union, which mandated specific military reductions across the continent that continued after the dissolution of the Soviet Union in December 1991. Since then NATO has continued to enlarge further towards Russian borders and has now encompassed most of Europe. Today it is generally perceived by some as an alliance of western states in North America and Europe, with no specific purpose other than to act as a singular coalition that acts in unison when the situation requires, such as in response to an individual attack against a member or as interventionist power when there is sufficient political will.

NATO's role after the Cold War

Since the end of the Cold War, many academics have questioned the future relevance of NATO in a world that is no longer fixated towards Europe. Indeed, much of NATO's leading member's, the United States, focus over the past twenty years has centred towards regions of the globe outside of NATO's traditional sphere of influence, such as the Middle East and Asia, where the USA's bilateral alliances with other parties have been considered to be more crucial to its overall strategy in these regions.

This is not to say however that NATO's role over the last two decades has been anything short of minimal. NATO was the leading actor in several interventions over the last two decades. NATO played a key role during the breakdown of Yugoslavia, a crisis that essentially occurred on NATO's doorstep, by leading a decisive bombing campaign against Serbian forces in Yugoslavia, apparently preventing further genocide.

This was done despite an evident shunning of the UNSC, as it became clear that no resolution supporting interventions against Serbia would be supported by Russia and China. This action would seem to have displayed NATO's future role in a US-led hegemonic order as an organisation that emphasized conflict prevention and crisis management that can and would use force if it was deemed necessary to prevent human suffering.

The intervention in Afghanistan would seem to have further suggest that NATO has a future as a global interventionist power, having acted in unison with a number of its allies to fight against the emergent threat posed by Al-Qaeda and the Taliban, and acted outside of the Atlantic sphere for the very first time.

Division among what constitutes threats however became apparent in the build up to the Iraq War. The US could not convince NATO to act against Iraq, especially France, and instead invaded Iraq with only a handful of allied states within NATO, such as the UK, Spain and Poland. This called the apparent future of NATO into question.

After these divisions became apparent, NATO has tended to act within the boundaries of international law, rather than acting on its own agenda, having done so in the 2011 Libyan Intervention. In fact, a more cynical mind could label NATO as nothing more than a glorified attack dog for the UNSC, being that it is the only transnational alliance composed of members that pursue an interventionist agenda and that has the capability of actually doing so. It is worth mentioning that NATO did play a significant role during anti-piracy operations in the Gulf of Aden. This would nonetheless suggest that NATO can and will act outside its traditional role of ensuring a stable and secure Europe.

With the emergence of regional powers that challenge the established order, NATO's ability to act as an interventionist coalition that would seek to pre-empt threats to global security has somewhat diminished. America is no longer an undisputed hegemony and there are external powers that seemingly challenge NATO's previous monopoly of military supremacy through the United Nations and other means. The division of its members are evident has also questioned the organisation's future relevance.

The fact that it has continued to enlarge however, and that many nations such as the Ukraine and Georgia, apparently still seek active membership in the organisation, suggests that the organisation is perceived to have a long term future and that membership is a desirable privilege for some. Eight nations are currently members of the Individual Partnership Action Plan. These are Georgia, Armenia, Azerbaijan, Kazakhstan, Ukraine, Moldova, Bosnia, Serbia and Montenegro. One, or all of these nations, may at some point attain NATO membership. Increasing threats to their border's may suggest that NATO is at least perceived to have a vital role in the future geopolitical sphere in Europe, despite what some critics have previously claimed.

It may also have a future outside its traditional periphery. As the only multilateral organisation capable of projecting power on a global scale, it is up to NATO and the state of the world around it to decide its own future.

Over the next few sections, this study guide will highlight some of the potential emerging threats to NATO interests, both inside and outside its traditional European

periphery. Delegates can attempt to address none of them or all of them, but it is clear that NATO needs to be united on whatever policies it chooses to enact in order to address the problems.

It is also necessary to determine whether or not NATO should continue its traditional role as a collective defence organisation, or attempt to fulfil its proposed modern mandate as a guarantor of international peace and security. It is also important to determine whether or not NATO should do more to protect its external allies if it is deemed crucial to the interests of NATO member states. The details will be explained as the cases are explored further.

Russia Resurgent

The Russian Federation appears to be the most prevalent and immediate threat towards the members of NATO.

Russia's recent willingness to act on its foreign policy objectives presents a significant threat to the perception of stability in Europe and beyond. Its actions in the Ukraine suggest that Russia is also willing to use military force in extremely close proximity to NATO's borders and against nations that are of particular interest to NATO. Indeed, Russian intervention in Ukraine is arguably a result of Ukraine's increasing alignment towards EU/NATO interests.

As mentioned, Russian intentions and political objective are often considered to be the primary reason NATO was created in the first place. Russia has been fragile since the end of the Cold War, but its increasing bravado on the international scene and its apparent determination to achieve its foreign policy objectives regardless of the consequences gives NATO nations a very real reason to be concerned with the Russian government and its potential intentions.

It is widely feared among NATO states, particularly among former Warsaw Pact members, that Russia wishes to pursue a highly expansionist agenda and wishes to assert its influence over Eastern Europe and the Balkan states, a fear that has only been exacerbated by the nationalist rhetoric from Vladimir Putin and other Russian government officials.

Russia's repeated denials, there is also strong evidence to suggest that Russian troops are actively engaged within Ukraine, placing them dangerously close to NATO state borders and displaying that Russia is willing to intervene in neighbouring states for the sake of its own interests. At the NATO Wales summit in early September

2014, the NATO-Ukraine Commission adopted a Joint Statement that "strongly condemned Russia's illegal and illegitimate self-declared "annexation" of Crimea and its continued and deliberate destabilization of eastern Ukraine in violation of international law".

Operations in Europe have also suggested that NATO states have a right to be concerned. Russian air patrols have also flown dangerously close to European borders on occasion, most notably to those of the UK and Turkey. A report released in November 2014 highlighted the fact that close military encounters between Russia and the West (mainly NATO countries) had jumped to Cold War levels, with 40 dangerous or sensitive incidents recorded in the eight months alone, including a near-collision between a Russian reconnaissance plane and a passenger plane taking off from Denmark in March 2014 with 132 passengers on board.

Some claim that Russia is militarily limited and that sanctions against the state would cripple its ability to act, but Russia has nonetheless been able to act outside its usual theatre in Europe and has committed an extensive amount of resources to ensuring the long term sustainability of the Assad regime in Syria, arguably the nation's last remaining ally in the Middle East, and a state whose survival is essential for Russia's ability to justify its claim as a great power.

Russian relations with western nations have essentially deteriorated to such an extent that it would be naïve to suggest that Russia is not a very real and formidable threat to European interests. It is vital that NATO consider how to respond to the Russian state's increasingly aggressive policies in the region. Future enlargement plans may have to be reconsidered, and whether or not there is a need to strengthen military defences in Eastern Europe is obviously something that NATO must address as soon as possible.

A major point that needs to be considered is whether or not the Russian government can be considered to be truly rational in any normal sense of the word. It is clear that Putin has a substantial hold over the Russian government, and that he is not easily deterred from achieving his ambitions, despite the enormous economic cost Russia may face as a result of his actions. Putin's actions in Syria and the Ukraine have earned him worldwide condemnation, the value of the Rouble has plummeted and much of Russia's goodwill with developing nations has crumbled. It is even suspected that Russia's actions in Ukraine has caused substantial damage to its relationship with China, yet this does apparently has not deterred Putin from pursuing apparent Russian interests. At the end of 2014, Putin approved a revised national military doctrine which listed NATO's military buildup near the Russian borders as the top military threat.

Despite this however, there is an argument that further measures against Russia may not be actually be counter-productive. Several critics argue that Russia is on the decline in the long term and there is nothing to be gained by provoking Russia further. In a sense, NATO attempts to pacify Russia may only push it towards further political action in areas in it's apparent "interest". Some would argue that previous NATO measures to curtail Russia have only exacerbated tensions, such as frequent NATO expansion and continued efforts to stockpile defences in NATO's bordering states, all of which have clearly been assembled with Russia in mind. These measures have been far from effective, and it may not be advisable for NATO to simply bow to the concerns raised by Easter European states.

NATO has already imposed a range of sanctions against Russia in response to its invasion of the Ukraine. The US has also begun to deploy heavy weapons, armoured vehicles and other military instruments to Eastern European states in order to ally concerns regarding their security. It is up to NATO if it decides that further measures are necessary. It may be that Russia is simply sabre-rattling and attempting to goa a response from the United States and its allies to justify its current policies in Europe and the Middle East.

One thing to also consider is that whilst Russia is a nuclear armed state, many consider it especially unlikely that Russia could challenge NATO militarily in any way or form. Russia's economy is comparatively weak and is unable to match the sheer funding and manpower available to NATO states, something that extends to Russia's apparent allies, and it is unlikely that China would back any Russian campaign against Europe.

The Middle East and Beyond

Another crucial area for NATO consider is whether it can or should respond to ongoing in the Middle East. Terrorist attacks throughout Europe over the last 15 years, including the recent terrorist atrocities in Paris, show that NATO states are as vulnerable to attacks from non state actors as they are to conventional states.

As mentioned, after the Cold War, NATO attempting to reconstruct its primary purpose as a guarantor of international peace and security, thought this seems to have somewhat failed. Its operations in Afghanistan and Libya are seldom defined as successes in the context of ensuring peace. This may stem from the notion that an organisation constructed for the purpose of collective defence is not suited for state

building or peace keeping purposes. But it is difficult to argue against the idea that certain elements in the Middle East do threaten NATO's collective security.

Islamic State is the most obvious threat to NATO states, though whether it requires a joint military response is something up for debate. France and the United States have already taken an active role in pursuing military action against IS in Syria. IS has made it clear that it is an enemy of western civilisation in general and would not discriminate against attacking different member states if it proves able enough to do so.

It is an uncharacteristically brutal organisation that is all but impossible to negotiate with in the traditional sense, given that its objective is fundamentally incompatible with the international community's. It is also a universally condemned actor, despised by both the Western and Eastern powers in equal measure. It is perhaps the one area where Russia and the US are closely aligned.

The real question is whether or not NATO can have a role in taking a pro-active approach in combating IS and acting on its claim as an organisation that combats threats to international peace and security. NATO has had a troubled past in the Middle East but it is evident that Islamic State presents a long term threat to both regional and global stability.

On the one hand, NATO may deem that the risk that Islamic States poses to NATO states warrants a joint position on how to handle the matter. Whilst regime change in Syria risks the potential of igniting a conflict with the Russian Federation, acting solely against Islamic state in the region is arguably in the best interests of the entire international community, though this was similarly claimed during the invasion of Afghanistan.

On the other hand, the fact that IS poses little conventional threat to member states may suggest a different means of handling the matter, with NATO providing limited support to its larger members should they wish to pursue military action in the region. This line of thought would suggest that NATO only act in a manner that satisfies its traditional role. The precedent set by the invasion of Afghanistan and the use of Article V in response to the 9/11 attacks however does present a challenge to this line of thinking.

It is also worth considering whether or not NATO should consider the Middle East as an area of key strategic interest to the organisation, given that its considerable expansion over the last two decades has brought it ever closer to the Middle East and its difficult politics. Indeed, the increasing influence of Turkey, NATO's most

eastern member, may only push its interests even closer to this region, as ensuring Turkish support is often considered crucial to some thinkers within the western world.

China

China is perhaps the most extreme example of a nation that may impact NATO in the future that is widely considered to be outside its traditional sphere of interest.

Few would argue that China would even consider any kind of strategy that would risk putting into conflict with NATO. China is a primarily regional power that is deemed to have little to no interest in proliferating its own ideology or threatening the sanctity of European security. In fact, despite its complex relationship with the United States, a strong and secure Europe is something that many would deem critical to China's success, especially when its growth has stalled of late.

There is a very real concern however, as to how China conducts itself within its region, as well as the impact this might have towards future global security. Primarily, there is the issue that China may pose a very real threat to many NATO allies, and by extension, member states interest's.

Many major non-NATO allies reside in Asia-Pacific and almost all of them have felt threatened by China's increasingly bold foreign policy doctrines. China's claim of the South China sea is the most significant example. These sort of actions do not pose a traditional risk to NATO's security, but China may very well endanger global economic security or the security of NATO allies in the future if certain critics are to be believed.

This poses the question of whether or not NATO should also take a pro-active role in this region. For the most part, the United States is the only NATO member paying an active role in the region, but this is primarily a means to protect its own hegemonic interests and not those of the international community.

This is not to suggest however that NATO should not consider whether or not its security interests lie outside the Atlantic and its own borders. One can argue that NATO may have a duty to protect its allies and there may be political support for a stronger showing against a nation that seemingly believes that it can pressure smaller nations in an undiplomatic manner to achieve its nationalist policy objectives.

Japan, Philippines, Australia and South Korea are all nations that are supported by the United States, but their future co-operation with NATO may one day be judged on the basis of how well NATO was willing to assist them when they expected some support. This could extend to supplying further armaments to those nations, fortifying NATO member state's assets in the region, or perhaps even just issuing a statement of concern regarding China's actions and their impact on global peace and security.

It is up to member states to decide whether or not East Asia should be considered. Does NATO deem it an area of interest to them, or does it restrict its operations and focus elsewhere, preferring to leave the United States to assist its allies through the defensive contracts it is often so eager to sign with Asian nations.

Questions to consider

- Does NATO expand its traditional periphery? And if so to where
- Who poses a current threat to NATO interests?
- What criteria makes an actor worth of NATO action, a threat to its own collective security, or one of the international community's?
- Is it essential for NATO to protect the interests of it's allies.
- Should NATO continue to pursue the idea of promoting international peace? Or merely confine itself to ensuring collective defence and shrink its role in overseas activity.

Topic B: Assessing the suitability of the 2% defence spending target

Introduction: Why the 2% guideline remains a relevant topic

In 2006, NATO member states agreed informally on a non-binding guideline on defence spending which was set at the figure of at least 2% of a member state's GDP. It is reasoned adherence to this guideline provides an ample demonstration of a member state's political commitment to the Alliance and that the Alliance is able to maintain a strong range of capabilities. Despite this commitment, a stark minority of member states adhered to this agreement over the rest of the decade and towards 2014. Russia's annexation of Crimea in March 2014 was labelled a watershed moment for the Alliance by senior members of the Alliance's Secretariat emphasising that NATO should return its focus to its original purpose of ensuring European security after over a decade of 'Out of Area' Operations in Afghanistan. Wider questions therefore arose surrounding the continued decline in defence spending among the European allies and Canada and were discussed during the Alliance's Wales Summit in 2014. Despite a resulting declaration by member states to move towards spending in line with the guideline there remains a significant gulf between those meeting the guideline and those failing to do so a year on. These events allude to a wider debate over the 2% defence spending guideline as a means of ensuring that the defence spending among member states is effectively spent in terms of producing capability. Critics argue that the guideline is flawed as a metric in that it does not always produce desired capabilities among the armed forces of member states. Furthermore, the guideline lacks both enforceability and feasibility in that member states simply cannot meet the guideline within a timeframe that is beneficial to the Alliance.

Historical Outline:

The 'Peace Dividend'

Before assessing evolution of the issue after 2006, it is necessary to consider the prior context in which this agreement was initially made. Since the formation of the Alliance, there has been an understandable gap between the defence spending of the United States and the Alliance's European members. However, policy-makers in the United States consistently found themselves having to justify large-scale military commitment to Europe's defence to Congress and the American public. An important pillar that this argument rested upon was the demonstration by European states that through their defence spending that they were

committed to their own defence and were not simply 'free riding' by relying solely on the protection of the United States. Therefore, the 1952 Lisbon goals set out the provision of large scale conventional forces across the spectrum of Alliance membership. Despite this, European member states were reluctant in committing large scale funding to defence given the economic and social conditions they also faced with. Therefore encouraging large-scale investment in defence on the part of the European member states remained a challenge throughout the Alliance's Cold War experience. However, it is worth noting that during the Cold War some European powers such as the United Kingdom were acutely aware of the domestic debate occurring within the United States and worked actively to demonstrate commitment to collective defence (With the commitment of a large scale force, the British Army of the Rhine, to the defence of West Germany being an example). Therefore, the Cold War saw inception of the expectation that member states would 'pull their weight' in setting about the collective defence of Europe.

The collapse of the Soviet Union at the turn of the 1990s, however, came to fundamentally challenge the assumptions that had guided the defence spending of Alliance members during the Cold War. In November 1991, the release of "The Alliance's New Strategic Concept" aimed to set out guidance for the Alliance at a time when the European security landscape was rapidly moving away from a focus on the threat of war with the former Soviet Union and towards the increasing involvement of the Alliance and its members with UN interventions in the former Yugoslavia and Operation Desert Storm. With the Alliance starting to adopt a reconciliatory approach with the Russian Federation, it became increasingly difficult for policy-makers across the Alliance to justify maintaining the force levels and defence spending that had been seen during the Cold War. The so called 'Peace Dividend' saw member states, including the United States, take advantage of the receding threat of major conventional conflict in Europe by making steady cuts to their defence budgets and armed forces. It was also during this period and among European members in particular, that social policy began to take increasing budgetary precedence over defence. Tellingly, between 1990 and 1995, the collective spending by the Alliance's 14 European member states fell at a rate of 15-16% in real terms.

Between 1995 and 2008 spending between the Alliance's European members saw a modest rise of 7%. This can be accounted for in several ways. For example, this increase coincided with two major expansions of the Alliance to encompass much of the former Warsaw Pact in 1999 and then in 2004. However, most significant was the September 11th Attacks on the United States and the subsequent conflict in Afghanistan which eventually saw widespread involvement from NATO member states. It was as a result of this conflict that US defence spending once again rose dramatically and the gulf of defence spending between the United States and the European allies became abundantly clear.

Therefore, at the Alliance's Riga summit in 2006 an informal and non-binding agreement was made that the Alliance's European members would dedicate at least 2% of their GDP on defence spending while the United States agreed to do so at a figure of 3%. This came alongside a similar commitment to dedicate 20% of this defence spending to research, development and equipment acquisition in order to ensure the Alliance maintained modernised force structures. This figure was selected on the basis of a historical observation

that during the Cold War, increased defence expenditure resulted in greater capability. Such a system, if followed, would arrest the decline of 'Critical Mass' among the Alliance's European members in particular whose force levels and defence industrial capabilities had been in steady decline since the end of the Cold War. However, this guideline would fundamentally serve as a symbolic gesture and "as an indicator of a country's will to the Alliance's common defence efforts...the defence capacity of each member country has an important impact on the overall perception of the Alliance's credibility as a politico-military organisation". Furthermore, the guideline was also perceived as an effort to mend the imbalance between the contribution of the USA and the Alliance's European members. By adhering to this system, it was argued, there would be stronger degree of 'burden sharing' between the United States and the European Alliance members. This guideline arguably faced some issues from its inception in so far as it was a non-binding agreement and therefore member states remained immune from any consequences of non-compliance. Furthermore, several member states such as Denmark had consistently spent under this guideline before it was agreed upon. Only two years after this guideline was articulated member states became beset by the economic challenges posed by the Financial Crisis of 2008, with additional troubles being visited upon European member states in the form of the Eurozone Debt Crisis. Therefore, the need to make drastic savings to tackle financial deficits and an increasingly peaceful European strategic landscape allowed for cuts to defence spending could continue at an accelerated pace. Even the Alliance's more junior members in Central Europe and the Balkans (Poland and Estonia excluded) embarked on reduction programmes and reaping what was later termed as the 'Security Dividend'. The result of these trends meant that by 2014 defence spending among European member states had fallen 20% from spending levels in 1990.

The Wales Summit 2014

The Russian annexation of Crimea in May 2014 in many ways marked a watershed in the perceptions of NATO policymakers. Arguably since the First Gulf War, NATO has found itself increasingly distanced from its original focus on ensuring continued European security through increasing involvement in 'Out of Area Operations'. This, combined with declining European defence spending and a decreasing US military presence in Europe, created a growing 'Security Vacuum' in Europe where NATO had once stood. Russia's actions in Crimea, in the words of senior members of the Alliance Secretariat, once again placed the focus of the Alliance back onto providing collective security with the Secretary General labelling the episode "a wake-up call" for the Alliance. Indeed, Alliance members on Russia's periphery, namely Latvia and Lithuania, perceived themselves to be particularly endangered and wasted no time in announcing increases to their defence budgets. In September 2014, NATO members met to discuss developments in Ukraine with reversing the wider trend of falling defence budgets being a major point of discussion. In the resulting Summit Declaration it was outlined that "Allies currently meeting the NATO guideline to spend a minimum of 2% of their Gross Domestic Product will aim to continue to do so...Allies whose current proportion of GDP spent on defence is below this level will: Halt any decline in expenditure...Aim to increase defence expenditure in real terms as GDP grows". In terms of the latter, Alliance members to commitment to move towards achieving the 2% guideline within the decade. This Declaration is significant it represents that highest level of official acceptance that the guideline has seen since it was floated at the Riga Summit 2006. In

short, it suggests that the guideline is beginning to make its way out of the realms of the unofficial towards something more tangible.

Positions of member states since Wales 2014

In 2014, only the United States, the United Kingdom and Estonia met the defence spending guideline. Over a year has passed since the commitments made at the Wales Summit 2014 and with no discernible improvement in the Alliance's position in the East and mixed results in terms of member states moving to meet the commitments made to increasing defence spending; it now falls to this guide to briefly survey the landscape of the debate.

The United States

The United States remains by far NATO's largest spender on defence and despite the fact that non-US members of NATO have a higher combined GDP than the US, they still collectively spend less than half of what the United States spends. This is to a large extent to be expected, however, the renewed threat of Russian aggression in the East, continued reduction of the US' military presence in Europe and the US' ostensibly continued commitment to the 'Pivot to Asia' has led to American policy-makers to call upon European member states to take more responsibility for the defence of Europe, primarily through working to meet the 2% guideline.

The European 'Big Three'

The United Kingdom has shown consistently strong support for the 2% guideline, being one of the few European members to have maintained defence spending to that level. This is despite steady cuts to the UK's defence budget since the Cold War from a figure of 2.5% in 1990 to around 2.2% in 2014. Most notable of recent reduction exercises was perhaps the Strategic Defence and Security Review (SDSR) of 2010 where several controversial decisions such as ending the UK's present fixed wing carrier capability before replacement left significant gaps in British Defence capabilities. Despite the UK reaffirming its commitment to spend according to the guideline at Wales 2014, 2015 has seen a debate over this spending within the United Kingdom that merits a brief analysis. While the United Kingdom looked on course to honour this commitment following the summit, further cuts to defence during 2015 threw this position into serious doubt following a report by the Royal United Services Institute (RUSI). During the ensuing debate, the Defence Secretary publically speculated as to whether defence spending could be considered to encompass spending on the intelligences services and the foreign aid budget.

Eventually, the British government were able to confirm that it would be in a position to commit to the guideline without including spending on the foreign aid budget or the intelligence services, while including contributions to UN peace keeping missions and war pensions. Indeed, while NATO projects that upon this basis the United Kingdom will spend 2.08% of its GDP on defence, RUSI maintains that had the UK not included the above categories, spending would have fallen to 1.97%.

Meanwhile, France's defence budget was predicted to be subject to a 'freeze' following the Summit, whereby defence spending would see no significant increase or decrease, which would have been at around 1.5% of France's GDP (a reduction of roughly 0.3% from 2013/14). As a consequence, the funding allocated to the modernisation for France's military capabilities saw significant cuts. However, this decision was reconsidered following the Charlie Hebdo Attacks. As a result, France announced that it would increase defence spending with an additional €3.8 billion being pledged to the defence budget over the next four years. The focus of these increases, however, fell on improving the French military's abilities to combat domestic terrorism contingencies. While France is spending under the defence spending guideline, it remains one of Europe's more capable armed forces, particularly after the UK's 2010 SDSR. France alongside the United Kingdom and the United States also contributed significant levels of forces to the ISAF operation in Afghanistan and the Libyan intervention, and more recently Syria; while undertaking its own operations in Mali.

As a previously long standing critic of the 2% metric, Germany has consistently spent under the guideline despite its position as Europe's largest economy. It was therefore initially predicted that Germany continue to make cuts to its armed forces after the Wales Summit, despite reports on the considerable equipment and material deficiencies affecting the German armed forces. However in 2015 the German government announced that it would reverse this position and increase defence spending. To this end, the Germany government announced that it increase the present defence budget by 4.2% in 2016. Additionally, Germany's defence minister, Ursula von der Leyen, pledged to support NATO's 2% defence spending guideline with the defence minister suggesting that Germany would move to "meet those requirements".

Other Member States

Poland stands out as a member state that is making swift progress towards achieving the defence spending guideline. Having already spent 1.9% of GDP on defence in 2014, Poland's leadership has announced that it will meet the guideline by 2016, although some sources state that it is already meeting the target if certain procurement programmes are considered. Moreover, this spending is aimed

primarily at improving Poland's present military capabilities with priorities including attack helicopters and missile defence systems. It is currently predicted that by 2020, Poland will field the largest European tank force west of the river Bug. Romania, has similarly made a clear cut commitment to meet the 2% guideline, which it predicts it will reach by 2017.

Since Wales 2014, many member states have moved towards increasing their defence spending, albeit short of the 2% guideline and with no current timelines to meet it. The Netherlands, for example, following the MH17 Incident announced that it would reverse a decade-long trend of defence spending reduction by announcing a defence budget of €8 billion for the 2015 fiscal year. This spending will focus mainly on rejuvenating the Netherland's army. Similarly, the Czech Republic and Hungary have announced that they would increase their defence spending to 1.4% and 0.75% of GDP respectively. Spain has committed to minimal increase of 0.4% from the previous defence budget in the government's recently announced plans. These examples are to name but a few of the member states who have moved towards increasing their defence spending over 2015 and as such there is progress being made in terms of European member states moving back towards the guideline after decades of cuts. However, the vast majority of these states are still falling noticeably short and there is little in the way of evidence that they intend to meet the guideline by 2024, as per the Declaration's content.

Meanwhile, Italy and Canada currently serve as examples of member states that continue to reduce their defence expenditure despite the Summit Declaration. While the former has allocated funding to procurement, Italy's overall defence budget will continue to fall as the country continues to free up funding for its wider national budget. Meanwhile, despite Canada's widespread involvement in NATO missions in Afghanistan and Libya, Canada's planned cuts to defence as part of a wider programme of Federal budget deficit reduction could place it towards the bottom of the Alliance's defence spenders as a percentage of GDP.

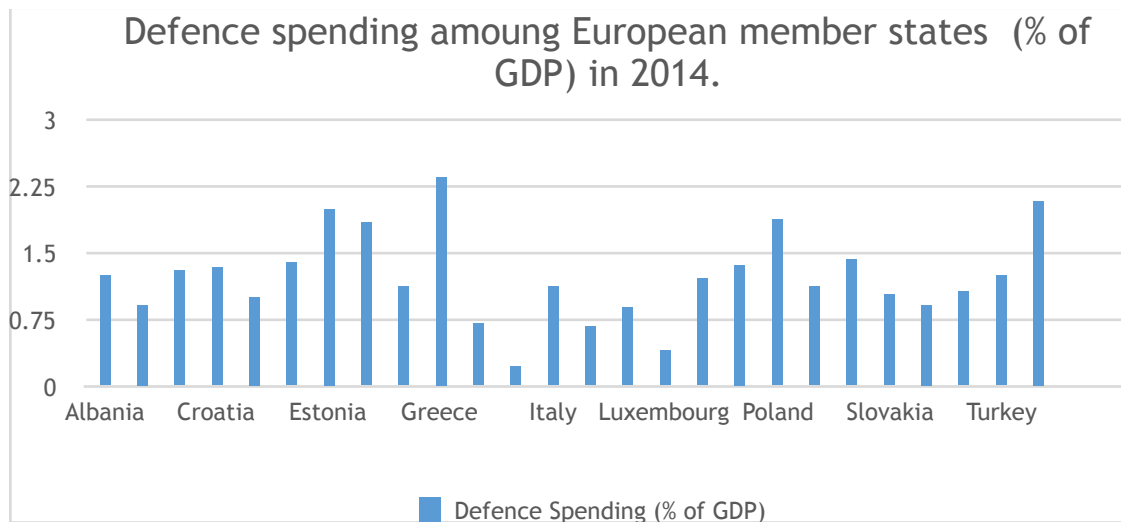


Figure 1: Percentage GDP spending of European member states in 2014. Source: IISS.



Table 3: Defence expenditures as a percentage of gross domestic product

Tableau 3: Dépenses de défense en pourcentage du produit intérieur brut

Country / Pays	Average / Moyenne 1995 - 1999	Average / Moyenne 2000 - 2004	Average / Moyenne 2005 - 2009	Average / Moyenne 2010 - 2014	2011	2012	2013	2014	2015 e
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Based on current prices / Sur la base des prix courants									
Albania	//	//	//	1.5	1.5	1.5	1.4	1.4	1.2
Belgium	1.5	1.2	1.1	1.0	1.0	1.0	1.0	1.0	0.9
Bulgaria (a)	//	//	2.1	1.4	1.4	1.4	1.5	1.3	1.2
Croatia	//	//	//	1.5	1.6	1.5	1.5	1.4	1.4
Czech Republic	//	1.8	1.5	1.1	1.1	1.1	1.0	1.0	1.0
Denmark	1.6	1.5	1.3	1.3	1.3	1.4	1.3	1.2	1.2
Estonia	//	//	1.6	1.8	1.7	1.9	1.9	2.0	2.0
France (b)	2.8	2.5	2.3	1.9	1.9	1.9	1.9	1.8	1.8
Germany	1.5	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Greece (c)	3.9	3.1	2.8	2.3	2.4	2.3	2.2	2.2	2.4
Hungary (c)	//	1.6	1.3	1.0	1.1	1.0	0.9	0.9	0.9
Italy (c)	1.8	1.9	1.5	1.3	1.3	1.3	1.2	1.1	1.0
Latvia	//	//	1.4	1.0	1.0	0.9	0.9	0.9	1.0
Lithuania	//	//	1.1	0.8	0.8	0.8	0.8	0.9	1.1
Luxembourg (c)	0.7	0.7	0.5	0.4	0.4	0.4	0.4	0.4	0.5
Netherlands	1.7	1.5	1.4	1.3	1.3	1.3	1.2	1.2	1.2
Norway (d)	2.1	1.9	1.5	1.5	1.5	1.4	1.4	1.5	1.5
Poland	//	1.8	1.7	1.8	1.7	1.8	1.7	1.8	2.2
Portugal (c)	2.0	1.6	1.5	1.4	1.5	1.4	1.5	1.3	1.4
Romania	//	//	1.6	1.3	1.3	1.2	1.3	1.4	1.4
Slovak Republic	//	//	1.5	1.1	1.1	1.1	1.0	1.0	1.0
Slovenia	//	//	1.5	1.2	1.3	1.2	1.1	1.0	1.0
Spain	1.3	1.2	1.1	1.0	0.9	1.0	0.9	0.9	0.9
Turkey (c)	3.2	3.2	2.0	1.8	1.8	1.8	1.8	1.7	1.7
United Kingdom (e)	2.5	2.2	2.4	2.3	2.4	2.2	2.3	2.2	2.1
NATO - Europe *	2.0	1.9	1.7	1.5	1.6	1.5	1.5	1.5	1.5
Canada	1.3	1.1	1.2	1.1	1.2	1.1	1.0	1.0	1.0
United States (e)	3.2	3.3	4.4	4.3	4.8	4.4	4.1	3.8	3.6
North America	3.1	3.1	4.1	4.0	4.4	4.1	3.8	3.5	3.4
NATO - Total *	2.6	2.6	2.9	2.8	3.0	2.8	2.7	2.5	2.5
Based on 2010 prices / Sur la base des prix de 2010									
Albanie	//	//	//	1.5	1.5	1.5	1.4	1.4	1.2
Belgique	1.5	1.2	1.1	1.0	1.0	1.0	1.0	1.0	0.9
Bulgarie (a)	//	//	2.1	1.4	1.4	1.4	1.5	1.3	1.2
Croatie	//	//	//	1.5	1.6	1.5	1.5	1.4	1.4
République tchèque	//	1.8	1.5	1.1	1.1	1.1	1.0	1.0	1.0
Danemark	1.6	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Estonie	//	//	1.6	1.8	1.7	1.9	1.9	2.0	2.0
France (b)	2.8	2.5	2.3	1.9	1.9	1.9	1.9	1.8	1.8
Allemagne	1.5	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Grèce (c)	3.9	3.1	2.8	2.3	2.4	2.3	2.2	2.2	2.4
Hongrie (c)	//	1.6	1.3	1.0	1.1	1.0	0.9	0.9	0.9
Italie (c)	2.5	2.4	1.6	1.2	1.3	1.2	1.2	1.1	0.9
Lettonie	//	//	1.4	1.0	1.0	0.9	0.9	0.9	1.0
Lituanie	//	//	1.1	0.8	0.8	0.8	0.8	0.9	1.1
Luxembourg (c)	0.7	0.7	0.5	0.4	0.4	0.4	0.4	0.4	0.5
Pays-Bas	1.7	1.5	1.4	1.2	1.3	1.2	1.2	1.2	1.2
Norvège (d)	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pologne	//	1.8	1.7	1.8	1.7	1.8	1.7	1.8	2.2
Portugal (c)	2.0	1.6	1.5	1.4	1.5	1.4	1.5	1.3	1.4
Roumanie	//	//	1.6	1.3	1.3	1.2	1.3	1.4	1.4
République slovaque	//	//	1.5	1.1	1.1	1.1	1.0	1.0	1.0
Slovénie	//	//	1.5	1.2	1.3	1.2	1.1	1.0	1.0
Espagne	1.3	1.2	1.1	1.0	0.9	1.0	0.9	0.9	0.9
Turquie (c)	4.0	3.3	2.0	1.8	1.8	1.8	1.8	1.7	1.7
Royaume-Uni (e)	2.5	2.2	2.4	2.3	2.4	2.2	2.3	2.2	2.1
OTAN - Europe *	2.2	1.9	1.7	1.5	1.6	1.5	1.5	1.5	1.4
Canada	1.3	1.1	1.2	1.1	1.2	1.1	1.0	1.0	1.0
Etats-Unis (e)	3.5	3.4	4.5	4.3	4.8	4.4	4.1	3.8	3.6
Amérique du Nord	3.3	3.2	4.2	4.0	4.4	4.1	3.8	3.5	3.4
OTAN - Total *	2.7	2.6	2.9	2.8	3.0	2.8	2.7	2.5	2.4

Figure 2: NATO's official estimates on member state defence spending as a percentage of GDP. Source: NATO. Delegates will note variation in data presented by this table and the findings of the IISS. Delegates are advised that such variation will commonplace when they undertake their own research.

Critical Issues

The post-Wales 'Gap' and non-compliance

The year following Wales 2014 has therefore seen many Alliance members move towards increasing their defence spending and reversing the trends of the previous two decades. However, while those who are cutting defence spending have now become a minority within the Alliance, there still remains a vast gap between increases thus far and the guideline requirement. Indeed, it remains doubtful as to whether recent progress can be sustained to eventually see a broadly Alliance wide achievement of the guideline. To do so for some member states would require swift and enormous spending hikes due to their economic strength. A critical example of this is that of Germany, which would be required to invest another €20 billion to reach a budget of around €52 billion which would place Germany ahead of France and the United Kingdom in the realms of defence spending, which by Germany's own admission would damage Germany diplomatic position. Therefore, the practical barriers of meeting this target for many member states, combined with Europe's slow economic growth, has led several economists to question the suitability of the 2% guideline. Indeed, the figure of 2% has been labelled by some as an arbitrary figure which rests on the foundations of weak reasoning.

Despite the guideline receiving unanimous backing from member states through the Wales 2014 Summit Declaration, it faces a critical structural issue in that it remains a non-binding metric. Therefore member states face no repercussions for non-compliance. Additionally, should compliance remain non-entire within a decade the Alliance will suffer a considerable damage to its perceived cohesion. The Alliance has taken steps to pressure member states who do not comply. For example, member states that do underspend are now required to outline why they are failing to meet the guideline.

The decline of 'Critical Mass' and capability

Another criticism made of the 2% guideline is that it by no means guarantees that such levels of spending will result in the maximisation of member state military capability. Indeed, events in Ukraine have shed light on the dilapidation of capability, force levels and the capability of defence industries across the European aspect of Alliance since the end of the Cold War. The previously outlined case study of the United Kingdom amply demonstrates an example of a member state which continues to make far reaching cuts to its capabilities while meeting the 2% guideline through adding items to defence spending calculations. Member states that are meeting the guideline may not do so in a way that complements the wider aims of

the Alliance. Indeed, while Greece has consistently met the guideline, its contributions to NATO operations have been considerably lower than, say, Denmark which has been a stalwart contributor to such operations with a spending level of 1.5% of GDP.

Credible alternatives

Considering the many weaknesses within the current system, delegates may be tempted to push for an alternate system. In considering this option, it is necessary to briefly outline those that have presented within the current discourse. One such solution is to reduce the guideline to a figure that better reflects the current spending of European member states which would result in a new guideline of 1.5% of GDP.

Critics have also frequently called for a system which identifies areas of capability where NATO is lacking mass and then directs member states to make their own contributions to filling these gaps. A major challenge to this solution, however, lack of clarity as to whether member states can accommodate the identification of common strategic threats to the Alliance with their individual foreign policy goals. Also in need of consideration is the sort of capability that Alliance members should be moving towards. While Russia's resurgence in the threat calculations of the Alliance's member states has been unquestionably a prime mover in drives to increase defence spending, it does not necessarily follow that member states should be aiming to replicate the Alliance's Cold War-style force structures. Indeed, Russia's use of 'hybrid warfare' will require wider consideration as to what sort of capabilities the Alliance should be prioritising.

Questions to consider:

- Is the 2% guideline a realistic metric? Should be lowered to reflect the majority of member state spending levels?
- Is moving the 2% guideline towards a more official commitment feasible?
- How can member states who are spending beneath the guideline be further incentivised to move towards it?
- In what ways can Alliance spending guidelines be modified in order to ensure that defence spending allows for the fullest range of capabilities?
- Are there any capabilities or contingencies that member states should be focusing on in their defence spending?

Places from which to commence further research:

NATO Website: http://www.nato.int/cps/en/natohq/topics_67655.htm?selectedLocale=en

NATO report detailing member state spending for 2014 with projections for 2015 (The table on page 6 being Figure 2 in this study guide): http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2015_06/20150622_PR_CP_2015_093-v2.pdf

The full text of the Wales Summit Declaration: <https://www.gov.uk/government/publications/nato-summit-2014-wales-summit-declaration/the-wales-declaration-on-the-transatlantic-bond>

Collection of short articles by Carnegie Europe on the 2% guideline: <http://carnegieeurope.eu/specialprojects/NATOs2PercentPledge/>



“Si vis pacem para bellum”