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Transcript

NATO: IN SEARCH OF A NEW NARRATIVE

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JAN TECHAU: Good evening ladies and gentlemen, welcome to Carnegie Europe tonight, I'm sure we will have a few more people trickling in but I think we should get started. It wasn't easy to find a day that wasn't either a football day or a Fourth of July celebration day but we found a slot for the debate on the future of NATO and the New Narrative, and the new paper that Judy Dempsey, our Scholar here at Carnegie has just published, written for us, and which we hope will stimulate the debate ahead of the NATO Summit which most of the NATO watchers are slowly going crazy about. And I hope that we can have a good discussion about this as well here today. Judy obviously is here, is going to introduce the key findings but we have Fabrice Pothier here who of course, as you know, is the head of policy planning at NATO but at the same time of course the founder of Carnegie Europe, of this building, so a double pleasure to have him back here on stage. The paper is part of a wider project that has been conducted over the last couple months called Defense Matters, a debate series, an undertaking that NATO created because everybody feared that in this post-Afghanistan post-mission period, the narrative for NATO will fall by the wayside, nobody would be interested in it anymore and the NATO Summit in Cardiff would be a dull one. And then of course something entirely different happened in Europe and all of a sudden the debate about NATO is infused with energy again and the Defense Matters project that Carnegie has been part of in different ways over the last few months has taken on a different kind of dynamic. And so you could of course ask the question whether the incidence over Ukraine and Russia have really changed the dynamic or whether that's more of a surface kind of phenomenon but that's only one of the many questions, I guess, that we will have to talk about today.

I would like to thank the public diplomacy division, Ted Whiteside who's not here tonight, Gerlinde Niehus who's here, and Guna Snore who's here, who helped us a great deal in compiling this and have generously supported the effort and I have to say also that after the event here we will remove this little blue screen over there and then we will have special catering, kind of a pre-warming of the Fourth of July catering, because we will have hotdogs and burgers and veggie burgers for all of you being served afterwards and I hope you're going to enjoy this also on that level.

But with this, I'll just leave it to the intro remarks and hand it over to Judy who's compiled this and who has, I think, a couple of pretty strong and opinionated remarks to make which hopefully will get us closer to a new narrative for NATO. Judy please..

JUDY DEMPSEY: Thank you very much Jan, and thank you very much Gerlinde and Guna and of course Jamie, who I've known for many, many years and he knows how I just love NATO.

So and from the outset this has been an incredibly difficult paper to write. When I was asked to write it and commissioned to write it, I said...on the one hand I said oh this is quite straightforward, post-Afghanistan, they all come home and that's it. But I realized that's actually quite difficult because NATO was looking for a new narrative after leaving Afghanistan. And having written about half of it, the Ukraine crisis changed everything. And for me, in some ways the Ukraine crisis crystallized what I wanted to say and what I've been trying to, I suppose, describe over the many years that I've been covering NATO; NATO at best is a highly complex organization and at best too, it's difficult to grasp where you stand with it because, by its very nature it doesn't exude transparency. But nevertheless I got an enormous access to the people in NATO but security experts outside.

And when the Ukraine crisis broke I was sitting with some Spanish colleagues actually here in Brussels, they were security experts, and needless to say we were discussing Russia and Ukraine and they said Ukraine, we don't care about Ukraine, it's far away. And I said oh what do you think of Russia, what Russia's doing? Russia, it's not a threat. Hmm. And I said listen you must understand

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we're not living in the Baltic States, we're not Germany, we see Russia in an entirely different situation. Our threat is from the South, so the Baltic States could complain and Poland and the others, actually we are completely in a different situation. Our threats are ones that we have to take seriously, and he described why. And then I said well what are you doing about these threats? And he said actually nothing because at the moment the economic crisis hasn't...we haven't overcome the economic crisis in Spain and naturally we can't spend more on defense, in fact we're cutting back on defense. And so much more importantly he said, the crisis has damaged us from the strategic point of view; when we write policy papers for the Foreign Ministry or the Defense Ministry, they are now not taken seriously, they're pushed into the drawer because frankly they've been told to cut back, they've been told to consider other issues, and besides there's a kind of inward looking attitude that's taking place in Spain now, this is what I heard from...this is what security experts told me.

And then you look around the map of Europe and the members of NATO and you see in fact that one of the debilitating aspects of NATO, and it's not NATO's fault, it's the beast itself, is that there is no shared perception of threats. And if anybody believes that the Ukraine crisis has brought NATO into one big family where they all share this common threat perception, it is misplaced and it is wrong. And I try to prove this in the piece.

We've seen this discussion that is taking place in the Baltic States and Poland, why finally, Poland having joined NATO in 1999, the Baltic States in 2004, why they ask now, why can't we have stationed troops of...permanent deployment in our countries? They have it in other West-European countries, why can't we have it in the East. And they've worked very hard on this and the Poles managed to get President Obama to Warsaw and Obama gave them reassurance with some money but Congress has to agree on this, but there's the feeling, somehow there's a psychological feeling in Poland and the Baltic States and in some of the East-European countries that their threats are not taken seriously and that more importantly they actually feel that solidarity is still rather an exclusive element of NATO, it's not all-embracing. And I can imagine the debates coming up before the Cardiff Summit of how this is going to play out.

But the feeling now is that, especially among the Baltic States and Poland, is that the idea of permanent deployment, even on a small basis, will not actually be given to them and we see who doesn't agree on this, it's London that doesn't, it's Berlin that doesn't, it's Paris that doesn't – the big Western European member states. Personally, as I will say in this paper, I think this is a mistake, I think it weakens the whole idea of cohesion, I think it weakens the whole idea of solidarity, and I think actually in the long term, some say it might blow over, but I think in the long term it may change Poland's view of NATO. It depends on who wins the election in...I think it's taking place next year, but I think this will NATO rather than unite it in the way that the Ukraine crisis should have. This is the first issue I would like to raise. So in a nutshell, the Ukraine crisis and Russia's annexation of Crimea, while absolutely and categorically criticized by the top brass in NATO, it hasn't created that sense of the cohesion that was expected.

The second point, and another aspect of the alliance which I've often worried ever since Rumsfeld went for the coalitions of the willing; it's terribly controversial coalitions of the willing because what happens is that some countries will always be part of these coalitions of the willing and that means costs lie where they fall and they will do the fighting and they were going to do the hard stuff. Other countries will opt out but they will pay for it. And other countries will just be free-riders. I'm not saying that NATO should exclude coalitions of the willing, we've seen them operate more and more, but at the same time we do see two coalitions of the willing, two things taken place. The positive side which is a very, very long term policy, is a kind of interoperability that could play a role that could be quite beneficial, but that's a very, very long term policy, it hasn't yet taken root. But the downside is

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that coalitions of the willing actually, I think negate the concept of an alliance solidarity and it weakens the concept perhaps of particularly Article 5 and I think this does worry some of the East-European countries but not only the East-European countries, I mean there's some West-European countries that are unhappy with the idea of coalitions of the willing then with this aspect too. But frankly if coalitions of the willing are an option, the fundamental basis of NATO cannot be lost.

This brings into the whole idea of partnerships and I had a discussion last week with senior Germany security officials who are very pro NATO but they're not inside the Ministry of Defense but they're actually against the wider partnerships of NATO because actually they believe again it weakens the whole idea of NATO. And I bring this up because coalitions of the willing are always in the background, if you cannot rely on NATO's and alliance to do things, you go outside and involve others. We've seen this in Afghanistan, it did work quite well, but it doesn't create the cohesion that NATO needs.

The other aspect is the economic crisis, I mean we've heard from successive NATO generals, general secretaries, that there is a need for more defense spending, so few countries have reached the 2%, frankly leaving aside the 2% argument surely this is the time for NATO countries to take a very hard look at pooling and sharing of what they call NATO Smart Defense. It's been unbelievably slow, countries aren't willing to cooperate on this. Some say this is a national sovereignty issue, defense and how we spend it and so on, others are saying actually this is the time to do it now with economic crisis. But I think one consequence of the Ukraine crisis is that it will actually be a break on pooling and sharing and in some defense ministries with whom I spoke, they are against pooling and sharing now because they feel they won't control it. And at a time when there is no shared perception of threats, they want to absolutely know where the defense expenditure is going. And there is this debate already taking place in the Polish Defense Ministry, I mean they are going to spend an awful lot of money over the next couple of years, it's quite substantial and they're going to reach the 2% very soon, but they made it absolutely clear to me that they are not going to be down the pooling and sharing because, I wouldn't put it as territory defense, but they're going to look at their defense through the actions that Russia's taken place in Ukraine. It will be very interesting to see this whole idea of Transatlanticism playing out in Poland over this. But my argument is that the pooling and sharing will be minimal, if at all, amongst some of the countries. And I think this is going to be very clear very soon.

Another aspect...I just want to finish up on the Ukraine crisis; another aspect of the Ukraine crisis was this enormous sense of relief amongst some countries - heavens now finally we've got the Americans back in Europe, they're not going to go away now, they will just stay here and not only that, they're going to increase their presence here and this drift to South-East Asia, this is all a pipe dream, you see Russia, thank you Russia. And there was a feeling, the only bit of gratitude that came, thank you Russia for bringing the United States back to Europe. I don't think this is going to happen. I mean China is just far too important for America's interest, firstly, and we've seen what's happening in the South-China Sea at the moment, we've seen what's happening in the whole defense debate in Japan, which is fascinating to see what Prime Minister Abe is trying to do. We see the spat between Vietnam and China - this is a place where the United States is not going to take its eyes off.

And I think Obama more or less said this in Poland, he did say of course we won't let you down but he didn't say we're coming home, and he did say of course that the Americans would contribute so badly as they did with [unclear] operation, but they would play the part and hats off to the Americans, they've been pushing very hard for this rotation element in Poland and the Baltic States and Bulgaria which has been very good. But if anybody believes that the pivot is going to be reversed, they're going to be disappointed - it's not going to happen.

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The other component of the American aspect is America's view of Europe. We have discussed this at length here in the office how Americans see Europe, how this administration sees Europe and indeed the American public. And successive polls recently carried out by the Pew Institute show indeed a major shift in public opinion by the Americans; they're interested in China, the shift has gone, the psychological, emotional, cultural and political shift and immediate reflex towards Europe has weakened considerably and it's shifted towards China and Asia. Russia, if you look at the opinion polls, they show that Americans should be involved in Russia, vaguely lukewarm to the Ukraine crisis, but the overall consensus is that Europeans should get their act together with their own defense. And I'm afraid to say that we're not going to do this, we still have this dependency culture on the US and also there's a belief that we don't believe that the Americans will walk away from Europe, it's this kind of denial that the Ukraine crisis now will show that the Transatlantic relationship will become stronger, in fact the Transatlantic relationship will only become stronger through a very different medium and that's the TTIP – I don't believe it's going to be NATO. So this is another home truth that some of the countries in NATO will have to take on.

But the last point I want to make about this paper is that NATO has to decide what it is about. Yes, there's been a huge amount of rhetoric and discussion about Article 5 but they'd have to decide what sort of an alliance is it really going to be? Is it going to be an alliance based only in Europe or an alliance that is going to try to have a long term strategic philosophy and policy? This is going to be very difficult because of the lack of a shared perception.

The other point about NATO is that if it is to have a post-Afghanistan narrative, and we know that Ukraine isn't it, then NATO as an organization will have to be much open among its members and the NAC on the kind of, not the common threats, but the various threats that are out there, whether...cyber security is controversial enough, but we just have to look at the Sahel, we have seen what NATO is trying to do with piracy which actually doesn't get the coverage it deserves, that why we're doing this. But NATO has to take a hard look at the issues that have to be discussed - this is not reacting when it's over. I've spent many times asking NATO ambassadors why don't you discuss Iran properly on the NAC and "no, no, we can't, so we won't allow them, de-de-de", but issues have to be brought up, the political cultural in NATO will have to be opened up to a much more coherent discussion and the agenda will have to be more open and much more transparent. And if that is done, then perhaps, maybe this nagging question, defense matters, why does defense matters, maybe then it will be perhaps easier to answer that question. But above all this whole heavy...this heavy institutional, it's not secrecy, it's a mind-set, for NATO to actually reach out to the public and to explain why security is needed, to explain why there are threats out there, to explain why NATO is needed, it will have to become much more open.

And that's some of the findings of this paper and I wait for your response Fabrice. Thank you.

JAN TECHAU: Thanks Judy, thanks a lot. Before we come to that response, I want to ask you something very quickly because you're based in Berlin as most of you will know, and you said a half sentence about what you heard from defense officials just recently. A lot of people say that something's slowly cooking in Berlin, including myself, and think there is something changing, is it a fundamental change in the defense sector or is it more of a short term, this kind of reassurance thing where the Germans have realized they can't stand by the wayside but not really a fundamental long term change of attitude?

JUDY DEMPSEY: I think it's going to be a long... I think it's started; the debate has started very slowly and carefully. And it started with Gauck, von der Leyen, the defense minister, and Steinmeier,

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and Merkel has been, she wants to see how the public reacts. The debate, the language is changing, the idea of responsibility and Germany taking on an un-defined responsible role, but it's out there. And it's really interesting, Steinmeier said a few weeks ago, he gave quite an important speech in Berlin and he says we're trying to start a debate but there's now an increasing gap between the small and politically elite and the public. That could be an excuse of course for not pushing the debate further, but the public, you just look at the opinion polls – they're becoming much more anti-Ukraine now, I'm not saying they're becoming pro-Russian again because the public doesn't like Putin, but the public isn't ready, they're not ready to go down this road yet but the debate is out there and it depends how Chancellor Merkel is going to lead it, how the media is going to lead it as well. But it's out there Jan, you're absolutely right

JAN TECHAU: All right, we might have the chance also later on to go perhaps a bit deeper into this and the other things. Fabrice, no shared threat perceptions, more coalitions of the willing undermining alliance cohesion, alliance solidarity a very selective thing, America looking elsewhere and looking elsewhere even more, no real pooling and sharing, the entire place is a disaster right?

FABRICE POTHIER: It sounds pretty bad, thank God it's not that bad. Let me first thank you for the invitation, it's always a pleasure to be in a way back home, I really appreciate that, I think it's a great initiative that you guys have taken with other think-tanks and the NATO public diplomacy impressions, so we very much welcome that.

On a more personal note, it's always difficult or hard to disagree with Judy, not because I agree with you because I disagree with many points, but because you believe in NATO...you're just frustrated because you don't have the NATO that you wish you would have and unfortunately I'm not going to help manage this frustration because I might give a slightly more realistic but optimistic picture the way I see the facts. And just for the record, the Defense Matter Campaign started, in fact the policy planning work that we did two years ago when we looked at the state of the European defense and the European defense investment, and indeed we saw some very negative trends, I mean there's no hiding, it's out there. But we saw that the problem was not NATO or the problem was not spending as such, the problem was more the rationale behind the military tool. The fact that the notion of military power had lost a lot of its currency. So that's why we decided not to call it NATO Matters but Defense Matters, because we believe it's not so much an institutional question, however important it is including for my salary, but it's also a much more strategic fundamental question because what do modern democracies, what's their vision about the military power and the use of military power. So this was just for the record but let me make three broad points to try to get the balance, Judy's take and report.

First, as I said, of course since 2008 we have seen the economic crisis, we have seen worsening of defense spending trends, an accelerated decline that had already started before but had accelerated to, in some cases, dangerous levels with some countries in Europe indeed going below a point where you can call it entering a kind of dangerous zone – that means a zone where, even if they want to act, they will not be able to act. So we are very, I think, open eye on that and my Secretary General has been very open about that very early in his mandate. However, we also see, I would say, some green shoots or some silver lining.

First we have seen, partly because of the ISAF operation, improvement in European capacity to deploy and sustain forces abroad. This is mostly true for planes and for ships. And I would not under-rate that because deployability was a big issue including, and Jamie will know that, during the Balkans crisis. So we are doing better at deploying and sustaining our deployment and I think that's something we also need to take into account.

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Linked to that indeed there are some countries across Europe, not only the small ones but also the bigger allies, European allies, who have been cutting, but you also see some allies whose strategy culture, whose defense spending have been on the improvement or the increase. The Secretary General's own country Denmark has really shifted from a culture where they were much more about territorial defense to a much more expedition, you might say. The next Secretary General's country Norway I think is a case in point of a small country that managed to punch above its weight and managed to contribute to an operation like Libya, whilst, for example, back in the Kosovo time many of those countries could not undertake night raids because they did not have the equipment to do so. And we saw in Libya that those, you can call them medium allies, were able to contribute. And we should not neglect also those allies and not just look at the big ones. I think an alliance is made of big but also of other allies and this is how you get more than the sum of each ally.

Then I think out of the crisis which has been tough, and not just on NATO but on every institution, and every accepted wisdom about the Western economies and democracies and we see the effect now with the European parliament elections, we are still going to see the political and economic effect of this crisis for the years to come. But we see also the green shoots of a new cooperative culture emerging across Europe. I heard Judy's skepticism about this kind of you pooling and sharing of Smart Defense culture but actually you do see the beginning of new ways of doing business. On Smart Defense you will see that at the Wales Summit, in principle you will have some substantial projects and not just some nice little things that, you know some kind of nice to have, some must have, some things that are actually directly, some lessons that are directly drawn from the gaps that we saw in Libya. And I think this is significant also politically for the US partner to show them that the Europeans are getting their act together.

Again, linked to this new cooperative culture, and this is linked also to Berlin, you do see a new regional mind-set emerging so you've got the German led proposal for framework nations concept which will bring together Germany, Poland, Denmark and a few other countries to basically share planning, share maintenance, develop capabilities together. You do see a similar proposal led by the United Kingdom on the Joint Expeditionary Force. So you do see an emergence of a kind of European regional culture and actually these are not initiatives at 28, but this also what makes these initiatives I think able to produce real tangible results. The question is how then you link them 24 at 28. But it's just to say I think you do see the beginning of what you could call a defense recovery and I think if I had to write the next Secretary General's kind of roadmap, I think one of his starts would be indeed to kind of sustain that defense recovery, to make sure that for example we see potentially less than a dozen European allies who's defense spending could go up in the next years. So it would be about engineering that European defense recovery and which will not start from scratch, it will start on the elements I've just laid out.

Then in your... that's my second point in your report there was, and I think in general in the kind of, among the opinion makers, you often hear that NATO is kind of collectively paralyzed, it's either you've coalition of the willing or things like 28 are almost impossible to put together. I would actually make a slightly more counterintuitive argument looking at the past 20 years of operation, so trying to draw some strategic lessons. What you see is that actually NATO throughout the last 20 years, not always in a pretty way, it's because multilateral business is complicated, defense business, even at a national level, is complicated, but what you see is that NATO, the collective structure of NATO allow the allies to punch not only above their weight but also to deliver several punches at the same time. And I think that often gets neglected and this is something that comes across in your report where you say you know we do one thing but we can't do other things. Actually in 2011 we had the Libya operation, we had the Operation Active Endeavour in the Mediterranean, that is a counter-terrorism

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and weapons of mass destruction interdiction operation, we had the Operation Ocean Shield in the Indian Ocean against piracy, we had the KFOR Operation, we had also our kind of on-going permanent air defensive effort, we had the air policing, so it's just to say we had more than five large, and obviously ISAF, so we had five large operations going on at the same time. Give me another organization or even actually another country, with the exception of the United States, who could do that. So I think we should not neglect that point.

You are right when you say coalition of the willing is a new trend or is a kind of strengthening trend, yes, but actually most NATO operations were not at 28, ISAF being an exception. Most... you always had some allies who for different reasons actually were not willing or were not capable but more willing to contribute to the operation. And actually I will turn that in a different way, I will say this is a good thing that despite the imperative of solidarity, because NATO rests on this imperative of Article 5 Collective Defense, that means everything at 28 and one for all and all for one, despite that that we managed to maintain and that we are reinforcing now, we also managed to have flexibility. That means those countries, like for example during the Libya operations, who wished to take a lead, who wished to take more the front role, can do it within collective structure and I think somehow we will have to continue managing that, we'll say flexibility with solidarity. It's not always easy, it requires a lot of negotiation and sometimes ad hoc arrangements but somehow we manage. And I think this is something that should not be neglected.

And then finally on the punching kind of NATO being able to deliver a collective punch, I think however difficult the ISAF operation has been, we should not neglect the fact that this has been the largest, longest, ever operation with 51 countries, with all the allies, some indeed have bailed out at some point, but it has been an effort that even the out-going US Defense Secretary, when he gave his valedictory speech, had to acknowledge that the Europeans had delivered or sustained more efforts than anyone would have expected back in 2006 or 2007. So I think we're emerging [or acknowledging ?] for ISAF, it has been difficult, it has been expensive, it has cost lives and there have been real sacrifices, but it has also brought some benefits in terms of how we work together.

And this is, in a way, my last point; yes we are at a pivotal time, we knew that before Ukraine because of the end of ISAF, now we know it even more because of Ukraine, we are at a pivotal time and we have to somehow find not just a kind of military posture but the political mind-set that goes with that new time. And I think the real challenge that the allies and the club of democracies are classed Western, the larger West face, is there is no fundamental problem with a multipolar world. What the problem is, is whether you have a multipolar world with different systems and different set of rules. And I think this is where we do see that tension between some revisionist powers, like Russia but also other ones in Asia, and the others because the contest is about what rules are going to set the global order.

And I think this is really where we are and how we address that, and I finish on these two points; first I think we need to think about the future and the future posture of the alliance in terms of strategy flexibility. This was something that Nixon had developed in 1969 in his famous Guam speech, when he had to basically address the conundrum of having less money for defense but having to keep the US engaged across the world and facing to its responsibility with its allies and being able also to keep or contain Russia and also China. So that was his kind of conundrum, and in a way we are in a similar conundrum; we will not have magically ten times more defense budget in the next years, we might have an improvement but it's not going to be dramatic. And at the same time we have pressure from the Eastern, the Southern, and even some experts are here in the Northern flank, so how do we deal with that? I think strategic flexibility is the way forward, which means it's not about permanent basing, but it's about prepositioning and rotation and maintaining interoperability between both allies but also

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allies and partners. It's not about dealing only with conventional threats but also dealing with non-conventional threats. And it's not only about dealing with issues or crises through military power and projecting military power but also by projecting for the possibility [?] without necessarily producing large forces for training - so kind of NATO state craft approach. I think that strategic flexibility could be the guiding principle that could help us to square out the kind of resource and strategic challenges conundrum.

And let me finish on why we're here today, the Defense Matters. I hear your point about you know we need greater common culture on threat assessment; first we have common threat assessment and we have just debated those threat assessments which are going to be enacted, if you want, at the Wales Summit. So I don't think the problem really lies here; I think in a way it's a more fundamental problem, it's really about the strategy culture because we will always see threats in a different way because of our geographic position and I think this is natural. But we will also manage, I think always to somehow bring it together into something that is meaningful. I think where we need to do more work is in really conveying the message of why Defence Matters and then somehow this is where we maybe will try to take that campaign further in the coming years is, first, it matters because it's an insurance policy, and I think Ukraine has shown that it's actually you do need that basic... to pay that basic insurance premium. Second, because as Iraq has shown, you need to somehow be able in one way or other, it can be even trainers but you still need to be able to project some stability beyond your borders. And third, and this is important for Berlin, it's also military power is a way to exert influence internationally, it's a way to have your voice, your diplomacy, even your economic sanctions, to bite more. And you can't say of course sanctions are always political - they're always political ultimately, I mean but sometimes the means to get to the solutions, part of the means is the use of military power and I think somehow in the future we will have to convey that message and this is I think where we see the debate in Berlin starting, but I will finish here. Thank you.

JAN TECHAU: Fabrice thanks a lot. We're now in a typical situation; we have the free-thinking kind of think-tank person who applies a very, very high standard, the high standard of the ideals of NATO and against this standard of course NATO must look bad and it kind of smells funny even. And then we have the practitioner who applies a much lower standard and that is the standard of just remember how difficult multilateralism is at 28 is, and then sees a lot more reason for optimism because, despite all of those 28, you know, being in the room and making it difficult, actually some stuff is happening. So where lies the truth, somewhere in between? You know Judy is itching to answer to some of the things that Fabrice has said, but it's a typical situation, it's typical for every foreign policy or even for every policy debate in the wider sense but I would like to kind of now sound out the grey zones in between you and Fabrice.

FABRICE POTHIER: In fact, yes if I can very quickly, I think it's...thank God we have disagreements so we can carry on talking about it and having debates because I think that's the point of, the first part of Defense Matters is to have an open debate. But I think the truth lies not in Evere, the truth lies in the capitals and too often, and maybe this is something that comes across in the report, it's about NATO, but NATO is only the expression of the will and the capabilities of the allies. So I think we need to also turn the table and not just look at NATO as an institution because it might be convenient for some to hide behind a NATO flag, and really look at the nations, what each nation does proportionate to their means. And this is where, again I wanted to finish by saying the Defense Matters Campaign should be taken to the capitals and really make the point about why it matters from their own point of view, but again the truth lies with the capitals.

JAN TECHAU: But here I must comment because obviously that's true what you're saying but at the same time when you presented your green shoots draft, you mentioned you know the smaller ones

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that manage to punch above their weight. But you didn't mention Germany, Britain and France, and when you actually listen to some senior diplomats and staffers at NATO, they all acknowledge, not only because it's politically correct but because they have genuine admiration for it, the efforts of the small countries, but they all acknowledge what we need is a bigger effort by the big ones and there you were kind of short on the green shoots.

FABRICE POTHIER: No, I mean I think you can't put France, UK and Germany in the same basket, you are talking about very different strategic animals in a way. France and the UK having a strong strategy/military culture but both having had different experience over the last ten years. The UK has been involved in two major operations, Afghanistan and Iraq, whereas France has been involved in different degrees in those, especially in Afghanistan. So they come out of the decade I would say in a different state. And Germany, this is very different, I mean Germany was, until a few decades ago, still a divided country. Germany also had in a way a specific posture within the alliance and I think we have to give some the time to get to a new kind of strategic mind-set and this is maybe where we are seeing the debate now developing. So I would not put them in the same basket but everybody's got to do more. But I think the key again what makes, in a way France, if France wishes and we are seeing that with the Sahel to act in a kind of autonomous way, they can still do it. But other allies can't do that and this is where I think the collective structure also makes sense for the others and not just for the big ones.

JAN TECHAU: Thanks Fabrice. Judy do you want to comment and then I want to open it up.

JUDY DEMPSEY: Just... yes, two... in fact I'm just going to do one comment. I think NATO... thanks for saying I still support NATO after all these years, but NATO is facing a deep, deep problem. And Fabrice you touched on it on one sentence, the rationale, the idea of force. There's a world view out there that the force, the invasion of Iraq has proved how badly wrong it went, just look at what's happening now. And this will probably creep into Afghanistan as well. And we have seen what has happened in Libya. I'm not going to get into the debate whether it's good to use force and get rid of dictators, the problem is the idea of military force has been discredited and if it's been discredited it's going to be enormously difficult for NATO to legitimate the use of force, to even legitimate its military rationale, for the moment because force has had...because force now has such a bad name, I'll just leave it at this.

FABRICE POTHIER: Okay, I totally agree with that and this is exactly why I don't think the problem again, it's not about whether NATO matters, it's whether Defense Matters. But I think emerging from a decade of difficult and some controversial operations, you also have to be... we have to be smart about it and have to convey that to the leaders but also to the public. We will need in one way or another military power – this is part of how you exert influence and how you manage to also keep the global order in a way that is open and that is sustainable. And second, we can also use military power in a different way, in smarter ways, in more focused ways. So let's learn the lesson from the last ten years but let's not drop the last ten years like if it was something that has...yes, so I think it's about how we emerge from these ten years and draw the right lesson and not zero lesson.

JAN TECHAU: All right, very good. I think we've had a lot of stuff here on the table. Also interesting some of the stuff that hasn't been mentioned but I am sure that you will point this out to us. Jamie you will be number two, because Theresa Fallon is number one and then please wave, then we'll go over to the left and then I think those are the first three perhaps. [Overtalking] Please introduce yourself, yes exactly.

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THERESA FALLON: Theresa Fallon, European Institute of Asian studies. Thank you very much for your presentation. Just one thing that I have to comment on, if Ukraine doesn't wake everybody up, what will? And I just find the apathy in Europe is so pathetic and that this is having a direct echo in Asia because what happened in the South China Sea is not a coincidence and what happened very shortly after the response, or lack of response, kind of emboldened China to react. So I really think that the Europeans should kind of wake up a little and realize that these ideas of values rule of law, that they're not really. I just attended a conference earlier this week about rule of law and having new interpretations of what rule of law really means. So I thought it was a universal, but maybe in Europe it's having a new interpretation, so I'm very concerned. Thank you.

JAN TECHAU: Thanks Theresa. Jamie. Microphone is coming.

JAMIE SHEA: Okay. Thanks very much. First of all Jan thank you for organizing this, Judy really well written paper, it's great to read something which is so well-written, you can always see the difference between a think-tank and a journalist, no disrespects Jan or to Fabrice.

JAN TECHAU: And the bureaucrats.

JAMIE SHEA: And honestly, if you want somebody to come in and be a sympathetic but at the same time very stern consultant in looking at your strengths and weaknesses, nobody does a better job than Judy.

This said, very briefly I tend to agree with Fabrice because my sense, particularly as an old-timer in the alliance, is that things like threat perception differences, US/European debates on burden sharing, debates on whether NATO is best as a very small cohesive group or better as a larger network, those debates have been there pretty much since the early 1950s and I don't say that out of complacency but I simply think they're wired into NATO's DNA like a married couple that believe they can change each other and realize that they can't. And we just have to, sort of every generation of NATO leaders has just had to sort of manage them and keep the ship going the best way that they can. Because there are no ultimate answers to these issues.

That said, I think there are four key things that really are going to determine the way ahead and the way I would formulate them would be as follows. That I think the danger for NATO at the moment is that because of the Russian annexation of Crimea and all of the developments and idea of war is no longer unthinkable in Europe, the danger is that we go back to a sense that all we need to do to deal with the new situation is to go back to a sort of 1950s posture of collective defense and tanks on the lawn and heavy armor and big forward bases. Because that may deter Russian tanks if that would be the intention of Mr. Putin, but if we find that we've done all of that and still Poland and the Baltic States and others feel vulnerable because of manipulation of energy, manipulation of minorities or proxies, media operations, propaganda, penetration of business circles, in other words what we call the hybrid war, then we would discover that ultimately deterrents doesn't quite deter, or traditional deterrents doesn't deter in the way that we hoped. In other words we've done a hell of a lot but the problem of vulnerability to Russia and [unclear] is still there. And therefore I think the danger is NATO will think oh great we're going back to the stuff we know how to do, we've done it in the past, wonderful, just a big heavy military response and the problems now are different and the responses are different. In other words we have to stay engaged in areas like cyber, energy security, and look at where Putin is prod us. So that would be my first point. Yes, I mean we have to reassure the military is part of that but not to suddenly think that that's all we need to do.

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Second point is that for much of my career in NATO it's always been about what do I have to do to keep the US involved, what do I have to do to persuade the Americans I'm a good ally? If I send some forces to Afghanistan will that get me support in Washington to join the alliance and now it's... and Fabrice alluded to this and I agree, I think the real issue for NATO is how much solidarity Europeans are willing to show to each other. You know will France not be abandoned in Mali, will the Poles not be abandoned in Eastern Europe, it's really a question no longer of what I need to do to get Washington to support me but how are the Europeans really prepared to support each other and back each other and work together. I think it's very encouraging that notwithstanding the crisis, Estonia and Poland have sent some people to Mali in the Central African Republic, but this kind of move to generosity is key.

The third thing, and of course this is it, is that we need to have some sort of Transatlantic clarification of what we can expect the United States to do for us. US defense budget is going from 700 billion down to about 500 billion, the army down to about 400,000, the US is a very exposed super-power with the Middle East, with Iraq now, with Asia, and the US will not be able to concentrate big power in one single region in a way that regional powers like China and Russia can do that and we therefore need a real clarification of what we can expect from the United States and what we have to ourselves.

And my final point, very briefly, when you want a narrative for NATO in my sense is that while we were out there in the global scene, in Afghanistan, the whole neighborhood has become massively worse from a security point of view, whether you start with the Sahel and in Maghreb and in Northern Africa all the way through Libya into Egypt, now through the Middle East, of course with [unclear], with Isis and now of course even the area which we thought was pretty secure with stable partnerships, the East, Russia, Ukraine is in trouble. And frankly, not only has the situation got vastly worse but also the partnership instruments that we thought were going to fix the problem, whether the EU or NATO, have not had the transformative effect that we thought that were going to have. And if there's a new sort of strategic narrative for NATO its sorting out the neighborhood but in a way that has to be done with the European Union.

And just finally, I totally agree however, totally Judy, for what you said on NATO needs to get more strategic, you know we waste far too much time still when so much is happening in formats of meetings or how many partners to invite to which initiatives – we really need to start stop spending so much time on these things and be more strategic. I agree entirely about what you said on the intelligence and that if we're going to have these partnerships, particularly post-Afghanistan, we have to figure out how we're going to get better use out of them. But the narrative is not going to be simple because you can make a narrative if you're only doing one thing. The problem today is that you know security comes in different shapes or forms, you remember George Robertson [?] your dear friend who used to say if you can't ride two horses in the circus at once you need to change jobs and we can't go back to just being an alliance doing one thing, it has to be multiple things and the challenge with the narrative is to make those multiple things sort of comprehensible.

Sorry I've spoken at great length but it's a great paper and thank you, keep writing more.

JUDY DEMPSEY: Thank you, yes. Thanks Jamie.

JAN TECHAU: There's Jo Coelmont here on this side whom I want to give the microphone to, it's always great to have you, thanks for coming.

JO COELMONT: Thank you very much Jan. And thank you Judy for your brilliant paper. I agree with the five points that you have put forward, and as a matter of that the five realities that you

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described but have some questions on your final remarks and your final questions as such. And indeed you end with the question “NATO has to decide what it is all about”. So that is an existential question. This means what’s the strategy for NATO.

And Fabrice, thank you very much. You also talked about strategy, you said it’s about strategic flexibility, it’s about strategic culture, Defense Matters, you use the military force matters as well – all those are very important elements that point towards in the matter of fact strategy. And so far I hear there a lot about NATO, I heard a lot about the nations, it’s about the nations, but I would like to widen a little bit the debate, and you know my background from the Egmont Institute and former [unclear] rep to the European Union, the European Union as such in this debate was not yet mentioned. You, Judy you did it sideways, because you said for Transatlantic relationships probably teaching our [unclear] and that’s something between US and Europe as such. So the question now I would like to put forward is now where is the *logos* where we can develop the strategy we’re all looking for? And is NATO this kind of the *logos*, because have a look to history, I’ve never witnessed that a strategy was being developed in NATO – strategy was developed elsewhere and then later on transplanted in NATO by the member states. And I think what I see here in Europe that we try to come also to at another 28 to a kind of strategy. So where exactly do we have to go? Is it more about a really genuine debate between Washington, the Union and European member states than it is about institutions like CSDP and NATO.

JAN TECHAU: Thanks Jo, before we come to the answers, let me just explain to you that of course we know it’s very warm inside this building but let me remind you that it’s all of you making it so warm inside here so we’re not going to apologize for this. [Overtalking]. Yes but just to put that straight.

Judy and Fabrice.

JUDY DEMPSEY: Yes. I’m going to work backwards, I think what you raised is really important. NATO didn’t need a strategic culture before... during the Cold War, it just wasn’t necessary - the whole Cold War negated the need for this. And they lost the opportunity to have a strategic culture during the Kosovo War and they rested again on their laurels and still didn’t develop one. In fact now, you’ve hit on something very important; to have this strategic culture, the European NATO and the Americans have to sit down together and they have to ask each other what are our common interests? Because the strategy depends on defining your interests and the Europeans have disparate interests, leaving aside the issue of values which we go to later. But we have... there’s a yawning gap and the longer this gap exists between Washington and the European countries, suspicion will come in or misunderstanding. And so talk of a common strategic culture will only be possible once we define our interests and that’s all I’m going to say on this. And the EU has been very, very bad on this as well; the EU tends to put values before interests but actually we know...we know exactly what they do, interests... that’s one point I would say on this.

What we didn’t bring up of course was enlargement but that is the EU. I’ll just pick up on the EU question, Russia, if Ukraine doesn’t bring the... yes, it was really interesting with the Ukraine crisis; China wasn’t... China did not give Russia the support it really needed at the UN Security Council, in fact China was very worried about Russia’s annexation of Crimea. And Japan was particularly as well. And I think reading, I’m not an Asia expert, but just reading the Asia press at the time, I was struck by the fact that they were horrified that the Europeans didn’t really galvanize themselves and be much tougher on Putin immediately and I think they realized that it will allow some players in Asia to actually exploit that weakness. I think it was a big mistake, a very, very big mistake, the reaction to Crimea your future’s been de facto accepted.

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And Jamie's points, I will only take... I find, I really find your point about hybrid war, I find that really interesting – you've made me think about why I should question so fervently my belief that there should be deployments in Poland and Baltic States. But I take this on board, I think it's a very, very interesting point. I'm going to stop there because there are so many other questions.

FABRICE POTHIER: Actually let me follow up on the hybrid, I mean the whole debate on hybrid warfare, it's obviously very interesting, it puts back question related to defense back more central which is I think a healthy thing. However to be a bit different from what I heard, I think the bottom line with hybrid warfare is you still need conventional forces. Because hybrid works when you have 50,000 troops lined up on the other side of the border. So I think it doesn't get the allies, especially European allies off the hook in saying it's all about doing a symmetric stuff, about obviously cyber is very important, Info Operations are very important, but in the end whether you can deploy rapidly or put on high readiness some, I will say conventional forces is still what will make whatever other strategy or less symmetric strategy work better. So just I think on that we shall take part in the debate but also bring a bit of caution to it.

On what I've heard on Ukraine whether it's a wake-up call, I think it's a legitimate point. As far as my boss is concerned and as far as many of the allies are on the table, I think yes it is a wake-up call. Whether everybody's going to get their act together, that's a different question but let me make quick points about that.

First let me make quick points about that. First I think it's a wake-up call because we've realized that we have... revisionist power within the Euro-Atlantic area, not outside – inside the broader space – and this is something that maybe we wanted to ignore or we didn't want to see the succession of facts but the reality with Ukraine is we realize that Russia is not, at least in its current behavior, the strategic partner that we were hoping Russia would be. Second and linked to that is that it brings back military power in an old sense because in the end what Russia did was what we used to do during the Cold War with Snap Exercise, with high readiness, with quick deployment and lining up quite a substantial amount of forces by the border. So it brings back the kind of notion of military power in the political debate. However, and this is what Jamie was alluding to, we also realize that deterrents, effective deterrents is going to require more than just military power because for the simple fact that Russia is also inside the Euro-Atlantic system, economic system, political system. So you can't just deter an adversary or deter a country that is also inside your own economic and political system and what it will require will be not just deterrents but resilience, that means building up every country's resistance capacity in a way to deal with whatever undermining from the inside and I will guide everybody to a very interesting piece in foreign affairs about how Estonia, small country by all accounts, has managed to really build up its resilience to deal with the Russian activities inside Estonia. So that's an answer.

On Jo's point, yes, I agree on the EU. I actually think Ukraine should be a wake-up call, not just about the fact that geopolitics is back but the fact that we need NATO and EU to enter into a real political cooperation. I think it is good the level we have now and this Secretary General has really managed to lift it to the leaders and regular meetings. We also have regular work level meetings about capabilities and capability projects and I think... let me make my point... But I hear you're impatient... [overtalking] you will see, somehow we'll agree at some point. But I think where the real price lies for both NATO and the EU is to be much more political and much more strategic about how they work together in the neighborhood knowing full well that the EU's got a much broader tool box and cover many more dimensions than NATO in the Eastern and the Southern neighborhoods but still we have two big stakeholders and in a way we have the two faces of the same coin and what's interesting is President Putin seems to consider the EU as much a threat as he used to consider NATO. So we are

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in the same basket and somehow we have to figure out how we are going to manage to have a more transformative effect in the Eastern but also the Southern neighborhood. Same thing on deterrents, I think if we want to have an effective deterrence in the future, we will need to be, I will say leave no doubt about our collective defense commitments but we will also need to have the EU place full role on building up for the energy market that is diversified enough not to be dependent on Russia, building up cyber reliance within the EU members and so our deterrence concept will have to reach from Evere to Schuman.

And then finally I think both the NATO and the EU will have to somehow develop a more modular mind-set about how they work with other regional organizations. I think the future, partly the future of crisis management is going to lie with working with organizations like the African Union, like we've done for in Somalia, but on a more systematic basis. That means these organizations who are increasingly more willing to act and not necessarily more capable because they don't have yet the level of skills and the level of capability – we have those. So they could borrow those resources from us to lead their own operation and this we have been doing but in a way on an ad-hoc basis and I would say that the future lies in probably lifting that into a more systematic approach which could be called modular approach.

JAN TECHAU: Judy I know that you want to...

JUDY DEMPSEY: No I don't want to and I think of the audience.

JAN TECHAU: So the second round questions, we'll come back. But I have one more Fabrice, just real quick because both you and Judy and Jamie have talked about making NATO more strategic - a couple of years ago that was called making it a more political alliance. And then Judy suggested that the conversation about this could be held at the NAC. Now when you discuss something in the NAC it can't stay secret for five minutes and so is it realistic to make the NAC the kind of forum for these kind of strategic debates?

FABRICE POTHIER: You mean it's finishing that the speaker law [?]?

JAN TECHAU: And then, if that's not the place for that debate, if Judy is wrong, then where is the place for 25 allies to start talking strategy in a way that you know that makes sense?

FABRICE POTHIER: I think actually Jamie was maybe a bit modest on this one. I think we've gone much better since this one and Jamie's division has played also a big role in basically producing, I would say strategic awareness products, that means pieces of analysis about issues where the alliance does not necessarily have an operation but we have where we have, in one way or another, interest. And I think this Secretary General has really made a systematic effort to make the NAC in its different shape because the NAC is also ministerial but also at heads of state level more political. And in a way in my strategic flexibility posture, one important aspect is to move away from this binary approach this, kind of switch on and off – either we do something or we don't do anything and we don't talk about it. And I think there's a growing consensus that yes, Asia Pacific, we ought to discuss Asia Pacific without necessarily having to come to a point where we have to deploy things, it's not that – it's just to be aware of what changes in the Asia Pacific region mean for the Euro-Atlantic area and what can we do about it.

So I think we've gone more political in our strategy – we can always do better – but my understanding is there's a big improvement since Lisbon, so I would not be all dismissive.

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JAN TECHAU: All right. Second round of questions. One here in the front row, Anan [?] of course, and then do we have somebody else – I need a third finger just now. If not we just start here in the front row please.

ROBERT VANDEMEULEBROUCKE: Thank you Robert Vandemeulebroucke, Belgium Ambassador, retired. Referring to the invitation, there are a number of items that have not been addressed, cyber-attacks for instance, instability south of the Mediterranean, Iran's nuclear threat; I don't want to start another conference but I would like you to focus a little bit on the instability south of the Mediterranean. We've heard Mali and the intervention of the French, Central African Republic; is it still on NATO's radar and how? Thank you.

BROOKS TIGNER: Thank you. Pull up my notes here. Yes, Brooks Tigner, Jane's Defence Weekly. I don't hear a narrative here – a coherent or a cogent narrative here for NATO, or one that can be communicated in a fashion that is understandable or relevant to the public. And if we're going to come up with a narrative, it's got to be backed by illustrations of threats or defence needs and NATO's response to them which creates public support for the allies. And I agree with Judy, Ukraine is not enough. You made some concrete examples, you gave us some examples here Fabrice, the German lead nation concept – you can't say that to the public, that's not part of the narrative, besides its go inherent problems, the opt-in/opt-out, if Germany bails out of that it leaves the other countries in the lurch. Smart defense; you can't talk... it's too much in the reeds [?] you can't talk about that as part of the narrative - it's not going to deliver results, real results for years. So what phrase do you need to try it out? Strategic flexibility, it's fine to toss that around inside the house but outside the house it's completely abstract and it's utterly meaningless unless you give it, you hang some concrete examples on it. Maybe Jamie's phrase "taking care of the neighborhood" I would think is the one and it comes back to Judy's point which I couldn't agree with more, you've got to illustrate, you've got to pinpoint within the NAC, and where else, what all of the threats are around NATO, we've got to be willing to address them, and particularly to the South, Africa is full of concrete threats to Europe and I don't see NATO really talking about that at the moment. Thank you.

JAN TECHAU: Right, I would like to toss in a third question and if there's not anything coming from the audience, I have one that I've been wondering about and we've talked about it also beforehand. There's this 2% mantra of course and it's politically very useful but often of course technically a bit more difficult to make sense. But let's assume that overnight the miracle happens and everybody goes to 2%, both to you Fabrice and to Judy, do we have an idea as to what we want to do with all of that money? In Germany alone, we're currently at 33 billion per year, if we got to 2% that would be 58 roughly, and granted we know that strategic airlift is important and some, you know, command and control things and other things that we've identified for a long time that are crucial, but even with that, that would be an enormous surge in spending and do we have a concept, do we have an idea, do we actually know what we would do with all of that apart from just stitching holes, that would be my third one.

FABRICE POTHIER: That's a pretty good question.

JUDY DEMPSEY: I take your question, first Brooks. Jan has heard this before. There is a wide spread complacency in Europe and this complacency rests on the fact that we have been secure and safe for many years. And despite the Kosovo war and the hundreds of thousands of refugees that flowed into Germany and other countries, it didn't jolt us out of this post-war complacency. And the Ukraine example is very telling on this, nobody writes about the Tartars being... they have left Crimea, they're under huge pressure. And NATO's and the EU's greatest weakness is the inability to puncture this comfort zone. And we are surrounded by so much instability but poverty and no

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perspective, migration flows, refugees, what's happening on the border with Jordan, Syria which didn't get mentioned, and somehow NATO is not going to go anywhere and the EU is not going to go anywhere until we actually end this feeling of the comfort zone. Because what's happening now in the Middle East will come to haunt us very, very soon if it's not stopped and I don't want the comfort zone to be punctured through huge terrorist attacks in Europe but there must be some way to break out of this feeling it's far away and it doesn't affect us and I think this is one of the big challenges facing NATO and the EU, I mean this is where we actually, if you share anything which is very little, this is what you do share. And I think maybe I hope that answered your question too because these are huge geostrategic and security issues which we are not confronting. It's very dangerous and very depressing because we won't be ready when they hit us.

STEFANI WEISS: May I just get into that... Stephanie Weiss, Bertelsmann Stiftung. But I mean we have also seen that there is no military answer [?] to all the problems you have mentioned, yes. And NATO as a military alliance, no-one you know, and particularly in Germany would think that NATO is the answer to the problems you mentioned. So, you know...

JUDY DEMPSEY: Stefani I completely agree with you and I touched on this how the idea of force is so discredited. I mean military is needed, defense is needed, the security of our energy supplies is needed, the security of refugees is needed and of course NATO doesn't supply that kind of option but it can supply logistics and strategic planning for that. But my argument is exactly what you say that we are in a bind now, the comfort zone on the one hand and how, especially for the German public and indeed the British public which people do forget; the British public are so... they were misled over the war in Iraq and they were misled over the war in Afghanistan - indeed the idea of war wasn't even mentioned till the last couple of years. And so there's a huge suspicion and a there's a huge distrust of the military now in Europe, leaving aside how it's affected in the United States.

FABRICE POTHIER: To go back to where I started when we opened this debate, I've just realized that I think what is probably difficult for Judy, or frustrating, is that it's not so much that I think you overestimate what NATO can or should do, I think you overestimate power. And I think when you look at the neighborhood, of course we should do as much as we can but let's also be honest and realistic that we are not going to shape a neighborhood where there are, especially the Southern neighborhood with the Arab Spring, you have some forces that have been unleashed which are in a way the forces of transition which hopefully, and we should everything possible for this transition to lead to open rule based societies, but I think you're overestimating what power in general can achieve and it's one of our... one of my ex-colleagues, Moses Naim, published a book about in a way the limits of power. And I think that the current US president, some people say he's weak, he's indecisive - I think he's wise in knowing what power should do, what it can do, but also knowing what the limits of power are.

Now that doesn't mean we should give up on one part of our power toolbox which is the military aspect and I think we need to be more, to set the bar in a more reasonable way because the way you are setting the bar is yes we need to transform and be active in our neighborhood, yes but even if we're active and the EU, for example, is probably the prime player given that they can give access to markets, they can give financial support which NATO cannot do, and yet the EU, in its own official recognition, has had very little effect both on the Eastern and the Southern neighborhoods, so it's a difficult business and it has always been. So I will temper a bit where we fix the bar because then if you fix the bar too high...

JUDY DEMPSEY: If I could come in here. Actually I underestimate power. Because the EU forever goes on about its values and interests but they actually don't articulate those values and see them

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through. This is the first thing. And secondly the EU sets itself up as a power block with influence, in fact it doesn't follow it through. I don't overestimate power, I have no illusions of power, I've seen enough of it over the last 30 years in journalism. But what I object to is the... not the window-dressing, but the distortion of the... the distortion of what the EU sets out to be and indeed what NATO sets out to be.

JAN TECHAU: Can I toss in a little bit of an example here? Let's just, you know, and maybe that sounds a bit too simplistic but just for the sake of this argument, if ISIS, or ISIL as it is now called, really manages to gain control over a significant territory and draw on the resources of a state-like entity, and then pursues aggressive policies that are aimed at us, we will certainly probably have to go to war with them, can we?

FABRICE POTHIER: I've no idea, I mean this is entirely speculative Jan.

JAN TECHAU: Of course. But this is the question...

FABRICE POTHIER: But I think this is an important question but this is a totally speculative question which you can give any answer to it, so it's not, I'm sorry, grounded into. Because yes of course if there is an existential threat which is similar to what 9/11 was for the United States, I think there would be little ambiguity about the need to do something. But I think it's a speculative question...

JAN TECHAU: There is some [overtalking]...

FABRICE POTHIER: Yes, yes... [overtalking]. If I can... first I'm glad because I think I got Judy excited and just to trigger something. But let me just make... you asked an important question which too often is forgotten when we talk about 2% and all these [unclear]. Okay, 2% but to do what? And I think it sounds like a simple but it's a very good question. First, what are we talking about? If we are talking about 2% for everyone, we're talking about potentially 90 billion Euros more which is almost the equivalent, a bit less equivalent of the Russian Defense Budget. So it's a nice amount to have on top of what we have now, firstly. But where do you put it? I think there will be two areas that among, you know, every nation will have their own priorities but if you have to have to some super-priorities, enablers, the things that allow you to do as many things and to deal with as many contingencies as possible. So intelligence surveillance, reconnaissance, missile defense, airlift – the things that you will need to do to use in the South but also in the East, so enablers – invest in those enablers at the national, at the regional or at the collective level. And then invest into making your forces as deployable, as ready and as interoperable as possible - put real skilled forces into the mix. So that's where I will put my 90 billion more Euros in the European Defense Budget.

And just to finish on the narrative, I think strategic flexibility does not aim to be a narrative, it aims to describe the kind of posture and especially how we square the fact that we have less money and we have more challenges and we are maybe going to have a big more money but it's not going to be back to some kind of old idealized type. I think the bottom line for NATO is really to assure collective defense and contribute to common security. So really to assure the defense of the allies but also to contribute to common security of the broader Euro-Atlantic and even global family of nations, that's really my bottom line.

JUDY DEMPSEY: Jan can I come in here. You see he didn't the ISIS question or the ISIL. This is exactly... this is exactly what I've been arguing, that you don't wait till things happen, that you actually

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bring in experts to discuss what the caliphate would mean. What if, I mean can you imagine, what if Israel was attacked tomorrow?

FABRICE POTHIER: Yes, but...

JUDY DEMPSEY: No, no, no, but these are the strategic issues that we are facing right now. And I think I would welcome a huge discussion by the EEAS or NATO, even together – can you imagine Fabrice – on what this means for Europe, what this means for the region, for trade flows, what happens to Iran? Iran now talking to America, but the implications are enormous. I think it's a great question Jan and it shouldn't be ducked by NATO.

FABRICE POTHIER: Judy, just to finish...

JAN TECHAU: This is getting better...

FABRICE POTHIER: Yes, yes, yes. I think we should have discussions and as I said earlier we are having more of, we say the strategist copying exercise, so hopefully address part of your frustration.

JUDY DEMPSEY: It's not frustration [overtalking]...

FABRICE POTHIER: We are talking about some issues that are outside our kind of operational scope which I think... let me finish...

JUDY DEMPSEY: Yes I know... I've heard this argument many times.

JAN TECHAU: Fabrice... Judy...

FABRICE POTHIER: Yes, yes. And this is important and I think we can do more and we're getting actually much more Intel than we used to from the capital, especially from key capitals, in order because you need to feed that conversation with facts and how you get the facts is mostly through the Intel services. But let me finish my point.

But, at the end of the day, you can have as many discussions as you want; if we are not talking about a direct existential threat, that means collective defense which is based on contingency plans, for any other kind of threat I think it would be really based on the circumstances, of course. Because nations are not going to... they make a commitment to each other's security if they face a direct threat but if there is a threat to their interests, you know, like a second order threat or a third order threat, this is going to be... this will come down to obviously political circumstances will play a big role because we are democracies, you can't pre-set what the decision will be.

JAN TECHAU: But Fabrice what you're essentially saying is that strategy within NATO is only possible when it comes to existential threats, so...

FABRICE POTHIER: No, no, I'm saying strategy...

JAN TECHAU: ...but everything else is kind of we're going to wing it.

FABRICE POTHIER: No, no, strategy is something you should do all the time and across all the questions you face. But in the end where you do have unbreakable commitments, an ambiguous commitment is going to be obviously about for the territorial defense of your allies. Everything

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beyond will always have to be taken into account but will always be based and this is normal because they are democracies, on an evaluation of what are the best responses. So you can't pre-set our response to issues like Iraq, etc, that doesn't mean there should not be a response.

JAN TECHAU: Judy, you will get a final word.

JUDY DEMPSEY: Yes, oh thankfully.

JAN TECHAU: I want to give people... there goes my ISIS discussion. There's Paul Adamson here and I'm willing to take one more question and then we do as... [overtalking] yes, Steven Blockmans. It's Paul first and then Steven, and then ah all of a sudden people are coming, that's great. Paul you are first.

PAUL ADAMSON: Hello. Thank you Jan, my name is Paul Adamson, we talked about concepts like defense and power, we talked about institutions, NATO and EU etc, at the risk of lowering the tone I'd like to talk about people, in other words how important is it to who is the Secretary General of NATO, is it important, the profile of the person? I ask the question because, unless I'm mistaken, both Mr. Rasmussen and Mr. Stoltenberg were chosen without really knowing what they're going to do with the job once they got it, as it were – I may be wrong. And it seemed like almost by deduction NATO's leaders knew what they didn't want – they didn't want Frattini for example. So it means they thought about it before they knew what they didn't want – what did they want and once the person has the job, whether it's Rasmussen now over the past four years or five years, whatever it is, and Stoltenberg as of October, what scope does that person, maybe from a media point of view as much as anything else Judy, have to put a stamp on NATO and try and create this narrative and get us out of this existential crisis that we're all talking about. Thank you.

JAN TECHAU: Thanks Paul. Steven Blockmans, here in the front row.

STEVEN BLOCKMANS: Thank you very much. Steven Blockmans from CEPS. We've heard a lot about strategic culture, pooling and sharing, the threats in the neighborhood, now the question about people; the other missing link, to my mind, is industry and where does this fit into the narrative for NATO as indeed for the European component within NATO or the EU?

JAN TECHAU: Okay good, I have two more... there's a lady right behind you Edita and then Ambassador here in the front row and then we close it here and I give the chance to both of you to give us final words, please.

PARTICIPANT: Yes, I'm from China and I have a question about the strategy. We in China we really are pressured and we had a very great strategist who is Mr. Deng Xiaoping, he made very important I think started a shift for China because he changed our strategy [unclear] in late '70s. He said that the main trend of the world is not confrontation, the world would not have the [unclear] with war - the peace and the development is the main tendency. And after that China opened the door to the outside world and undertaken the reform and me personally I still believe that the main trend is peace and development. Although geopolitics is important, is back for many people, but I still believe that the globalization is a good thing, the geo-economics are more important factors, create more important...

JAN TECHAU: Do you have a NATO question that is relative?

PARTICIPANT: Yes, yes.

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JAN TECHAU: Okay, then please give us the question?

PARTICIPANT: So our perception of the world is that still important is peace and development but what are your, and NATO's definition and the perception of the world of today and of tomorrow? Is peace and development or confrontation or others?

JAN TECHAU: All right. That's a very clear one. And then finally, Ambassador here please?

NAGAYO TANIGUCHI: I'm an ambassador?

JAN TECHAU: Yes, I've just made you an ambassador.

JUDY DEMPSEY: He deserves to be one. Yes he really does.

NAGAYO TANIGUCHI: After China... so I'm from Japan, Taniguchi Nagayo from Japanese media. Published [unclear] for Judy and so it's about global partnership or partnership across the globe, that's the updated version isn't it? I would like to have, I have two hypothesis, one is perhaps you don't have a strategy for this and welcome first and then you'll see, work together and finally make a strategy on that. Second hypothesis is you have deeper background strategy for partnerships across the globe and then if this was the case, how can you maintain, and how much percentage the NATO-ness, that is to being NATO, pure NATO-ness when you enlarge friendship while you would maintain, you know, being NATO – my question is how open you would be these nations or for [unclear], or NRF, eventually other organizations, this is my question, I'm sorry...

JUDY DEMPSEY: No I thought it was really great.

JAN TECHAU: Fabrice goes first. Then Judy. Then hotdogs. Fabrice.

FABRICE POTHIER: Yes hotdog most deserved. But to answer Paul's question with all the precaution of the fact that I work for the current Secretary General and I'm going to work for the next one, but I think how important is the Secretary General, it has grown more important in terms of agenda setting, in terms of driving policy, taking policy initiatives, I would say that the office has become, in a way, more substantial and I think the fact that the allies have appointed another ex-Prime Minister is a testimony that they see that role as a political role and not just as a management or not just as a Secretary role but also as a General role.

On the industry, if I understood your point, of course the industry is also another argument why Defense Matters because defense is one of the, I would say one of the industries where you see the highest share of hi-tech, R&D investment and so on. So it is high value industry for those countries who are investing in it clearly. However I don't think you can justify having military power because you want to keep your defense industry, it's a bit of a kind of argument that bites its tail. So I think it brings benefits but those benefits should not be the justification for maintaining defense. The reason for maintaining defense is that again it's an insurance guarantee, it helps us to also deal with crisis and finally it helps us to have more influence.

On China, I'm not sure I totally captured the question, but just in one line, the alliance is a defensive alliance, we're in the defensive business not in the offensive business. I mean this is the essence of what we are and if you look for example at our response to the Ukraine crisis, it has been a defensive/proportionate response. So and I think that is not going to change in the future.

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On the global partnership, yes, a very important question, especially going back to what we said at the beginning, the end of ISAF, which ISAF had become the engine of our kind of global partnership and getting partners like Japan, Australia, New Zealand plugged with not only our political but also our operational machine. And I think you will at the Wales Summit in now less than two months, that the leaders will agree on making sure that those partners who are both willing and able can stay plugged and will actually have even more access than they had across the defense for today, will be able potentially to have more political consultation, they will have more access to things like the NRF but also the NATO common structure and they will have more access to the different exercise and training efforts we'll do. So it's really [unclear] time to kind of maintain that kind of global partners network and to make sure that they stay plugged with the alliance because they want that and quite frankly we also want that and need that. Thank you.

JUDY DEMPSEY: Well, I want to deal with the Japanese and the Chinese questions together because the China Ambassador to Belgium was recently appointed... sorry the Japanese Ambassador to Belgium was recently appointed the Japanese Ambassador to NATO, a first, and he gave a most revealing speech which I can send you if you want, he gave a most revealing speech at a NATO meeting in Bulgaria two or three weeks ago when he said he wanted closer relations with NATO but of course he doesn't want the joined alliance. But his main concern, he compared the Russia annexation of Crimea and Russia's meddling in Eastern Ukraine with what China was doing in the South China Sea and he specifically spoken in detail about the huge increase in China defense spending and the modernization. And it just begs the question when you most eloquently Chinese visitor here, he most eloquently spoke about peace and development. And if you speak to the Japanese I think they see it rather differently. That said, it will be interesting to see how NATO does expand its relations with China and Japan. That's the first issue.

And my closing remarks is something which I will take up with Fabrice; what we didn't discuss, you talk about collective defense and you talk about partners with countries and they're working closely together, I just wonder is Cardiff going to take the plunge with the further enlargement? I mean there are some countries in NATO that just don't... should not be in NATO frankly – they don't pull their weight, they don't contribute in any way whatsoever...

FABRICE POTHIER: I think you would be a very good Secretary General. Maybe the most powerful and decisive Secretary General I will ever have.

JUDY DEMPSEY: But you know exactly who is knocking on your door and the lack of transparency and the lack of an open debate on why they will not get the map or be allowed into NATO is, I think, part of the reason why I wrote this. Thank you Jan for chairing this.

JAN TECHAU: Thank you very much. Yes. What can I add to this; I think we all got our money's worth tonight and even if we might not have produced all of the perfect solutions for NATO in the future, you all at least have your weekly trip to the sauna already under your belt and that's a positive side of that.

Please join us over there in that part of the building for the food that we will serve now. My great thanks to both Fabrice and Judy, to all of you for your patience and your questions, and to NATO PDD for making all of this possible. We hope to continue the debate and stay on NATO issues. Thanks a lot.