THE EFFECT OF NATO PARTNERSHIPS ON ALLIANCE’S SMART DEFENSE

Abstract:

Partnerships have become an important mechanism to foster closer cooperation between international institutions and countries that are interested to develop closer relations with these institutions. The North Atlantic Treaty Organization (NATO) introduced a number of initiatives in the last two decades including Partnership for Peace (PfP), Mediterranean Dialogue, Istanbul Cooperative Initiative, and others. These forms of international cooperation constitute an important element of NATO’s cooperative security and play a crucial role in the promotion of smart defense, i.e. one that “provides greater security with fewer resources but also needs higher level of coordination and coherence.”

The literature recognizes some inherent advantages of NATO partnerships as they engage non-members to work closely with the Alliance in areas where there are mutual benefits of such cooperation. Nonetheless, current studies fail to address the extent to which NATO is able to persuade it partners to accomplish two specific goals: (1) manage more effectively their limited resources (e.g. personnel and military equipment); and (2) increase partner contributions to overseas operations. This paper explores the extent to which NATO partnerships can be an effective tool that persuades participating nations to modify their own security policies and expand their involvement in international operations. The paper offers theoretical and policy findings about the impact of security cooperation with nations from Eastern Europe, Central Asia, the Middle East and North Africa about the benefits of smart defense.

Key words: NATO partners, Partnership for Peace, Smart Defense

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Paper prepared for presentation at 2013 American Political Science Annual Meeting, Chicago, IL, August 29 - September 1, 2013
**Introduction**

In the last two decades, the North Atlantic Treaty Organization (NATO) incorporated twelve new allies from Central and Eastern Europe and developed a seamless web of partnerships with nations from the Caucuses, Central Asia, Middle East, North Africa and even the Pacific Rim. NATO Secretary-General Anders Fogh Rasmussen praised these countries’ security contributions in places like Afghanistan, Kosovo, and Libya. In his remarks at the 2012 Summit in Chicago, he highlighted the great potential to “our political dialogue and our practical cooperation” with these nations “so that we preserve our ability to undertake operations when needed.”

NATO partnerships expanded in a period when the Alliance faces unprecedented challenges due to shortage of defense resource and lack of consensus among allies and partners about their future participation in joint operations. As of 2011, only four of the 28 NATO members allocated 2% of their national budgets for defense expenses as required by the Alliance. Reluctance to share allied burden in Afghanistan prompted the U.S. Secretary of Defense, Robert Gates, to warn in 2008 that NATO has in essence become “a two-tiered alliance, in which you have some allies willing to fight and die to protect peoples’ security, and others who are not” and that this trend could put “a cloud over the future of the alliance if this is to endure, or perhaps even get worse.”

In response to these challenges, the Alliance launched in 2011 a set of policies intended to enhance security at a lower cost by fostering closer cooperation among NATO allies and partners. These policies known as smart defense were intended to boost Alliance’s capacity to undertake operations with fewer resources in this age of austerity by reaching higher level of “coordination and coherence.” Smart defense requires significant policy adjustments made by allies and partners which include reduction of unnecessary expenses, closer cooperation and specialization, and ultimately, higher contributions to international operations.

Has NATO been successful in its efforts to influence its allies’ and partners’ defense policies? Are nations seeking closer cooperation with NATO more likely to coordinate their defense policies in line with Alliance’s expectations? The paper focuses on Partnership for Peace (PfP) introduced in 1994 to implement practical bilateral

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1 The author wishes to thank Dinshaw Mistry, Michael Schoeder, Stefanie Von Hlatky and Manochehr Dorraj for their helpful comments and suggestions on previous drafts of this article. He is also grateful to the students at the University of Cincinnati for their assistance with this research.
cooperation with individual nations interested to partner with the Alliance. The program evolved over the years offering closer relations and ultimately full membership for those countries that pursued it. The study examines whether the level of integration into the Euro-Atlantic structures has had an impact on smart defense cooperation between NATO and its partners that includes decisions to optimize their military resources and increase participation in international operations.

The presentation is organized as follows: First, the paper discusses the role of partnerships in the context of broader literature on international alliances. Second, it examines smart defense policies and their implications for allies’ and partners’ security policies. Third, it presents a theoretical model that explains the link between level of security cooperation and its impact on smart defense. Finally, the paper discusses theoretical implications of informal or less formal settings of security cooperation between international institutions and their regional partners. It also offers helpful policy recommendations how NATO can get its partners to do things and influence outcomes pursued by the Alliance and its members.

NATO Partnerships, Alliance Management, Adaptation and Survivability

By and large, the international relations literature accepts the premise that alliances are a type of international institutions. Most theoretical and empirical work focuses on the effect of these institutions on their members. Studies on alliances usually address either the origin of alliances or their functioning and management. Alliances emerge when states choose to align with other nations because they want to address threats emanating from within or outside them thus leading to balancing, bandwagoning, hedging or tethering behaviors.

Alliances provide a number of important benefits to their members but also create new types of relationships among participants. First, they provide internal information concerning national military capabilities, thus reducing reduce military conflict between member-states. Second, these institutions serve as mechanisms to reduce costs

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6 Stephen Walt argues that stronger states choose to balance against emerging threats, while weaker states choose to align with the source of threat. Patricia Weisman suggested that states engage in hedging behavior when they want to align with other countries in order to consolidate and further project power or tether in order to manage conflicts with these nations. For details see Stephen Walt, The Origins of Alliances (Cornell University Press, Ithaca, 1987), 12 and Patricia Weisman, Dangerous Alliances: Proponents of Peace, Weapons of War (Stanford University press, 2004), 18-19. See also Glenn Snyder, Alliance Politics (Cornell University Press, Ithaca and London, 1997) and Randall Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” International Security 19, no. 1 (Summer 1994).

7 David Bearce, Kristen Flanagan, and Katharine Floros, “Alliances, Internal Information, and Military Conflict Among Member-States,” International Organization 60, no. 3 (Summer 2006), 595-625.
associated with the good that they provide to their members by spreading them among several nations and providing benefits that that cannot otherwise be obtained unilaterally. Third, alliances help manage distribution of allied burden. However, they do not necessarily facilitate a more equitable burden-sharing—in fact, research conducted in the 1960s found that in the case of NATO, smaller states tend to rely on bigger states for their defense, while bigger states always pay a disproportionately larger share of collective defense. Fourth, alliances can also provide a “medium for exerting leverage over partners,” where great powers may gain increased influence over other countries’ foreign policy decisions. Sometimes, even small allies that are disliked and distrusted by others can “exercise considerable bargaining power” over the foreign policy executive of great powers.

Another group of scholars focuses on alliances’ institutional features. Despite the fact that highly institutionalized alliances ceteris paribus are expected to be more reliable than less institutionalized ones, previous research found no evidence that better coordinated or more formal alliances are more reliable when invoked by war. Other studies found that institutional assets developed over many years become especially valuable when alliances face major challenges because they facilitate transparency, integration, and negotiation among member states. Institutional adaptation minimizes relative costs (e.g. the cost of information); it helps adjust the existing norms and procedures to deal effectively with new problems facing the alliances and saves members from going through the trouble of creating new security institutions. In the case of NATO, when facing the dilemma of going out of business, the Alliance instead chose to go out of area and undertook a long path of adjustment. During the Cold War NATO invested in certain general assets that included centralized command and separate but integrated military and political decision-making bodies all of which came very useful in the post-Cold War world.

Robert McCalla found that this organizational perspective insufficient to explain institutional persistence in a low threat environment. Instead, he argues that organizational change can be explained by looking at the “broader relationship that exists among NATO members and understand the many ways that NATO helps its members deal with change.” Similarly, Martin and Simmons recognized that “distributional issues […] and unanticipated consequences” of various institutional effects remain fairly

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10 Kegley and Raymond, *A Multipolar Peace?*, 95.
understudied.\textsuperscript{15} By focusing on partnerships, this paper provides much needed analysis of NATO’s broader relationships that bear unanticipated consequences.

By and large, the literature on suggests three groups of consequences related to NATO partnerships: (1) they improve communications with partnering nations; (2) they stimulate some internal reforms in these nations; (3) they lead to the formation of a like-minded pacific community of nations. Stanley Sloan noted that, through programs like Partnership for Peace (PfP), Europe’s new democracies have been “learning how to develop systems of democratically controlled armed forces as well as habits of cooperation with NATO nations and neighboring partners.”\textsuperscript{16} NATO partnerships offer inherent advantages in accommodating participants’ demands and thus providing significant room for maneuver. Such a partner- or “consumer-” driven approach presents an important and much needed token of NATO’s commitment to “openness, cooperation, and extending the benefits of peace and stability to all European nations.”\textsuperscript{17}

Another prevalent assertion in the literature is that NATO partnerships also influence the processes of internal transformation within these countries. NATO’s strategy to engage new members and partners is aimed at internal political processes that would ultimately consolidate democratic institutions and processes in these countries. Janne Haaland Matlary and Rebecca Moore among others found that closer ties with NATO not only promote regional cooperation and stability, but also serve as tools for gradual democratization and a “learning process of liberal norms” that create domestic socialization and improve conditions for peace.\textsuperscript{18}

Finally, some scholars and policy makers argue that improved cooperation with NATO’s new partners represents a broader effort to build a \textit{sui generis} pacific community of nations. Advocates of this hypothesis saw NATO’s growing partnerships as a manifestation of democracies’ tendencies to “work closely with each other” and form sustainable democratic communities in which allies and partners are bound by the power of their common democratic political system.\textsuperscript{19} Others have cautiously placed NATO-led cooperation among broader efforts to cultivate informal arrangements into regional security communities that enhance international stability across the globe as a part of a process of “wider engagement, including political dialogue and practical cooperation with like-minded nations.”\textsuperscript{20}

\textsuperscript{17} Sloan, \textit{Permanent Alliance}, 106.
\textsuperscript{19} Wallace Thies, \textit{Why NATO Endures} (Cambridge University Press, 2009), 294.
One of the major shortcomings of the existing literature is that it overlooks the institutional effect of partnerships on partners’ allocation of military resources and their contributions to overseas missions. With very few exceptions, NATO scholarship fails to explain how the level of interaction between the Alliance and its members and partners leads to greater security. The next section will discuss how co-optive behavior used by NATO through its PfP program can generate “hard power resources” and commitments to international operations all of which are intended to contribute to enhanced security in an age of austerity.\textsuperscript{21}

**Alliance Politics and Smart Defense**

The idea of smart defense became particularly relevant for NATO after the 2008 financial crisis as a new approach toward defense planning and appropriations that sets the “right” priorities, enhances “pooling and sharing of capabilities, and helps better coordinate allied and partners’ efforts.\textsuperscript{22} This approach was warranted due to: (1) the necessity to ensure adequate national security policies at a lower cost (though various defense cuts); (2) policy adjustments in Europe needed because of the evolution of U.S. defense posture and; (3) the need for a new NATO strategy following the completion of the combat operations in Afghanistan.\textsuperscript{23} Bastian Giegrich summarized the policies of smart defense as an attempt to “change the way NATO members design, operate, maintain and discard” military capabilities in an era marked by constraints imposed by budget austerity, operational challenges, and strategic uncertainty.\textsuperscript{24}

Giegrich correctly points that smart defense consists of three critical components: First, it highlights need for prioritization of national resources toward capabilities that are line with NATO’s goals. Second, in order to maximize defense spending, countries need to reach highest possible level of specialization. Third, as a part of these efforts, there is an expectation for cooperation aimed at pooling military capabilities to provide economies of scale and improve interoperability. The logic is quite simple and straightforward—these new security arrangements require from NATO to improve its members’ capabilities in pre-determined areas of excellence as identified by the Alliance while at the same time cutting resources (and subsequently reducing capabilities) in other areas.

Whereas smart defense is a fairly new label used by scholars and policy makers to describe NATO’s efforts to influence its members’ security policies, after 1990 the Alliance tried on multiple occasions to influence the way its members “design, operate and maintain and discard” their military capabilities. For example, initiatives such as NATO Response Force (NRF), multinational teams for chemical, biological, radiological

and nuclear (CBRN) defense, and different measures to improve interoperability were introduced at the Washington and Prague Summits in 1999 and 2002. The package of reforms known as Prague Capabilities Commitment reflected a long term strategy to “deliver the right capabilities right across the Alliance” and became an integral part of NATO’s post-Cold War transformation.

Similar to smart defense, these earlier ideas represented various attempts to regulate nations’ own defense policies from outside driven by the motto to do more by “doing it together.” All these attempts to regulate nations’ own defense policies from outside intervened with members’ sovereignty and were naturally met with skepticism by decision makers who feared vulnerability due to abandonment or entrapment.  

Smart defense expands beyond and above the sheer management of allied resources and enhancement of capabilities. It became particularly relevant in the context of NATO’s shrinking influence and popularity from a strategic view point because the U.S. has become preoccupied with other regions like the Middle East, East Asia and the Pacific “where much of the twenty-first century’s history will be written.”  

Smart Defense also emerged as a direct response to Obama’s new Asia Pivot strategy aimed at sustaining allocation of substantial diplomatic and military resources toward Asia Pacific. Such a response strategy was not only driven in order to show NATO’s relevancy in 21 century, but also to re-affirm the organization’s ability to operate effectively by creating integrated armed forces.

In order to assert itself as “a new way for NATO and Allies to do business,” smart defense needed assurances that increased specialization and coordination would not jeopardize states’ national interests. As a result, two distinct organizational models of specialization emerged. The first one is the so-called hub-and-spoke based on multi-nationally funded centers of recognized expertise. The second organizational model is based on small group cooperation driven primarily by strategic proximity. Small group involves several groups of nations bound together by geography, cultural affinity, availability of resources, similarity of equipment, etc. The distribution of benefits reflects the relative bargaining power of among participants.

25 States feel entrapped when they have to honor commitments over interests that they do not necessarily share and abandoned when their partners fail to fulfill commitments when asked to do so. See Glenn Snyder, *Alliance Politics* (Cornell University Press, Ithaca and London, 1997), 170.


28 Author’s personal interviews with smart defense experts at NATO HQ in Brussels, Belgium, 16 May 2013.

29 Giegrich, “NATO’s Smart Defense,” 75.

Despite the fact that both models rest on a bottom-up approach where cooperation flows from individual states to the organization as a whole, these models represent two very different philosophies of specialization. The hub-and-spoke approach flows from already established Centers of Excellence that could provide much needed infrastructure for specialization in training and education. Multinational teams operating in the areas of chemical, biological, radiological and nuclear (CBRN) defense, air lift and transportation, air surveillance, engineering, mountain troop combat and others are examples of such centers of excellence.

Alliances’ ability to centrally plan and coordinate from their headquarters various cost-saving measures is considered one of alliances’ main institutional assets. The problem with centralized coordination is that national governments recognize that once they agree to give up certain capability, it would be very difficult to regenerate it in the future. As a result, efforts to boost allied capabilities through centralized top-down approach have had very limited success in the past—a fact that is widely recognized by NATO strategists and policy planners in Brussels.\(^{31}\)

However, national resistance to downsizing and specialization may be tamed if Brussels convinces these nations to actively seek partnerships in which one country takes responsibility for enabling another country to maintain the skills, training, know-how and capacity to regenerate previously given-up capabilities.\(^{32}\) Alliance’s commitment to joint training and exercises represents a good instance of a multinational capability—recognized in the Chicago Summit Declaration—that is essential in maintaining “interoperability and interconnectedness with partner forces.”\(^{33}\)

Small group cooperation normally bounds together countries based on their geography, cultural affinity, common equipment and level of ambition. The bilateral cooperation treaty between France and the UK, also known as the Lancaster House Treaty signed in 2010 represents a good example of two governments that have committed to an unprecedented depth of their security cooperation because both nations recognize that they share common “values, global interests and responsibilities.”\(^{34}\) Smart defense also offers ample opportunities for small group cooperation among allies and partners from the Black Sea and the Baltic Sea regions, the Adriatic coast, countries from Central Europe, the Caucasus and others regions based on common values, interests and responsibilities that provide ample opportunities for economies of scale.

To sum up, the notion of smart defense highlights the importance of “right” capabilities that improve capacity to connect all NATO forces (allied and non-allied) under common understanding, command and control arrangements that implement universal standards, language, doctrine and procedures. Its success rests on straightforward prioritization in

\(^{31}\) Author’s personal interviews at NATO Headquarters in Brussels, Belgium, May 2013.

\(^{32}\) Giegrich, “NATO’s Smart Defense,” 75.

\(^{33}\) “Chicago Summit Declaration,” issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Chicago, 20 May 2012, 

line with NATO’s requirements, deliberate and coordinated specialization customized to each individual nation by design, not by default. Thus, smart defense addresses multiple levels of cooperation among allies, and between them and their partners and other supranational entities (such as the European Union).  

Evaluating the Impact of NATO Partnerships

Tiers of Partnerships within PfP

NATO commenced cooperation with a number of former adversaries over two decades ago, in 1991, with the creation of the Partnership for Peace program. Initially, the program was intentionally designed as a loose and broad cooperative framework in order to accommodate all 21 emerging democracies from Eastern Europe and Central Asia, among which most of the Black Sea Region nations. It served well 34 nations that participated in the program in one way or another since its inception in the mid-1990s. Military planning was among the first issues to be included on the agenda. The new forum also introduced a more comprehensive Planning and Review Process (PARP) in 1995. Despite these initial accomplishments, the scope of the PfP operations remained limited and included humanitarian aid, peacekeeping, and search and rescue.  

Different partners pursued different foreign policy objectives over the course of the years: for example, the Visegrad countries (Czech Republic, Hungary and Poland) used PfP to convince NATO that they should be admitted to the organization, while most nations in Central Asia and the Caucuses saw PfP mostly as confidence-building forum. As a result, several different tiers partnerships gradually emerged within PfP.  

In 1997 NATO decided to improve cooperation by creating a more flexible Euro-Atlantic Partnership Council (EAPC) introduced right after the Madrid Summit in 1997. It was intended to serve as a security forum and an enhanced framework for dialogue and consultation about political and security-related issues between the sixteen allies and their partners. In addition to political dialogue, EAPC discussed several capabilities-related issues: peacekeeping and crisis management operations, arms control and proliferation, defense planning and policy implementations in the context of regional conflicts, terrorism, emergency planning, and civil-military cooperation. NATO also developed special bilateral partnerships with Ukraine and Russia under the NATO-Russia Council (NRC), and the NATO–Ukraine Charter on a Distinctive Partnership (NUCDP) both of which were introduced in 2002. The bilateral partnerships were managed by different partnership “cells” in which military and civilian officials of the PfP countries worked hand in hand with officials from NATO Headquarters and the member-states.  

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36 Stanley Sloan, NATO, the European Union and the Atlantic Community: the transatlantic bargain reconsidered (Rowman and Littlefield Publishers, 2003), 139.
In order to distinguish between potential entrants and partners, NATO leaders officially launched a new program—Membership Action Plan (MAP)—at the Washington Summit in 1999. This new framework pledged that the alliance would continue to welcome new members and established a mechanism to review the progress of every individual applicant and provide candid feedback. The plan also set up a clearing-house to help coordinate NATO assistance with military reforms and streamlined the Planning and Review Process (PARP) in order to help aspirants prepare for full membership. Thus, NATO embraced a two-track approach—the applicants for membership developed much closer cooperation as a part of the MAP while the rest of NATO’s Euro-Atlantic partners continued to interact with Brussels under the original PfP framework.

Most East European nations (such as the three Baltic Republics, Albania, Bulgaria, Croatia, Romania, Slovakia, and Slovenia) were invited to join MAP and used the program as a stepping stone to a much desired membership invitation. At that time, MAP represented the most sophisticated form of cooperation within PfP (or tier 4) that was designed to assist these young democracies in the process of their military restructuring and re-organization so that they could potentially become effective allies. Alternatively, participants who were not interested to deepen its relations with the Alliance (e.g. Belarus, Kyrgyzstan, Tajikistan, and Turkmenistan) maintained the lowest cooperation with NATO (or tier 1). This format was intended to serve as a confidence building forum that provided venue for a pragmatic partnership in areas where this cooperation was recognized as most needed. One such critical area was multinational peacekeeping needed to help combat ethnic violence in the 1990s.

Further differentiation within PfP occurred in 2002 at the Prague Summit when NATO Heads of State and Government introduced an additional interim format of partnerships called Individual Partnership Action Plans (IPAPs). This lower tier (tier 2) EAP format was intended to deepen the relations with partners from the former Soviet Union or Yugoslavia who wanted to cooperate with NATO but ultimately indicated no intention to become members of the organization (e.g. Armenia, Azerbaijan, Kazakhstan and Moldova). Georgia was the first partner to participate in IPAP in 2004 followed by other BSR nations (Azerbaijan, Armenia, Moldova), as well as Kazakhstan, Bosnia and Herzegovina, and Montenegro joined the IPAP in 2008 and several years later acquired MAP status. Developed on two-year cycles, these individual plans introduced various mechanisms for cooperation between the partner nations and Brussels. The IPAP members identified specific areas of cooperation while NATO provided focused, country-specific advice on various reform objectives.

40 Georgia is probably the only notable difference in this respect as Tbilisi joined the IPAP with clear intention to pursue NATO membership. The Alliance, on the other hand, remained cognizant of the fact that Georgia was locked into the unresolved conflicts over Abkhazia and South Ossetia and offered Tbilisi’s IPAP as an alternative to MAP.
The 2002 Summit also revamped existing partnerships with the countries from Eastern Europe and the former Soviet Union: Seven MAP participants (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) received invitations at the Prague Summit to join the organization and upgraded their relations with the Alliance (tier 5). Partner relations with Russia and Ukraine were also upgraded in an attempt to formally recognize the special status of relations with Russia and Ukraine, and also draw a much needed distinction between these two large partners and other smaller PfP participants.42

Finally, another cooperative program—Intensified Dialogue (ID)—was introduced in 2006 as a format of political exchange between NATO and select partners to address their membership aspirations and relevant reforms (tier 3). The dialogue represents a slightly improved form of cooperation with no prejudice to any eventual decision regarding future membership.43 Its original intention was to serve as a substitute for MAP in the cases of these countries whose future membership remains unclear because of outstanding issues and, once these issues were resolved, the aspirant nations would move to upper tier (e.g. tier 4) cooperation such as MAP. The nature and character of these six tiers of partnerships within PfP is summarized in Table 1 below:

42 A new Permanent NATO-Russia Council built on the goals and principles of the 1997 Founding Act. The NATO-Russia Founding Act addressed various aspects of the relations between the former adversaries: a practice of consultation and cooperation between Brussels and Moscow was introduced especially in terms of the participation of Russian troops alongside those of NATO and other partner countries in the peacekeeping efforts in the former Yugoslavia. The act also developed principles of partnership and mechanisms for consultations and cooperation in the areas of peacekeeping, crisis response, and non-proliferation. In July 2002 NATO also signed the “Charter on a Distinctive Partnership between the North Atlantic Treaty Organization and Ukraine.” Madrid (9 July 1997), also available at http://www.nato.int/docu/basicxt/ukrchrt.htm (accessed May 26, 2007).

Table 1. Tiers of NATO Cooperation, Program’s Objectives and Prospects for Full Membership

<table>
<thead>
<tr>
<th>Tier</th>
<th>Cooperative Program(s)</th>
<th>Participating nations (as of 2012)</th>
<th>Program’s objectives</th>
<th>Prospects for Full Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier One</td>
<td>Initial Partnership for Peace</td>
<td>Belarus, Kyrgyzstan, Serbia,</td>
<td>Lower level cooperation; confidence building, pragmatic security cooperation</td>
<td>Highly unlikely</td>
</tr>
<tr>
<td></td>
<td>Framework</td>
<td>Tajikistan, Turkmenistan(^{44})</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier Two</td>
<td>Individual Partnership</td>
<td>Armenia, Azerbaijan, Kazakhstan</td>
<td>Closer cooperation with NATO indicated; no intention to join the organization</td>
<td>Not very likely</td>
</tr>
<tr>
<td></td>
<td>Action Plans (IPAPs)</td>
<td>and Moldova (also Russia)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier Three</td>
<td>Intensified Dialogue</td>
<td>Bosnia, Georgia, Ukraine</td>
<td>Enhanced cooperation aiming to address their membership and military reforms</td>
<td>Possible</td>
</tr>
<tr>
<td>Tier Four</td>
<td>Membership Action Plan</td>
<td>Montenegro</td>
<td>Program designed to prepare candidates for membership</td>
<td>Yes, pending invitation and</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ratification</td>
</tr>
<tr>
<td>Tier Five</td>
<td>Invitations to join NATO</td>
<td>FYR of Macedonia</td>
<td>Program that verifies if candidates meet all membership requirements</td>
<td>Yes, pending ratification and Greek veto</td>
</tr>
<tr>
<td>Tier Six</td>
<td>Full NATO membership</td>
<td>Albania, Bulgaria, Baltic Republics,</td>
<td>Adaptation and accommodation to meet the new membership requirements</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Czech Republic, Croatia, Hungary,</td>
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<tr>
<td></td>
<td></td>
<td>Poland, Romania, Slovakia, and Slovenia</td>
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To sum up, over the last twenty-two years NATO-led cooperation with PfP nations evolved into six different tiers of cooperative relations. The most advanced one—Membership Action Plan—opened the door for NATO membership for twelve of these nations. FYR of Macedonia awaits successful resolution of its name dispute with Greece to become full member of the organization while Bosnia and Montenegro are preparing to join the organization in the near future. NATO maintains special bilateral partnerships

\(^{44}\) This tier also includes Austria, Finland, Ireland, Malta, Sweden, and Switzerland, but due to their distinctive features they are excluded from further analysis.
with Russia and Ukraine and a more “intensified dialogue” with Georgia within PfP. Finally, this partnership serves as a form for political dialogue with several relatively inactive PfP participants with no interest in further developing any individual partnerships (Belarus, Kyrgyzstan, Serbia, Tajikistan, Turkmenistan, and Uzbekistan), and forum for on-on-one cooperation with the so-called IPAP countries (Armenia, Azerbaijan, Kazakhstan and Moldova). Table 1 excludes the group of the so-called EU neutrals—Austria, Finland, Ireland, Malta and Sweden—in part because they see NATO partnership not as a way of becoming NATO members, but as a “compliment to EU membership.”

NATO Partnerships, National Wealth and Defense Allocations

Historically, NATO members and partners have varied in wealth, resource base, and military capabilities. Earlier studies argued that a country’s national wealth could serve as a predictor for their defense allocations and overall contribution to collective defense. Figure 1 summarizes the correlation between average per capita defense spending and per capita national income for PfP participants since the introduction of the program in the mid-1990s. It depicts three groups of PfP participants—the lower tier partners tend to have a low GDP per capita and tremendous variation in their defense expenditures as a percentage of their per capita GDP; alternatively, countries that maintain more advanced partnerships with NATO tend to be wealthier and maintain similar levels of defense spending (1.5-2.5% of their GDP). Albania and Belarus are the only notable exceptions in this respect—Belarus’ GDP is higher than Albania’s and closer to that of the new NATO members but the country’s authoritarian regime has no intention to deepen its relations with NATO, whereas Albania joined the organization in 2009 after completing series of military reforms but has a lower per capita GDP (i.e. comparable to Bosnia, Serbia, Macedonia and Azerbaijan).

Figure 2 depicts the same correlation between defense spending and GDP per capita for all current and former PfP participants in 2010. It shows that the former PfP participants and current NATO members (tier 6) tend to converge not only in terms of their wealth, but also in terms of their resource allocation for defense, whereas lower tier partners vary and, with a few notable exceptions (e.g. Moldova, Bosnia and Kazakhstan), tend to spend a higher percentage of their GDP on defense compared to the higher-tier partners. The two figures below illustrate that closer cooperation with the organization leads to similar resource allocation that could be attributed to convergence of broader “smart defense” policies aimed at reducing expenditures for unnecessary capabilities while at the same time reaching higher coordination and coherence that boosts critical capabilities.

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45 Magnus Petersson correctly explains that the “strategic commonality” that exists between these countries and NATO in terms of social and political system makes certain “soft” PfP objectives (such as democratic institutions, transparency in defense planning, etc) obsolete and unnecessary. For this reason, the EU neutrals constitute a *sui generis* group of participants for which many of the “traditional” PfP objectives such as democratization and modernization of civil-military relations are not applicable.

46 In his 1983 study James Golden developed a matrix to evaluate national contributions in the context of alliance objectives and this article employs his methodology. For details see James Golden, *The Dynamics of Change in NATO* (New York: Praeger, 1983), 25-51.
Figure 1. Relationship between Share of Income Allocated to Defense and Per Capita GDP for PfP Participants (average 1995-2010)

Legend:
Alb – Albania
Arm – Armenia
Azer – Azerbaijan
Bel – Belarus
BiH – Bosnia and Herzegovina
Bul – Bulgaria
Croatia – Croatia
CzR – Czech Republic
Est – Estonia
FYROM – Former Yug Rep of Macedonia
Geo – Rep of Georgia
Hun – Hungary
Kaz – Kazakhstan
Kyrg – Kyrgyzstan
Lat – Latvia
Lith – Lithuania
Mol – Moldova
Mont – Montenegro
Pol – Poland
Rom – Romania
Serb – Serbia
Svk – Slovakia
Slo – Slovenia
Tajik – Tajikistan
Turkmen – Turkmenistan
Ukr – Ukraine
Uzbek – Uzbekistan
NATO Partnerships and Smart Defense

**PfP Participants and Smart Defense: Three Models**

There is consensus among scholars and policy makers that building “greater security with fewer resources” requires a holistic and integrated approach that improves productivity, saves costs and enhances overall service levels. To achieve high levels of coordination and coherence, allies and partners need to integrate key processes to achieve specific operational goals.\(^{47}\) Previous studies have highlighted important ingredients of smart defense—e.g., that participating nations should contribute militarily; they should take steps to achieve interoperability and, in general, manage their military resources more effectively.\(^{48}\) To accomplish these greater coordination and coherence, institutions like NATO need to follow a strategy of “changing mindsets, creating incentives, removing

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Thank you so much for your interest in this paper. If you are interested to read the full paper, please contact me at ivanovid@ucmail.uc.edu, I will be happy to share a copy with you. Please, do not cite this paper unless otherwise specified.

Many thanks,

-- Ivan Dinev Ivanov