THE EFFECT OF NATO PARTNERSHIPS ON ALLIANCE’S SMART DEFENSE

Abstract:

The North Atlantic Treaty Organization (NATO) greatly expanded its influence in the Black Sea Region (BSR) since 1991. Not only did NATO include new members (Albania, Bulgaria, Croatia and Romania), but also developed various forms of enhanced cooperation with nations from the region through various programs (e.g. Partnership for Peace (PfP), Individual Partnerships and Membership Action Plan). Over the years, improved relations with nations from the BSR has been consistent with NATO’s new idea of smart defense fully embraced at the 2012 Chicago Summit, i.e. one that provides greater security with fewer resources but also needs higher level of coordination and coherence. This paper surveys whether NATO’s improved relations with countries from the Black Sea Region indeed influences these nations’ military and political decisions to contribute to smart defense. It explores the extent to which these partnerships have increased armed forces’ optimization and led to region’s greater participation in international security. Furthermore, it discusses in detail various projects, in which BSR nations have been involved and their impact on Alliance’s smart defense. Understanding how regional security cooperation impacts smart defense bears also a number of theoretical and policy implications about regional security.

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

IVAN DINEV IVANOV
DEPARTMENT OF POLITICAL SCIENCE
UNIVERSITY OF CINCINNATI
P.O. BOX 210375
CINCINNATI, OH 45221-0375
EMAIL: Ivan.Ivanov@uc.edu

Paper prepared for presentation at the PSS-ISA Joint International Conference, Budapest, Hungary, June 27-29, 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 praised these countries’ security contributions in places like Afghanistan, Kosovo, and Libya. In his remarks at the 2012 Summit in Chicago, Anders Fogh Rasmussen noted 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.”¹ Scholars and policy makers recognize that, in an age of austerity, the Alliance’s capacity to undertake operations with fewer resources rests on its ability to reach higher level of “coordination and coherence.”² This idea, known as smart defense, entails a set of policies intended to enhance security at a lower cost by fostering closer cooperation among NATO allies and partners.

Are nations seeking closer cooperation with NATO more likely to coordinate their defense policies in line with Alliance’s expectations? This paper discusses two specific hypotheses intended to evaluate the impact of smart defense: First, whether smart defense cooperation is driven by the level of integration into the Euro-Atlantic structures. Second, whether smart defense cooperation is driven by the geographic location, specifically whether security integration in the Black Sea Area facilitates participation allies’ and partners’ participation in various projects is intended to complement each other’s regional capabilities.

The presentation is organized as follows: First, it surveys the literature on smart defense and discusses how it applies to NATO politics. Second, it presents a theoretical model that explains the link between level of security cooperation and its impact on impact on smart defense policies. Third, it checks the argument against various emerging projects of enhanced cooperation among allies and some partners, with particular focus on the Black Sea Region. Fourth, the paper discusses various theoretical and policy implications of regional cooperation on smart defense policies and initiatives. Additionally, it sharpens the theoretical debate on the role and importance of less formal arrangements between international institutions and their regional partners. Finally, it also offers helpful policy recommendations how various regional and geographic factors could strengthen smart defense’s effectiveness.

Smart Defense and International Security Cooperation

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, to, and helps better coordinate allied and partners’ efforts.” Such an approach is warranted because of: (1) the necessity to ensure adequate national security policies at a lower cost (though various defense cuts); (2) policy adjustments in Europe needed due to the evolution of U.S. defense posture and; (3) the need for a new NATO strategy in the aftermath of the anticipated completion of the combat operations in Afghanistan. Bastian Giegrich summarizes NATO’s 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.

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 all introduced at the Washington and Prague Summits in 1999 and 2002. This 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. The smart defense’s motto to do more by “doing it together” represented various attempts to regulate nations’ own defense policies from outside which naturally intervened with members’ sovereignty. As a result, initial efforts were met with skepticism by decision makers who feared vulnerability due to abandonment or entrapment. States feel entrapped when they have to honor commitments.

---

3 Anders Fogh Rasmussen, “Building Security in an Age of Austerity,” keynote speech by NATO Secretary-General at the 2011 Munich Security Conference, 4 February 2011, 
4 “Smart Defence and Interoperability,” NATO Multimedia Library, October 4, 2012, 
over interests that they do not necessarily share and abandoned when their partners fail to fulfill commitments when asked to do so.\(^6\)

Nonetheless, the idea of smart defense expands beyond and above the sheer management of allied resources and enhancement of capabilities. It has also a particular relevancy in the context of NATO’s shrinking influence and popularity from a strategic view point due to the U.S. has become “preoccupied with the Middle East” and “has not paid adequate attention to East Asia and the Pacific, where much of the twenty-first century’s history will be written.”\(^7\) Smart Defense also emerges as a direct response to Obama’s new Asia Pivot strategy aimed at sustaining allocation of substantial diplomatic and military resources toward Asia Pacific.\(^8\) Such a response strategy is not only driven in order to show NATO’s relevancy in 21 century, but also to re-affirm NATO’s ability to operate effectively by creating partially integrated armed forces.\(^9\)

The success of smart defense as “a new way for NATO and Allies to do business,” needs assurances that increased specialization and coordination will 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.\(^{10}\) The second organizational model is based on small group cooperation driven primarily by strategic proximity.\(^{11}\) 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.

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 inter-governmental cooperation and 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.

As a rule, centrally planned coordinated from NATO headquarters cost-saving measures are more likely to produce desired results. The problem with this approach is that national governments recognize that once they agree to give up certain capability, it would be


\(^9\) Author’s personal interviews with experts at NATO HQ is Brussels, Belgium, 16 May 2013.

\(^10\) Giegrich, “NATO’s Smart Defense,” 75.

much more difficult to regenerate it in the future. However, they may easily become less resistant to specialization Brussels convinces them to actively seek out 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. The Chicago Summit, for example, confirmed the Alliance’s commitment to joint training and exercises as these are essential in maintaining “interoperability and interconnectedness with partner forces.”

Small group cooperation 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 represent 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.” Black Sea Region offers ample opportunities for cooperation among smaller allies and partners based on common values, interests and responsibilities that provide ample opportunities for various 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 line with NATO’s requirements, deliberate and coordinated specialization that is also 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 supra-national entities (such as the European Union).

Evaluating the Impact of NATO-led Cooperation

Most theoretical and empirical literature focuses on the effect of regional and global institutions on their members and other international actors. Researchers cite NATO’s transformation after 1991 as a showcase of institutional adaptation to the new security realities. 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

12 Giegrich, “NATO’s Smart Defense,” 75.
invested in certain general assets (e.g. centralized command separate but integrated military and political decision-making bodies). These organizational assets developed over many years became especially valuable in the last two decades to serve NATO’s new security missions because they facilitated transparency, integration, and negotiation among member states. This institutional adaptation minimized relative costs (e.g. the cost of information) and adjusted the existing norms and procedures to deal effectively with the post-Cold War problems rather than create new ones. Nonetheless, an explanation of NATO’s transformation based solely on motivation to do reforms in order to remain in business does not provide sufficient intellectual leverage. Instead, in order to explain organizational change, it is necessary to look at the “broader relationship that exists among NATO members.” In fact, scholars like Martin and Simmons have argued that further research is needed on “distributional issues, the role of domestic politics and unanticipated consequences” of various institutional effects.

Smart defense’s primary function is to influence domestic security policies. Therefore, this paper will survey the extent to which closer integration into NATO through membership and various partnerships could influence nations’ willingness to pursue restructuring and reorganization of armed forces. The literature on NATO’s transformation offers two different perspectives as to how the new ties between have impacted international security. The first one explores the effect of partnerships on regional and global security. Most studies agree that NATO-led programs have improved communication between the Alliance’s headquarters and partner capitals. For example, Stanley Sloan notes 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.”

The literature emphasizes that NATO partnerships offer inherent advantages in accommodating participants’ demands and thus providing significant room for maneuver. Such a partner- or “consumer-” driven approach presented 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.” Improved cooperation with non-NATO nations represented a broader effort to build sui generis communities of nations. Advocates of democratic peace hypothesis saw NATO’s growing partnerships as a manifestation of democracies’ “self-healing tendencies” to “work closely with each other” and form sustainable democratic communities in which long-term allies and partners are bound by the power of their common democratic political system.

---

scholars and policy makers have cautiously placed NATO-led cooperation could facilitate 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.”

A second group of studies establish a causal link between enhanced cooperation among NATO members and partners and processes of international transformation among new members and partners. A prevalent assertion among these studies is that NATO’s membership and partnership strategy are aimed at domestic socialization that ultimately consolidates democratic institutions and processes among PfP participants. 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.

One of the major shortcomings of the existing literature on is that it fails to establish a direct connection between enhanced cooperation among NATO members and partners and a more efficient management of their resources and contributions to non-Article Five missions. Precisely the combination of these two processes—optimization of these countries’ resources and commitment to international operations—accounts for enhanced security in an age of austerity. Unfortunately, with a few exceptions, NATO scholarship fails to explain how different levels of interaction between the Alliance and its various members and partners leads to greater security. A more comprehensive tier-based approach is warranted to understand the complexity of these processes.

Tiers of NATO-led Cooperation with Allies and Partners

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. At the

---

25 Stanley Sloan, NATO, the European Union and the Atlantic Community: the transatlantic bargain reconsidered (Rowman and Littlefield Publishers, 2003), 139.
same time, different partners pursued quite different foreign policy objectives: for example, the Visegrad countries 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.

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 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.

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. It further 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 in the needed areas of military reform 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. Two BSR countries—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.  

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.  

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

29 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.  
31 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/basictxt/ukrchrt.htm (accessed May 26, 2007).
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 an 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:

<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 Framework</td>
<td>Belarus, Kyrgyzstan, Serbia, Tajikistan, Turkmenistan</td>
<td>Lower level cooperation; confidence building, pragmatic security cooperation</td>
<td>Highly unlikely</td>
</tr>
<tr>
<td>Tier Two</td>
<td>Individual Partnership Action Plans (IPAPs)</td>
<td>Armenia, Azerbaijan, Kazakhstan and Moldova (also Russia)</td>
<td>Closer cooperation with NATO indicated; no intention to join the organization</td>
<td>Not very likely</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 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, Czech Republic, Croatia, Hungary, Poland, Romania, Slovakia, and Slovenia</td>
<td>Adaptation and accommodation to meet the new membership requirements</td>
<td>Yes</td>
</tr>
</tbody>
</table>


33 This tier also includes Austria, Finland, Ireland, Malta, Sweden, and Switzerland, but due to their distinctive features they are excluded from further analysis.
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 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.”

**Theoretical Model: Level of Cooperation with NATO and Smart Defense**

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. 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. To accomplish these greater coordination and coherence, institutions like NATO need to follow a strategy of “changing mindsets, creating incentives, removing obstacles to pooling and sharing, and directly managing pooled capabilities.” Therefore, smart defense can be operationalized through three sets of variables that include reduction of unnecessary expenses and allocation of resources toward “critical” areas: (1) elimination of unnecessary personnel; (2) discard of obsolete equipment (both of which serve as important cost-saving measures) and; (3) allocation of resources toward needed multinational operations.

---

34 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.


The decision to reduce military personnel, eliminate obsolete or acquire new types of equipment, and deploy troops for international missions overseas, can be determined by four independent variables. First, the level of cooperation accounts for NATO’s leverage on various new members and partners to relocate certain defense resources (the reduction of personnel and increase of international deployments). Second, the per capita Gross Domestic Product (GDP) operationalized in terms of purchasing power parity (PPP) studies the extent to which nations’ wealth determines their policies to reduce unnecessary personnel, eliminate obsolete equipment and send troops overseas. Third, per capita defense spending and the percentage allocation of GDP toward defense measure the extent to which availability of financial resources determines defense policies regarding the management of personnel and equipment, and the allocation of troops. The maximization of defense allocation has become a particularly salient issue after the 2008 global financial crisis as governments in Europe and North America find it increasingly difficult to justify defense expenses in an environment of strict financial austerities.

This section discusses three core observations: First, it examines if enhanced cooperation with NATO countries’ decisions to increase their international deployments to various peacekeeping crisis response and reconstruction missions overseas (Model 1). Second, the section studies the extent to which the level of NATO partnerships influences the size of armed forces (Model 2). Third, it explores the extent to which the type of PfP relationship affects the acquisition, maintenance or decommissioning of various types of military equipment (Model 3). An OLS regression model is applied to test all three hypotheses.

The level of NATO-led cooperation is coded on a scale from 1 (the lowest) to 6 (the highest) for each of the 24 current and former PfP participants between 1994 and 2011 as discussed in the previous section. The Gross Domestic Product (GDP) and population data have been collected from The Europa World Year Book and the World Bank Database. The data on military expenditure have been collected from the database of the Stockholm Peace Research Institute (SIPRI). The variable “change in the level of NATO partnership” is dichotomous; it measures whether the country has joined PfP or moved to a higher partnership tier during the observed period (change is coded as 1; if no change occurred during the observed period, the variable is coded 0). Military expenditure constitutes a coefficient that measures defense expenses in millions of U.S. dollars for each country divided by the population size. The variable indicates actual

---

38 If the country was not a NATO partner during some of the years, their level of partnership has been assigned the value of 0 for that particular year.
military expenses per capita in U.S. dollars and provides an easily identifiable measure of the resources absorbed by military activities.\textsuperscript{41}

The data on military personnel (army, navy, and air forces), the different types of equipment constitute a coefficient for each country divided by the population size of this country during the respective year. The international deployment is measured by an aggregate indicator of all military personnel sent abroad by these countries for various operations serving as observers, peacekeepers, and contributors to international coalitions. These are primarily contributions to peacekeeping operations under NATO and UN auspices, but also other forces that have participated in the international coalitions (e.g. the international coalition in Iraq, as well as ISAF and OEF in Afghanistan). The data on military personnel, equipment and international deployments have been collected from the Military Balance Yearbook issued by the London-based International Institute for Strategic Studies.\textsuperscript{42} The factor score generated from the dependent variables have been lagged one year due to anticipated delay in the impact that the level of NATO partnership, defense allocations and national wealth are expected to have on different aspects of smart defense (e.g., the size of personnel, equipment, and international deployments).\textsuperscript{43}

Model 1 presents evidence in support of the hypothesis that nations’ closer ties with NATO enhances their participation in international operations. It confirms that the level of partnership and per capita defense allocations influence positively the partners’ decisions to participate in international operations. Interestingly, the change in the level of partnership and increased defense spending as a percentage of GDP do not have the same effect on partners’ participation in international operations. This relationship is maintained after controlling for other factors that might affect smart defense (e.g., nations’ wealth and resource allocation for defense).

Similarly, Model 2 summarizes the findings in support of the hypothesis that closer ties with NATO influence the size of partners’ armed forces. The size of armed forces is measured through a factor score capturing the size of army, navy and air force personnel.\textsuperscript{44} The model confirms that states maintaining higher tier of cooperation with NATO (i.e. tiers 3 through 6) are more likely to reduce the size of their army personnel. Similarly, nations who increase their percentage allocation for defense are also likely to improve the effectiveness of their armed forces by reducing their army personnel.\textsuperscript{45}

\textsuperscript{41} Military expenditure is an input measure and is not “directly related to the output of military activities, such as military capability. For further details visit SIPRI’s military expenditures database at http://first.sipri.org/index.php?page=step2 (accessed on 06/28/2006).


\textsuperscript{43} The data is available in SPSS format and can be downloaded at: http://homepages.uc.edu/~ivanovid/data/Model1.sav

\textsuperscript{44} In fact, three different methods were used to generate factor scores—the regression method, the Bartlett method and the Anderson Rubin method—all of which produced similar results without any statistically significant difference. The dataset is available in SPSS format here: http://homepages.uc.edu/~ivanovid/data/Model1.sav

\textsuperscript{45} Interestingly, no similar observation can be made about the army and air force personnel as these are much smaller branches of partners’ armed forces.
Surprisingly, countries that have upgraded their partnerships with the Alliance are likely to maintain higher per capita personnel, which can be attributed to various bureaucratic and country-specific characteristics. The model found no effect of per capita defense spending on the personnel factor for all 28 NATO PfP participants between 1994 and 2011.

The findings in Models 1 and 2 are consistent with smart defense’s logic, namely that enhanced cooperation with NATO provides an opportunity for reforms geared toward reduction of unnecessary personnel, allocations toward country-specific capabilities and a more direct involvement in international operations as shown in Table 2 below.

<table>
<thead>
<tr>
<th>Model 1: DV: Troop Deployment (1 yr)</th>
<th>Model 2: DV: Personnel Factor Score (1 yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of NATO-led cooperation</td>
<td>.103**</td>
</tr>
<tr>
<td></td>
<td>(-.75)</td>
</tr>
<tr>
<td>Change in the level of NATO-led cooperation</td>
<td>-.005</td>
</tr>
<tr>
<td></td>
<td>(-.95)</td>
</tr>
<tr>
<td>Per Capita Defense Spending (in thousand USD)</td>
<td>.002**</td>
</tr>
<tr>
<td></td>
<td>(6.44)</td>
</tr>
<tr>
<td>Defense Spending as percentage of GDP</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>(-.04)</td>
</tr>
<tr>
<td>Constant</td>
<td>-.04</td>
</tr>
<tr>
<td></td>
<td>(-.75)</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>.436</td>
</tr>
<tr>
<td></td>
<td>73.05</td>
</tr>
<tr>
<td>F-statistic</td>
<td>.182</td>
</tr>
<tr>
<td>No. of observations</td>
<td>353</td>
</tr>
<tr>
<td></td>
<td>339</td>
</tr>
</tbody>
</table>

Model 3 explores if closer cooperation with NATO affects the size of armed forces. The analysis generated three different factor scores for military equipment. A more careful review of these scores indicates that factor scores 1 and 2 give most weight to army and navy equipment, whereas factor score 3 gives most weight to air force equipment as certain types of army equipment (e.g. artillery). The data for factor scores 1 and 2 confirm the original hypothesis that NATO-led cooperation and defense allocations influence PfP participants’ decision to discard military equipment (especially army and some types of navy equipment). The regression analysis for the first score confirms that improvement in NATO-led cooperation is positively correlated to the size of military equipment. Finally, the third score did not find statistically significant effect of NATO-led cooperation on reduction of military equipment, but found inverse relationship between per capita defense spending and the size of partners’ military equipment.

Factor score 1 gives more weight to the navy variables whereas factor score 2 gives more weight to the army variables.
Therefore, some evidence from Model 3 indicates that enhanced cooperation with NATO could lead to major adjustments of military equipment (especially army and navy equipment) as shown in Table 3 below.

Table 3. Influence on Military Equipment (Army, Navy and Air Force) for PfP Countries (1994-2011)

<table>
<thead>
<tr>
<th></th>
<th>Model 3: Factor Score 1 for military equipment (1 yr)</th>
<th>Model 3: Factor Score 2 for military equipment (1 yr)</th>
<th>Model 3: Factor Score 3 for military equipment (1 yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of NATO-led cooperation</td>
<td>.07*</td>
<td>-0.07*</td>
<td>0.057</td>
</tr>
<tr>
<td></td>
<td>(2.00)</td>
<td>(-2.26)</td>
<td>(-.92)</td>
</tr>
<tr>
<td>Change in the level of</td>
<td>.44*</td>
<td>.174</td>
<td>.164</td>
</tr>
<tr>
<td>NATO-led cooperation</td>
<td>(3.01)</td>
<td>(1.43)</td>
<td>(1.18)</td>
</tr>
<tr>
<td>Per Capita Defense Spending (in 1K USD)</td>
<td>-0.001**</td>
<td>0.00</td>
<td>-0.002*</td>
</tr>
<tr>
<td></td>
<td>(-2.37)</td>
<td>(.55)</td>
<td>(-2.15)</td>
</tr>
<tr>
<td>Defense Spending as percentage of GDP</td>
<td>0.015</td>
<td>.134**</td>
<td>0.08</td>
</tr>
<tr>
<td></td>
<td>(.272)</td>
<td>(2.9)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.07</td>
<td>.155</td>
<td>-.130</td>
</tr>
<tr>
<td></td>
<td>(-.75)</td>
<td>(-1.24)</td>
<td>(-.92)</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>.31</td>
<td>.033</td>
<td>.011</td>
</tr>
<tr>
<td>F-statistic</td>
<td>3.98</td>
<td>4.2</td>
<td>2.01</td>
</tr>
<tr>
<td>No. of observations</td>
<td>370</td>
<td>370</td>
<td>370</td>
</tr>
</tbody>
</table>

* Significant at p<.05 level.
** Significant at p<.01 level.

The inconclusive nature of these findings is related to several factors. First, the aggregate scores reflect different patterns in acquisition, removal and discard of equipment that vary across nations and specific types of equipment. Second, some states prefer to store rather than eliminate unnecessary equipment in part because storing equipment is cheaper than its discard. Third, PfP participants’ armed forces vary in their structure and many of them possess limited or no equipment of certain types (naval or air force equipment). Finally, the decision to what type of type of equipment should be reduced is often a result of major in-fighting within governments among bureaucrats, interest groups and other stakeholders.

Several important clarifications about this model are warranted. First, the models discussed above present a simplified explanation because the level of cooperation with NATO does not always have a direct liner effect on smart defense decisions. Second, the decisions to downsize armed forces or increase participation in international operations are also contingent upon various strategic or domestic factors. Third, decisions to reduce personnel, store old equipment (as opposed to destroy it) and acquire new one is often a result of bureaucratic in-fighting unrelated to any efforts to achieve greater coordination and coherence. Concrete instances of smart defense cooperation, including instances of such cooperation in the Black Sea Region can elucidate more specifically how NATO allies and their partners combine resources to improve effectiveness.
Smart Defense Projects in the Black Sea Region

As previously discussed, smart defense is not quite a new undertaking as it integrates previous ideas under a new framework. In the last two years, NATO HQ, together with its members and some partners has identified approximately 24 different multinational projects (often labeled as “tier one projects”) intended to deliver improved operational effectiveness, economies of scale and connectivity between their forces. This section will pay special attention to projects that involve regional security cooperation with participation of nations from the greater Black Sea Region.

The major distinction between the “tier-one” projects and the other similar smart defense projects is that these 24 projects are much more advanced with an already identified lead nation and clear commitments on the part of most contributing nations. Eighteen of all 24 projects involve the participation of at least one nation from the greater BSR—most of these participants being current NATO members—with a very partners expressing willingness to participate. Romania has indicated readiness to participate in the largest number of projects—thirteen—followed by Turkey (10 projects) and Bulgaria and Croatia (each with 6 projects). Albania and Greece each have expressed interest to partake in only three projects.

Bulgaria and Turkey also serve as lead nations from BSR on tier one projects. Bulgaria is a lead nation to a project on Female Leaders in Security and Defense following a NATO conference on the same topic which took place in Sofia in July 2012. “Female Leaders in Security and Defense” is also the only multi-national project that involves three non-NATO countries from the region—Bosnia and Herzegovina, Serbia and Montenegro. Turkey is a lead nation in the Multinational Military Flight Crew Training project designed to offer comprehensive training solutions to allies and possibly partner nations. The individual participants will be evaluated on a case-by-case basis. The project’s main focus is training of fighter, transport and rotary wing pilots, as well as flight crew trainings.

Tier one smart defense projects provide ample opportunities for hub-and-spoke, as well as regional cooperation (mostly through the so-called Centers of Excellence). The initial NATO database indicates that hub-and-spoke projects seem to dominate in the greater BSR, especially in comparison to regional cooperation projects. Only three of the 18 smart defense projects with BSR nations’ participation incorporate more than 30% BSR participants—and two of these projects have lead nations from the region as well. All other 15 projects are essentially multinationally-funded centers of recognized expertise made available to NATO. CIS E-Learning Training Centres Network is the only notable

---

48 Author’s personal interviews at the Bulgarian Ministry of Foreign Affairs, June 4, 2013.
exception as it includes all five greater BSR NATO members, as well as all other allies as shown in table 4 below.

Table 4. NATO’s Smart Defense Projects (Tier One) in the greater Black Sea Region (as of Sept 2012).

<table>
<thead>
<tr>
<th>Project</th>
<th>Lead Nation</th>
<th>Participating Nations</th>
<th>Particip. frm the Gr. BSR nations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3. Deployable Contract Specialist Group</td>
<td>Canada</td>
<td>FRA, ESP, CAN, GBR, ROU</td>
<td>Romania 20%</td>
</tr>
<tr>
<td>1.4. Immersive Training Environments</td>
<td>UK</td>
<td>BGR, CAN, FRA, LTU, NLD, ESP, GBR, GRC, TUR, USA, LVA, HRV, BEL</td>
<td>Bulgaria, Croatia 15%</td>
</tr>
<tr>
<td>1.5. Centres of Excellence as Hubs of E&amp;IT</td>
<td>NATO and JFT</td>
<td>BGR, CAN, FRA, LTU, NLD, ROU, SVK, GBR, EST, TUR, CZE, PRT, POL</td>
<td>Bulgaria, Romania, Turkey 23%</td>
</tr>
<tr>
<td>1.6. CIS E-Learning Training Centres Network</td>
<td>NATO &amp;PRT</td>
<td>ALB, BEL, BGR, CAN, HRV, CZE, DNK, EST, FRA, DEU, GBR, GRC, HUN, ISL, ITA, LVA, LTU, LUX, NLD, NOR, POL, PRT, ROU, SVK, SVN, ESP, TUR, USA</td>
<td>Albania, Bulgaria, Croatia, Romania, Turkey 17% (includes all NATO allies)</td>
</tr>
<tr>
<td>1.7. Individual Training and Education Programme (ITEP)</td>
<td>NATO ACT</td>
<td>BGR, CZE, DNK, FRA, HUN, ITA, LVA, LTU, LUX, NLD, NOR, POL, PRT, ROU, SVK, SVN, ESP, GBR, GRC</td>
<td>Bulgaria, Romania, Greece 17%</td>
</tr>
<tr>
<td>1.10. Remote Controlled Vehicles for Route Clearance Operations</td>
<td>Italy</td>
<td>DEU, ITA, NLD, NOR, ROU, TUR, USA, BEL, FRA</td>
<td>Romania, Turkey 22%</td>
</tr>
<tr>
<td>1.11. Multinational Joint Headquarter</td>
<td>Ulm, Germany</td>
<td>TUR, FRA, HUN, ITA, ROU, HRV, NOR, DEU, SVN, LVA, CZE, POL</td>
<td>Turkey, Romania, Croatia 25%</td>
</tr>
<tr>
<td>1.12. Female Leaders in Security and Defence: A Roadmap to Turn Potential into Capabilities</td>
<td>Bulgaria</td>
<td>BGR, FRA, TUR, NLD, DNK, LUX, HRV, NOR, USA, POL Partners: BIH, SER, MON</td>
<td>Bulgaria, Turkey, Croatia Partners: Bosnia, Serbia, Montenegro 30% 46% (partners included)</td>
</tr>
</tbody>
</table>
1.13. Joint Logistics Support Group (JLSG HQ) capability from NATO Force Structure (NFS) Commitments

| NATO ACO | ALB, CZE, DEU, FRA, ESP, GBR, ITA, LUX, NLD, TUR, HRV, NOR, HUN, POL, GRC | Albania, Turkey, Croatia, Greece |

1.15. Pooling & Sharing Multinational Medical Treatment Facilities (Role 2)

| France | CZE, FRA, ITA, NLD, ROU, DEU, BEL, CAN, USA, HUN, ESP, NOR, SVK, LTU, POL | Romania 6% |

1.16. Pooling of Deployable Air Activation Modules (DAAM)

| Italy | CAN, CZE, DNK, NLD, ESP, ITA, GRC | Greece 14% |

1.18 Theatre Opening Capability

| UK | DNK, GBR, ITA, NLD, ROU, ESP, TUR, CAN, USA, FRA | Romania, Turkey 20% |

1.20. Multinational Aviation Training Centre (MATC)

| Czech Rep. | HRV, USA, CZE, SVK, LVA | Croatia 20% |

1.22. Dismantling, Demilitarization and Disposal (D3) of Military Equipment

| NATO/NSPA | ITA, DNK, ROU | Romania 34% |

1.23. Multinational Munitions Life-Cycle Management

| Denmark | LTU, LVA, EST, NLD, DNK, ROU | Romania 16% |

1.24. Multinational Military Flight Crew Training

| NATO and Turkey | ALB, TUR, ROU, GBR, ITA | Albania, Turkey, Romania 60% |

1.26. Establishment of a Multinational Geospatial Support Group (GSG)

| Germany | CZE, ITA, NOR, TUR, USA, DEU, ROU, FRA, POL | Turkey and Romania 22% |

1.27. Multinational Cyber Defence Capability Development (MNCD2)

| Canada | GBR, BGR, CAN, DEU, LTU, NLD, SVK, TUR, ROU | Bulgaria, Turkey, Romania 34% |

Female Leaders in Security and Defense project originated as a NATO response to the call for implementation of the UN Security Council Resolution 1325 aimed at integrating gender perspectives in the strategic planning on order to improve human resources and build capacity in the security and defense sector. The goal of the project is to improve human resources diversity in policy formulation, decision making and implementation at the strategic, operational, tactical levels in both military and civilian domains. Bulgaria’s leadership is driven, in part, by the fact that the project was picked and endorsed by the Southeastern Europe Defense Ministerial Process (SEDM) and the goal is to make sure that the smart defense policy is consistent with the regional cooperation set up through the SEDM ministerial meetings in last fifteen years. The 2012 meeting agreed to introduce mobile education and training teams, establish a virtual peer network, and form a network of mentoring teams to provide organizational support. This project was an excellent example of small group cooperation wherein NATO members and partners took the issue at regional forum—the Southeast European Defense Ministerial Process—and developed an effective project with a major impact for regional cooperation that could also serve as a model for other small-group initiated projects. Successful initiation and implementation of female leaders in security and defense was possible, in part, due to long term regional military cooperation among these nations in the format of SEDM that has proven fairly successful to contributing toward peace and trust in the region.

Unlike Female Leaders in Security and Defense project, which does not address directly pooling and sharing of critical resources, Multinational Military Flight Crew Training project is intended to provide comprehensive training solutions for Fighter, Transport and Rotary Wing allied pilots. The participation of partners would be evaluated later in a case-by-case basis. Trainings may include but are not limited to Air Traffic Controllers, Flight and Ground Safety, Search & Rescue, Combat Search & Rescue, Rotary Wing Maintenance Technician Trainings, Phraseology and others. The rationale behind this project is to reduce high cost of pilot training by combining flight crew training in one spot. Thus, as a cost-saving measure, joint flight training eliminated redundant efforts and decreases the number of aircraft needed in inventory. Additionally, many participants have insufficient flight training facilities or lack these altogether (e.g. some NATO members experience shortage of platforms or airspace for flight trainings). As a lead nation, Turkey possesses spare capabilities and offers to share experience and training installations with the other participants, who, on their part, are also invited to share their own capabilities (e.g. instructor pilots, platform, trainings, etc.).

Finally, Multinational Cyber Defence Capability addresses three different sets of capabilities: (1) Technical Information Sharing; (2) Situational Awareness; (3) Distributed Multi-sensor Collection and Correlation. NATO’s 2010 Strategic Concept

51 Author’s personal interviews at NATO HQ in Brussels and Bulgarian Ministry of Foreign Affairs (May 17-June 4, 2013).
defines cyber defense as capabilities “to prepare for, prevent, detect, respond to, recover from,” and learn lessons from attacks that could affect the confidentiality, integrity and availability of information as well as supporting system services and resources. The first capability—technical information sharing—would enable efficient exchange of information on cyber incidents, attack signatures, and threat assessments, among national response teams and between these teams and the NATO Computer Incident Response Capability (NCIRC). The second capability includes situational awareness to simplify and improve quick decision making in the cyber domain by providing a flexible set of visual interfaces (e.g. dashboards, dynamic views, and reporting features). The third capability (known as distributed multi-sensor collection and correlation Infrastructure or DMCCI) provides infrastructure to coherently collect and correlate data from multiple sensors to enable flexible management of sensor data storage and run a variety of correlation algorithms against the collected data. DMCCI’s goal is to streamline the detection of malicious activity and to improve the detection of known and targeted attacks. The ultimate rationale behind the Multinational Cyber Defence project is to provide infrastructure for allies and partners to focus their efforts in areas of their own choice related to cyber defense, while at the same time maintaining interoperability and achieving a well-balanced cyber defense capability.

Compared to other regions and nations in the North Atlantic Area, small group cooperation in the BSR has limited success. Several notable instances of such cooperation among wealthy NATO partners like Sweden, Finland and Switzerland exist. Switzerland, in particular, has provided experts for overseas missions tasked with training and education to build democratic security institutions. Bern also intends to include issues of cybersecurity and non-proliferation among areas of future cooperation with NATO. BSR nations have only been able to attract NATO partners in one single tier one project with marginal impact on smart defense—the one on female leaders in security and defense. Due to their shortage of resources BSR countries should seek further opportunities to initiate or join smart defense projects that enhance their capabilities by providing various economies of scale.

Despite major setbacks to cooperation, several instances of small group cooperation have emerged in the last few years among poorer NATO partners from the greater BSR. Georgia, Azerbaijan and Armenia present a notable example of promising small group regional cooperation despite notable obstacles. Georgia had military presence in Afghanistan since 2005 and provided a caveat-free battalion under U.S. command. Armenia volunteered troops in Kosovo, whereas both Armenia and Azerbaijan have deployed company-size elements to Afghanistan despite the fact that they are entangled

---

over two decades in a “frozen conflict” over Nagorno-Karabakh. Azerbaijan increased its participation in Afghanistan, allowed over flight and transit over its territory, and has made financial contribution to the training of Afghan security forces. The Georgian, Armenian and Azeri units serving in Afghanistan were introduced as a distinct branch in their armed forces created solely for the purpose of international peacekeeping, and were largely manned by professional English-speaking soldiers educated at trained at NATO facilities. This cooperative format could lead to a permanent battalion and better institutionalized form(s) of small group cooperation that could potentially expand into other smart defense areas. Caspian cooperation also pinpoints the relevancy of Connected Forces Initiative, which puts a premium on training, education, exercises, and improved use of technology and could be applied the entire Black Sea Region.

So far the evidence from tier one smart defense projects indicates that BSR nations like Bosnia, Montenegro and Macedonia who are at NATO’s doorsteps, as well other partners (e.g. Serbia and even Kosovo) do not participate actively in the new smart defense projects and initiatives. They do not take advantage of all opportunities to work closely with NATO’s new allies from the region (e.g. Albania, Bulgaria, Croatia, Romania, and Slovenia) in designing and implementing various small groups based on geographic and cultural proximity and economic benefits. Small group regional cooperation could be reinvigorated in the near future if BSR nations take full advantage of the SEDM process on a multi-lateral level or choose to negotiate bilateral agreements such as the Bulgarian-Romanian agreement under NATO’s Air Policing program.

At the same time, scholars and policy-makers need to be very realistic about the prospects of other non-NATO PfP participants (e.g. Ukraine and Central Asian partners) to join any centers of expertise, form small groups or participate in other smart defense initiatives. To a certain degree Ukraine, are undergoing major re-alignment toward Moscow, which significantly constrains their prospects for deeper security cooperation with Brussels. NATO, on the other hand, has expressed on numerous instances its concern about eroding democratic governance there. A notable exception in Kiev’s foreign policy consistent with smart defense is the country’s recent decision to consider possible participation in the alliance’s planned missile defense system in Europe.

The Role of Partnerships: Theoretical and Policy Implications

The argument that enhanced cooperation between NATO and its allies and partners facilitates these nations’ further restructuring of their armed forces that could result in higher contributions to international operations, bears important theoretical and policy implications. First, so far it seems that NATO allies are not taking full advantage of small

---

group regional cooperation as a part of smart defense as shown in the cases of BSR countries. Of the three projects with overwhelming presence of BSR countries, only Multinational Military Flight Crew Training offers real opportunities for cost-saving measures and integration of armed forces (e.g. pooling and sharing air force and training capabilities). When they coordinate their proposals for tier two and three projects, BSR countries should resort to established mechanisms for dialogue (e.g. ESDM) to come up with new creative ways to generate highly efficient and cost-saving projects with substantial impact on their capabilities.

Certain accomplishments of regional cooperation in BSR, the Baltics, the Nordic area and other regions could be applied, in the long term, to new and emerging partnerships between NATO and a number of nations across the globe. For example, the last two decades witnessed an unprecedented surge of partnerships with nations in the Greater Middle East and North Africa—e.g. the Mediterranean Dialogue (MD) which started in 1994, and the Istanbul Cooperation Initiative (ICI) which was launched in 2004. Similarly, close cooperation with nations like Australia, New Zealand, and South Korea during the war in Afghanistan called for a new approach in managing relations with the partners from the Western Pacific that was formally institutionalized at the Riga Summit in 2006.59

The Mediterranean Dialogue (MD) represents one such opportunity to further engage the new governments in Egypt and Tunisia, as well other nations from the region (e.g. Algeria, Morocco, Jordan, and Mauritania) in a more intensified security dialogue with the Alliance. Furthermore, closer cooperation with the new government in Tripoli is essential to build modern security institutions in Libya that can effectively disable terrorist networks operating in the country. The Istanbul Cooperation Initiative (2004) introduced partnerships with Bahrain, Qatar, Kuwait and the United Arab Emirates and can also persuade these Gulf Coast partners to join smart defense projects of mutual interest. Both initiatives can effectively engage these nations to participate in more intensive training and exercises that lead to better coordination with the Alliance, thus increasing the Middle Eastern countries’ involvement in regional efforts in places like Syria, Libya, East or Sub-Saharan Africa when necessary. NATO partnerships present a valuable mechanism to engage the Iraqi and Afghan governments in a long-term partnership built on the foundation of the two NATO training missions established in these countries since mid-2000s.60 Enhanced military cooperation with Bagdad and Kabul can help consolidate political structures and developed viable security institutions there that would ultimately contribute to enhanced internal and regional stability.

60 The NATO Training Mission in Iraq (NTM-I) was established in 2004 at the request of the Iraqi Government and included a broad array of activities with focus on training and mentoring Iraqi offers. The mission was completed in December 2011. The training mission in Afghanistan (NTM-A) was modeled after the one in Iraq and was activated in November 2009, it is expected to remain active until December 2014.
To sum up, improved relations between NATO and other emerging democracies in the Middle East and North Africa can facilitate military reforms geared toward democratization, improved efficiency and higher level of participation in international operations. There are apparent benefits to this approach as partners cooperate in a non-coercive environment to implement reforms that otherwise they would not be able to accomplish on their own. Nonetheless, this approach is quite different from the democratization perspective—while democratic civil-military relations and security institutions may be accomplished, the evidence from PfP shows that this is not always feasible. Partners maintaining low level of cooperation may not be particularly enthusiastic to follow advice intended to democratize their security institutions, but may still be interested to join international peacekeeping or reconstruction missions under NATO command. Finally, scholars and policy-makers need to realize the constraints that partnerships impose on their participants—for example various domestic and regional factors may impair these countries’ capacity to implement certain policy recommendations. Likewise, the prospects of cooperation vary from country to country; this pattern is noticeable in the early stages of partnerships when NATO’s capacity to control the processes of internal transformation remains very limited.

Conclusions

This paper studies the effect of enhanced cooperation with NATO (through PfP, ID and MAP) on participants’ security policies to relocate resources and contribute to international military operations. Resource relocation may include reduction or expansion depending on the partners’ needs (i.e. they will reduce unnecessary resources and expand resources in critical areas). The study suggests several important findings: First, smart defense can be operationalized and measured in terms of reduction of unnecessary personnel, equipment, but also as investment in needed capabilities like international peacekeeping forces. Second, the reduction of military personnel and equipment, combined with higher participation of multi-national teams in overseas missions can be attributed, at least in part, to the increased level of partnership with Brussels.

The proposed framework re-evaluates our understanding of existing NATO partnerships: it suggests that the level of cooperation with NATO can be a robust predictor of defense reforms (e.g., reduction of personnel and equipment); it also argues that closer relations with NATO tend to enhance partner nations’ participation in overseas missions. Thus, partnerships have indeed been able to accomplish a broader range of tasks than originally expected. Such a finding is important also because sharpens the broader discussion about the relevancy and applicability of loose and less formalized international arrangements. Most importantly, it has major implications as to why it is beneficial to strengthen and consolidate current and future partnerships: First, NATO partnerships are viable mechanisms to engage nations that not interested or eligible to pursue membership in regional organizations or international alliances. Second, partnerships may be especially useful to provide institutional support and know-how to nations that have recently experienced recent regime change (e.g. Middle East and North Africa) and suffer from democratic deficit. Third, partnerships offer a flexible form of cooperation can also provide effective mechanisms to engage successfully nations with fragile domestic
Institutions (e.g. Iraq and Afghanistan and other emerging democracies in the Greater Middle East).

In the second part, the paper evaluates evidence from the first twenty-seven smart defense projects (the so-called first tier projects) in the context of small group cooperation among NATO allies and partners from the greater Black Sea Region. The study finds that so far small group regional cooperation emerged only in the area of military flight crew training and cyber defense (and to a certainly degree in integrating female leaders in security and defense). New opportunities for regional cooperation will become available to BSR nations and other parts of the North Atlantic Area in the next tiers of projects (most notably tiers two and three). On the policy side, the paper recommends military and civilian leaders from these nations to use existing structures (e.g. ESDM) for political cooperation to generate and implement working ideas that will save resources and expand allies’ capabilities.

Finally, scholars and policymakers should also be aware of the limited impact of NATO-led initiatives: First, smart defense alone cannot build viable domestic institutions without active participation and support of the national and local governments. In fact, lack of such institutions (which is prevalent not solely in the BSR, but also in other parts of the Euro-Atlantic Area) could well prevent smart defense from advancing in the future. Second, smart defense projects can succeed when effective governance structures exist, and national elites reach consensus how to implement reforms recommended by military and political experts.