NATO IN AN AGE OF ASYMMETRY: THE KEYS TO ECONOMIC RESILIENCE AND ENDURING SECURITY

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* The views expressed in this presentation do not reflect necessarily those of NATO or its member nations.
RISING CHALLENGES TO GLOBAL STABILITY:

- MULTIPOLAR AND “DE-STRUCTURED” WORLD
- RECOVERING AND EMERGING POWERS
- RUSSIA’S PERIPHERY: A NEW ZONE OF RISK
- “ARAB SPRING” AND THE RISE OF ISIL: WHERE NEXT?
- EAST ASIA: AFFLUENCE, BUT INFLUENCE?
- RISE OF AFRICA: MORE PEOPLE, MORE POWER?
- ARE MASS IDEOLOGIES DEAD? WHAT’S NEXT?

USA AND EUROPE: STILL INDISPENSABLE?
RISE OF ECONOMIC, MILITARY AND IDEOLOGICAL ASYMMETRIES ON NATO’S EASTERN AND SOUTHERN PERIPHERY.

ALLIANCE RECOVERING AND CONSOLIDATING AFTER TWO DECADES OF OPERATIONS AND SEVEN YEARS OF ECONOMIC CRISIS.

IMPORTANCE OF REGAINING OPERATIONAL CAPACITY TO MANOEUVRE AND “COUNTER-CONCENTRATE” FOR ASSURANCE, DETERRENCE AND DEFENCE, WHILE RETAINING SKILLS AND CAPABILITY FOR COUNTER-TERRORISM, COUNTER-INSURGENCY, AND PEACE-ENFORCEMENT.

NATO REMAINS IRREPLACEABLE HUB FOR LIFTING THE DEFENCE CAPACITY OF ALL ALLIES AND FOR PREPARING THEM TO ACT.

FOCUS ON ALLIANCE CORE STRENGTHS
ECONOMICALLY, ATLANTIC COMMUNITY RECOVERING FROM THE WORST, LONGEST ECONOMIC CRISIS IN THE POST-WW2 ERA.

CRISIS EXHIBITED DEEP-ROOTED AND ENTRENCHED VULNERABILITIES:

- COLLISION BETWEEN DECLINING BIRTH RATES AND LONGER LIFE EXPECTANCY.
- DIVERGING ACTIVE AND NON-ACTIVE POPULATION TRENDS.
- SYSTEMATIC GOVERNMENT SPENDING DEFICITS.
- MOST OFTEN, GROWING SOVEREIGN AND PRIVATE INDEBTEDNESS.
- WEAK AND INSUFFICIENT GROWTH, AND, OFTEN, DECLINING PRODUCTIVITY.

DIVERGING ECONOMIC TRENDS AND NEGATIVE FEED-BACK LOOPS – BETWEEN DEVELOPED AND EMERGING ECONOMIES, ACROSS THE ATLANTIC AND WITHIN EUROPE -- COMPROMISE ENDURING RECOVERY AND UNDERMINE ALLIANCE COHESION.

“IT’S THE ECONOMY, STUPID”
GDP GROWTH TRENDS, 2005-2020

- China's growth has been declining steadily to nearly half what it was a decade ago – and more uncertainty is in store.
- Russia's growth has been declining sharply since 2013, especially so after the Ukraine crisis in 2014 (sanctions and oil price drop).

- USA's growth recovering slowly, but steadily.
- EU and Japan slowly recovering after "double dip", but at a lower pace than the USA.

Source: IMF, 2015
STRIVING FOR ECONOMIC EXCELLENCE

ECONOMIC CRISIS TRIGGERED WIDEST AWARENESS IN A GENERATION ON LINKS BETWEEN ECONOMIC METRICS, PROSPERITY AND SOCIETAL RESILIENCE.

GREATER FOCUS ON 21ST CENTURY CONDITIONS FOR SUSTAINING A PROSPEROUS AND FAIR SOCIETY, INCLUDING INVESTMENT, EDUCATION, INNOVATION AND SOCIAL RESILIENCE.

INTERNATIONALLY, ALLIES WILL NEED TO BALANCE GREATER GLOBAL INCLUSIVENESS (e.g., G20) WITH IMPROVED COMPETITIVENESS.

TRANSATLANTIC LINK ASSOCIATES ALLIES AND PARTNERS INTO WORLD’S TWO MOST POWERFUL ECONOMIC HUBS.