One secret to the North Atlantic Treaty Organization’s (NATO) longevity has been its ability to continually adapt to the ever-changing external security environment and needs of its members. This is all the more needed today in a world that is at once more complex and more interconnected. Over the next decade, NATO’s ability to adapt and remain relevant for the future will depend on both external and internal drivers of cohesion and division. External drivers include the threats and opportunities facing the alliance and its individual members, the availability of other competent security and defense partners, and the degree of countervailing influence by competitors. Internal drivers for NATO include shared identity and values, political cohesion around shared interests, the presence or absence of U.S. leadership, the degree of responsibility sharing in NATO; and the orientation and cohesiveness of national governments. Taken together, these factors create centrifugal and centripetal forces that can alternately drive NATO member countries together or pull them apart.

**Trajectory 1 (Baseline): Muddling Through**

**OVERVIEW**

NATO endures and remains relevant in many areas, but it fails to make the investments and reforms needed to make it fit for purpose in the future. Most crucially, allies agree to enhance NATO’s collective defense capabilities to include integrating multidomain tools into its deterrence and defense posture. Crisis management and cooperative security remain its core tasks, but it fails to secure the political support and resources needed to execute them effectively, and they increasingly take place through coalitions of the willing or under EU and UN auspices. Allies increase political coordination at NATO on issues ranging from China to emerging and disruptive technologies, but this results in little more than a “talk shop” that produces statements lamenting the state of the world and condemning adversaries’ actions. The United States and European allies become increasingly frustrated with one another—the United States with allies’ failure to assume more responsibility in and around Europe or to contribute more decisively to managing China, and allies with the United States’ seemingly myopic focus on China and unwillingness (despite statements to the contrary) to allow Europeans autonomy in their own affairs. Efforts to increase
investment in innovation falter as allies pursue projects that benefit their own defense industrial bases but do not necessarily enhance NATO’s defense and security. Still others fail to invest in innovation at all, widening the technology gap among allies and harming interoperability.

**THREAT AND OPPORTUNITY ENVIRONMENT**

NATO’s external threat environment stays at a low simmer. Russian and Chinese military buildup convinces allies of the need to maintain a strong deterrence and defense posture. At the same time, periodic incidents of military and below-the-threshold aggression by Russia, China, and other actors remain measured or deniable enough that they do not elicit an Article 5 response or spur a significant jump in investment in NATO. In terms of opportunities, several allies continue to resist the idea that NATO should play a role in non-military security challenges such as building resilience, mitigating climate change, or managing the consequences of emerging and disruptive technologies. While such allies agree to official statements noting a NATO role in these areas, in practice, they limit progress by failing to provide the resources to follow through on them. In Afghanistan, the current government is fragile, but it retains the loyalty of the Afghan National Security Forces thanks to continued support from NATO and its individual members; however, intermittent terror attacks by the Taliban in both Afghanistan and Europe force NATO to shift toward counterterrorism operations.

**AVAILABILITY OF ALTERNATIVE SECURITY PARTNERS**

NATO’s renewed focus on collective defense is partially enabled by the European Union stepping up on crisis management and cooperative security. This includes enacting measures to maintain stability and counter Russian and Chinese influence in the Balkans; conduct peacekeeping and capacity-building missions in North Africa; and better manage cyber, hybrid, and space-based threats.

**ADVERSARY INFLUENCE**

Russian and Chinese political, cultural, and economic influence exacerbate instability in some NATO member countries and their neighbors, undermining the political cohesion of both NATO and the European Union. Allies who are struggling to recover from the negative economic effects of the Covid-19 pandemic prove particularly vulnerable. Another centrifugal force comes from an increase in domestic terror attacks, which draw allies’ military forces away from NATO in favor of national defense tasks.

**SHARED IDENTITY, VALUES, AND INTERESTS**

In the 2022 NATO Strategic Concept, allies recommit to the shared identity and values laid out in the North Atlantic Treaty, but this quickly proves an empty promise. Several continue to violate basic principles of democracy, individual liberty, and the rule of law in their own countries and allow bilateral disputes to disrupt NATO business. The alliance calls out the bad behavior but fails to impose costs, thus damaging its credibility and cohesion. NATO consensus on interests is similarly hollow, as allies contribute only to those missions and fill those capability targets that they see as in their national interest. This leads to a de facto regionalization of NATO whereby sub-groups focus on their preferred missions and tasks, leaving others unfilled or under-resourced.

**U.S. LEADERSHIP**

Despite U.S. assurances that it is committed to NATO, the United States finds itself increasingly focused on ensuring economic recovery at home and managing its long-term economic, technological, and military competition with China. NATO continues to carry out its core business, but the lack of sustained U.S. political and military leadership limits progress on adapting NATO to meet new challenges. The United States
continues to contribute to collective defense but has little political will or military headroom to become involved in costly, burdensome peacekeeping and crisis management operations in and around Europe. It begins to dismiss instability along Europe’s periphery as a “European problem.” As the U.S. defense budget flattens (or decreases) and demands in the Pacific theatre increase, deployments to Europe become less frequent, occurring primarily on a rotational basis through the Dynamic Force Employment model.

RESPONSIBILITY SHARING
By 2024, only half of the allies have reached the NATO benchmarks of spending 2 percent of their Gross Domestic Product (GDP) on defense and 20 percent that on major equipment. The gap between the most and least capable allies affects both interoperability and political will. NATO increasingly relies on the same handful of countries to generate forces for missions at home and abroad. After failed efforts to increase its common funding, the persistence of NATO’s “costs lie where they fall” system causes force-contributing allies to become frustrated with “free riders” in the alliance. While some countries invest in new and emerging technologies, only a few can muster the resources to field or procure these capabilities, and adversaries slowly gain a technological edge. The United States begins to rely on ad hoc coalitions of the most willing and capable allies, further eroding NATO’s role as the security partner of choice. NATO’s nuclear deterrence posture comes into question following the U.S. Congress’s decision to fund modernization of the U.S. nuclear triad only partially. Other allies begin to waver on their roles in the extended deterrence mission (including procurement of new dual-capable aircraft), forcing a rethink and reorganization of NATO’s nuclear posture.

NATIONAL DYNAMICS
NATO’s inability to address what individual allies see as their most pressing security challenges leads members to begin investing their time and resources elsewhere. They turn to national governments, regional neighbors, and the European Union for solutions, further hollowing out NATO’s capabilities. In some countries, anti-NATO forces seize on this apparent failure of multilateralism to advocate for more nationalist approaches to security and defense.

*Trajectory 2 (Positive): NATO Revitalized*

OVERVIEW
NATO allies muster the unity of purpose, political will, and financial resources to reinvest in, strengthen, and transform the alliance for the next decade. NATO’s updated 2022 Strategic Concept validates collective defense as NATO’s number-one task while also confirming NATO’s relevance in its other core tasks of crisis management and cooperative security, as well new areas such as resilience. While there are some differences in approach or national prioritization, allies broadly agree on the security challenges and opportunities facing NATO in the next decade and take active steps to ensure it can address them. These steps include refining NATO’s deterrence and defense posture from the Baltic to the Black Sea, successfully integrating multi-domain and cross-government tools into its arsenal, managing the security challenges presented by China, and continuing to introduce new technologies—such as artificial intelligence, autonomous weapons systems, and big data—that help NATO compete more effectively. Working closely with the European Union and individual members, NATO improves its resilience and agility in order to withstand shocks. Individual and collective investments in innovation help allies maintain their technological edge.

THREAT AND OPPORTUNITY ENVIRONMENT
In terms of threat perception, allies move in a more realist direction in response to increased Russian military, hybrid, and cyber activity; continued instability along Europe’s borders; and China’s exertion
Working closely with the European Union and individual members, NATO improves its resilience and agility in order to withstand shocks. Individual and collective investments in innovation help allies maintain their technological edge.

AVAILABILITY OF ALTERNATIVE SECURITY PARTNERS
The European Union and individual European countries continue to strengthen their security and defense capabilities in ways that are complementary to NATO. French, German, and UK leadership and improved military capabilities are key to this development. However, EU security and defense is not seen as a viable alternative to NATO. For political and military reasons, allies continue to value a strong U.S. presence in Europe. Pragmatic revisions to NATO’s defense planning process, which include better integration of EU equities, confirm NATO’s role as the primary force integrator and standard setter for interoperability. Allies’ increased dialogue and practical cooperation with NATO partners, including Indo-Pacific countries and private-sector entities, give NATO a wider range of effective and creative response options without overstretching.

ADVERSARY INFLUENCE
Malicious actors continue to attempt to undermine U.S. and European democracies and divide NATO. The United States and Europe join forces to expose, deter, and defend against Russian and Chinese efforts to divide NATO and the European Union. Efforts to build resilience in NATO and individual member countries are effective in addressing many of the societal vulnerabilities that had previously allowed corruption, disinformation, and other forms of malign influence to flourish. NATO works with the European Union and like-minded countries to align strategic communications efforts and protect its supply chains, critical infrastructure, and energy networks from adversaries’ influence.

SHARED IDENTITY, VALUES, AND INTERESTS
In the 2022 Strategic Concept, allies reflect on their shared identity and recommit to the founding values and principles of NATO. Recognizing that internal democratic backsliding also presents an external security threat, they agree to monitor and assess members’ adherence to these values and principles and to raise the political cost for rule breakers; these efforts have some effect on curbing the more egregious examples of anti-democratic behavior within the alliance. The Strategic Concept also captures allies’ consensus on the threat and opportunity environment and translates this into realistic, actionable level of ambition for NATO. Internally, more effective use of NATO’s political instruments facilitates greater consensus among allies. Adjustments to its decisionmaking and command structure (in particular to allow for action by a subset of allies) enable the alliance to respond more rapidly and flexibly to the full range of threats.
U.S. LEADERSHIP
The United States continues to play a leadership role in NATO, driving progress on burden sharing, modernization, and innovation. It genuinely consults with allies and takes their interests, concerns, and ideas into account before making a decision that affects NATO’s collective security. As it begins to focus more on the Indo-Pacific, the United States becomes more comfortable with allowing other allies to lead in areas where they have a comparative interest or advantage and empowers this leadership. The U.S. public and Congress support the country’s renewed commitment to and investment in NATO, recognizing that it is a force multiplier for U.S. interests as well as a defender of international rules and norms that benefit the United States.

RESPONSIBILITY SHARING
The majority of allies continue to increase their defense budgets and to spend them more wisely. They meet their NATO defense-planning targets and readiness metrics, also agreeing to a modest increase in common funding so that non-force-contributing allies also contribute their fair share. On the acquisition side, allies pursue multinational, pooled solutions to fill NATO capability shortfalls. They cooperate effectively on innovation through NATO’s Defense Innovation Accelerator, the European Defense Fund, and bilateral platforms such as the U.S.-UK Defense Trade Cooperation Treaty. This enables them to maintain their technological edge against competitors and preserve their know-how and national defense industrial bases. The non-military nature of many future security challenges plays to EU strengths, and it proves a natural partner to NATO in areas such as cybersecurity, space, and resilience. In terms of NATO’s nuclear dimension, the United States, United Kingdom, and France modernize their nuclear arsenals and associated doctrines; the United Kingdom reiterates that its nuclear forces extend to the protection of NATO allies, and France does the same for EU members.

NATIONAL DYNAMICS
While nationalist and populist forces in NATO member countries do not entirely disappear, their influence is diluted when these models fail to deliver either increased security or economic growth. Allies see multinational cooperation with like-minded countries as necessary to withstand competition from rising powers such as China. Sustained popular protests against anti-democratic leaders in Poland, Hungary, and Turkey gradually effect change in those countries, aided by international pressure and activism at the city and/or regional level.

Trajectory 3 (Negative): Dissolution of NATO

OVERVIEW
NATO becomes defunct due to death by a thousand cuts. The gradual erosion of the cohesion, political will, credibility, military capability, and relevance of the alliance described in our baseline scenario is accelerated by several factors. These include an economic downturn, increasing nationalism and protectionism, the absence of U.S. leadership, divergent interests, and threat perceptions, and a disregard for common values and interests. Defense budgets in the United States and Europe decrease, and countries prioritize national defense needs over multilateral solutions. These tensions lead to open conflict among several Allies, including Greece and Turkey who regularly challenge one another over their respective activities and rights in the Eastern Mediterranean. They hold hostage NATO defense plans, training and exercises, and missions. Still, other allies appear willing to do China’s bidding, for example, by limiting access to key ports and railways. Finally, adversarial actors calculate that NATO lacks the political resolve and military capability to fulfill its core tasks, testing this with several incidents. These include a cyberattack that takes out the electric grid in several NATO countries; while there is intelligence that
Russia is behind the attack, not all allies deem it credible, and NATO fails to respond. In another incident, Russia claims that temporarily breaching Lithuania’s territorial integrity is necessary to defend Belarus. Though disturbed, most allies overlook the incident to avoid escalation; NATO fails to invoke Article 5, and a subset of allies respond in Lithuania’s defense outside the alliance’s framework.

**THREAT AND OPPORTUNITY ENVIRONMENT**

Migration, terrorism, climate change, and growing nationalism emerge as the primary concerns of European NATO allies. These emanate from growing instability along Europe’s periphery and a severe economic downturn, particularly in southern Europe. While allies recognize the aggressive nature of some Russian and Chinese behavior, they elect to try to manage this through a combination of diplomacy, economic leverage, and avoiding provocative actions. The security environment in Afghanistan deteriorates rapidly into the tribal and ethnic fragmentation of the 1990s, with regional actors supporting competing militias. This increases regional instability and causes an outflow of refugees to NATO countries, especially Turkey.

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**AVAILABILITY OF ALTERNATIVE SECURITY PARTNERS**

The European Union proves a more effective actor than NATO in countering the security challenges that most concern European NATO allies (i.e., migration, terrorism, climate, and nationalism). Thanks to some European allies’ efforts to limit NATO’s role in cybersecurity and defense, building resilience, and managing emerging and disruptive technologies, the European Union has also become a viable security actor in these areas. European allies move away from hedging their security bets between NATO and the European Union to prioritizing EU defense and security arrangements outside of NATO. Perceiving the alliance’s loss of relevance even among its own members, like-minded Indo-Pacific partners disengage with NATO in favor of the European Union or select EU member states.

**ADVERSARY INFLUENCE**

Sensing NATO’s weakness and U.S. disengagement, China mounts a new charm offensive to secure access to European markets. Looking to boost their own struggling economies through trade with China, European countries are receptive. Russia, sensing its moment to secure sanctions relief and undercut NATO’s raison d’être, behaves more agreeably toward allies that seek a more cooperative relationship with it in order to reduce their security burden. This lulls many Europeans into a false sense of security, and they calculate that—with the United States disengaging and disinvesting from NATO—the time is ripe for a “grand bargain” with the Kremlin that involves dissolving the alliance in exchange for a new, more comprehensive security arrangement. This arrangement precipitates U.S. military withdrawal from Europe.
SHARED IDENTITY, VALUES, AND INTERESTS
It becomes evident that the notion of a NATO based on shared identity and values has been an illusion for some time. Populist and nationalist tendencies that were present when the economy was good accelerate with the economic downturn. Within NATO and the European Union, democratic backsliding goes unchecked and creates societal vulnerabilities, such as corruption, that adversaries exploit. NATO’s attractiveness to new members and credibility as a force for good is damaged by the perception that it is unable to keep its own house in order. National interests are pursued at the expense of the collective good.

U.S. LEADERSHIP
The United States decreases its defense budget even as it faces a more demanding security environment outside of Europe. It loses patience with European allies’ failure to assume their share of the burden, stand up to Russia and China, or allow NATO to adapt to address new and emerging security threats. The United States comes to view NATO not as a force multiplier for U.S. influence and interests, but rather as a burden and constraint; it withdraws significant forces from Europe and reduces its financial, force, and capability contributions to NATO.

RESPONSIBILITY SHARING
The economic fallout from the Covid-19 pandemic brings an end to consecutive years of growth in NATO defense spending. Only countries with sizeable domestic defense industries (i.e., the United States, France, and United Kingdom) maintain higher levels of spending, and the majority of this is directed not to meeting NATO requirements but rather to sustaining their own industries. As a result, China and Russia outpace most allies with respect to emerging defense technologies like that make use of innovations in artificial intelligence and quantum computing. Angered by the lack of progress on arms control and shocked by the escalating cost of nuclear modernization programs, Congress refuses to fully fund nuclear modernization, undermining extended deterrence and forcing the United States to reconsider its nuclear posture in Europe.

NATIONAL DYNAMICS
In response to the economic downturn, countries become more nationalist and protectionist. National leaders searching for a scapegoat for their economic and social woes blame multinational organizations, claiming that they unnecessarily constrain countries’ freedom of action—such as to limit the number of immigrants or to manufacture beyond emissions limits. Some walk away from their international treaty commitments (including on climate action, arms control, and human rights) or ignore their obligations to intergovernmental organizations (such as NATO, the European Union, the United Nations, and the World Trade Organization), further damaging the credibility of these institutions.

Conclusion
As ever, the key to NATO’s continued survival will be its ability to adapt to a changing external security environment in keeping with the security needs of its members. Merely raising the level of ambition without ensuring political cohesion and adequate resources will only undermine the alliance’s credibility and relevance for the next decade.

Merely raising the level of ambition without ensuring political cohesion and adequate resources will only undermine the alliance’s credibility and relevance for the next decade.
An examination of the above potential trajectories can assist NATO allies in effecting the future they wish to see. While the future is inherently unpredictable, keeping the alliance on the positive trajectory will require more equitable burden sharing within NATO; leveraging the competencies of other capable actors, such as the European Union and like-minded global partners; investing in innovation to maintain NATO's technological edge; and building resilience to counter adversaries' attempts to divide the alliance. Conversely, if unity of purpose and shared values are lost, the security burden is carried by only a few allies, internal resilience is unaddressed, and U.S. leadership is absent, NATO will find itself on the negative trajectory. And while the status quo of “muddling through” may seem good enough for now, it will likely also land NATO on the negative trajectory over time.

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