

What to expect: a quick overview of the (possible) challenges of 2022

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The past year has seen various defence and security challenges for the European countries (and the entire world). The year that we have just entered, 2022, promises to be as demanding as the previous one.

It is very challenging - if not impossible - to predict what exactly is going to happen in the next twelve months. At the present, Nostradamus is not listed among the authors of Finabel. However, it is possible to outline some of the main themes of discussion and to point out some possible trends.

It is important to stress that the quite normally some of the main themes that will be delineated in this article will be overtaken and made superfluous by unpredictable events. Nonetheless, here at Finabel we believe that these might be some interesting topics, which stimulates discussions and debates regarding possible implications that fall well beyond 2022.

Hence, this InfoFlash will point out seven main themes that could be of a certain interest to Europe (and to the world): the European defence, NATO, MENA, Iran, Arctic, cyber space, and industry.

1. *The European defence*

At the European level, everyone is looking forward to the official presentation of the Strategic Compass. The first draft was presented on 16th November and the definitive adoption by the EU should be in March 2022 (EEAS, 2021). The main contents of the first draft of the Strategic Compass were explained by High Representative Josep Borrell (Borrell, 2021) on the sidelines of the meeting of the Council of the European Union last November. The EU is considering a new force of five thousand units, the so-called "Rapid Deployment Capacity", made up of land, sea, and air components (by 2025); a single headquarters to manage all the missions (by 2030). A "Joint Cyber Unit" should be operative within the next year; in addition, the EU aims at filling the "capability gap", and to reduce the reliance on US military assets; it plans to develop sixth-generation aircraft and tanks and finally to coordinate the European naval presences in the Indo-Pacific area (Reuters, 2021).

On the same day, the Council adopted also a new wave of joint projects within the Permanent Structured Cooperation (PESCO) framework, which aims to deepen defence cooperation between Member States. The fourteen projects launched in the fourth wave cover five military domains: land (2), maritime (2), air (6), cyber/C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and, Reconnaissance) (2) and space (2). Projects range from the development of new military capabilities and the identification of future needs in areas such as air power and maritime surface escort to enhancing the exchange of classified governmental imagery and joint training for main battle tanks. Projects to be taken forward will help increase the coherence of the European capability landscape and deliver operational benefits on the ground. (EDA, 2021) The objective seems clear: concrete steps toward an European strategic autonomy (Tocci, 2021). In the joint declaration on the "EU Legislative Priorities for 2022", the Parliament, the Council of the EU and the Commission reiterated the concept of a "stronger Europe in the world" through strategic connectivity partnerships thanks to the EU's Global Gateway.

They will endorse the Strategic Compass and look forward to the upcoming Defence package, including the roadmap on critical technologies for security and defence, and to enhance the Union's protection against hybrid threats (European Commission, 2021).

However, despite all the actions taken and plans set in motion for 2022 and the coming years, the political and military alliance with the United States and NATO still remain central and vital for Europe.

2. NATO:

As the first step of the NATO 2030 agenda, a new strategic concept will be released in June 2022. NATO is supposed to tackle security from a widened angle, looking at domains that are not strictly defence-related.

At the 2021 Brussels Summit (NATO, 2021), NATO Leaders asked Secretary-General Jens Stoltenberg to lead the process of developing the next Strategic Concept. He started the phase of consultations with Allies, but also with other international organisations, civil society and the private sector, on NATO's evolving strategic environment, approach, and priorities (NATO*, 2021).

From the Brussels Summit emerged that the Alliance faces various threats, a systemic competition with Russia and China, and security challenges on multiple levels. Moscow assertive actions on the border with Ukraine and its support to Belarus at the border with Poland and Lithuania constitute a threat to Euro-Atlantic security; the growing influence of China and its global outreaching projects represent new challenges that the Alliance will try to address in the coming months. Moreover, NATO in 2022 will address also old and new kinds of threats/challenges, coming from State and non-state actors: terrorism in all its forms remains a persistent threat; instability beyond borders is also contributing to irregular migration and human trafficking; cyber, hybrid, and other asymmetric threats, including disinformation campaigns. Nevertheless, the Alliance during the Brussels Summit addressed also the fact that climate change is a threat multiplier, which affects deeply the Euro-Atlantic security (NATO*, 2021).

3. MENA:

The southern coast of the Mediterranean Sea has always brought various challenges to the European security and in the last few years.

"New actors" have been extending their influence on the region.

Libya plays a key role for the European security on issues such as migration and human trafficking. The recent postponement of the presidential elections (ISPI, 2021) and the continuous presence of private militias, such as the Russian Wagner (Katz, 2021) suggest that the country once ruled by Muammar Gaddafi is still far from reaching stability.

Turkey (Talbot, 2021), as a key strategic partner to NATO and Europe, should be observed very closely. In the last few years Ankara has broadened its presence in regional scenarios (such as Libya and Syria) and it has strengthened its economic and military relations with Russia.

The S-400 dossier (Reuters*, 2021) still remains an important security issue for NATO and the tension with Greece in the East Mediterranean has only increased in the last year (Dalay, 2021), seeing also the involvement of other European countries (Frantzman, 2021).

Other countries to observe are the following: Israel, as a key partner for Europe on cooperation on technology development, but also as a potential centre of regional (de)stabilisation; Lebanon, due to the economic and political disruptive spiral the country risks to become a security issue for its neighbours and the region; Syria, rebuilding the country might be the power game for 2022 in the Middle East; Tunisia, as its democracy becomes increasingly shaky, the risk of turning from a partner for Europe's security policy to a liability grows.

4. Iran:

With Tehran feared to be weeks away from a “point of no return” on nuclear weapons, the Middle East risks a new arms race. At the beginning of 2021, with Joe Biden's arrival in the White House, the recovery of the nuclear deal with Iran seemed obvious, because the new American president was in favour and Iran had a vested interest in negotiating due to the impact of economic sanctions. Talks reopened in Wien on November 29th, but several elements have complicated the situation since 2018 when Donald Trump withdrew the United States from the Joint Comprehensive Plan of Action (JCPOA) negotiated by Barack Obama. Iran has gradually resumed its uranium enrichment program, ignoring its transparency obligations under the 2015 agreement. In 2021, a more intransigent government guided by the ultraconservative Ebrahim Raisi took power in Tehran, which has raised the bar of demands. The European, American, Russian, Chinese and Iranian diplomats who met in Vienna are no longer certain of reaching a conclusion, with all the risks that failure would entail (Haski, 2021). Tehran insists that Washington should do the first move and lift all sanctions since US has originally left the agreement. Furthermore, the US government would like the talks to start from a more balanced situation, where sanctions were negotiated together with the rest of the agreement. That is, among other things, limits on the production of centrifuges and on the uranium enrichment threshold, and the possibility of carrying out regular checks in Iranian nuclear power plants (Takeyh, 2021).

Consequently, European diplomats are “forced” to mediate the two opposing positions, showing how much the conditions for reaching an agreement have changed (for the worse) since 2015 and how much 2022 is the year of the “last chance”.

5. Arctic:

Substantially it is an immense and extra-territorial region, increasingly liquid and navigable due to the melting of the ice produced by climate change, a crossroads of economic, commercial, energy and military interests that oppose Russia, the United States, and China. In May, the Arctic Council, the main intergovernmental organisation to promote cooperation in the region, which includes Russia, the USA, Canada, Norway, Denmark, Sweden, Finland, and Iceland, met in Reykjavik.

“Modern information technologies are the future of the modern battlefield”, said Brigadier General Frank Pieper, Chief Digital Officer of the Army. The battleground would become more accessible with computerised armed forces, making choices faster and more precisely. With the advancement of AI and other information technologies, an opponent may be neutralised with high accuracy, with minimal collateral harm. The objective of enterprise, politics, and the military must be to provide the German armed forces with contemporary and responsive information systems that allow troops to make trustworthy judgments.

The EU would like to preserve the status quo by enhancing the multilateral cooperation and tackling all the issues related to climate change. That is why last October Brussels presented its Arctic Strategy, based on its previous Communications on Arctic and on the 2016 Global Strategy for the European Union's Foreign and Security Policy.

It aims at strengthening further its engagement in the region through some actions: among others, the enhancement of its strategic foresight, looking in particular at the links between climate change and security (European Commission*, 2021).

However, Russia has a historical presence in the region and it is claiming its rights on the sea routes. Moscow demands a right of control over the waters from the Siberian port of Yamal to the Bering Strait in China and it requires ships to ask for its permission for transit, effectively limiting access and freedom of navigation. Recently it has shown its "muscles" with the opening of its northernmost military base located in the Arctic Ocean to journalists. A huge site of more than 14.000 square meters with an airport, missile systems, and capable of withstanding sieges or natural disasters for up to a year thanks to a power plant, a water purification plant, and a heating system. The United States has accused Russia of "militarising" the Arctic, it has deployed four B-1 heavy bombers and 200 soldiers to Norway's Orland base for the first time. For the Biden Administration, commercial and safety issues intersect with environmental commitment, in one of the most delicate areas on the planet (European Commission*, 2021). The Arctic is also strategic for trade routes: the Earth is closer to the Poles and with the decrease in ice cover, the possibility of enormous distance savings for ships opens up. The sea passages to the northwest or northeast are now practicable for many months of the year.

It is expected that the Arctic Ocean by 2040 will be iceberg-free, and therefore fully navigable, throughout the summer season. Russia, landlocked on the South Seas, foresees that cargo traffic along the polar route will increase ten-fold (European Commission*, 2021).

Even China, despite not boarding with the Arctic, since 2018 has defined itself as a "quasi-Arctic" state and aims to add a Polar Silk Road to its Belt and Road (Collin Koh, 2020). The EU, with the Nordic countries at the forefront of this immense sea of ice, focuses on environmental protection, navigation safety and cooperation between states in order not to be crushed in the Cold War that seems to be taking shape above the Arctic Circle.

6. Cyber Space:

Cyber security experts have pointed out some of the main Advanced Persistent Threats (APT) for 2022. Fake news, especially about COVID-19; Cyberattacks to supply chains will become more frequent and governments will begin to establish regulations to address these attacks and secure networks, as well as partnering with private sectors and other countries to identify and target multiple threat groups globally. Large-scale data breaches will happen more frequently, on a larger scale and they will be more costly for governments and private businesses. (Microwire, 2021)

7. Industry:

The aerospace and defence industry are looking at 2022 with optimism. On one hand, the defence sector was not heavily affected by the pandemic, thanks to state military budgets not being decreased. On the other hand, as commercial air traffic slowly rebounds, macroeconomic trends suggest that demand for small- and medium-sized aircraft will continue to recover (Deloitte, 2021). For companies selling civil and military aerospace products these are certainly good news.

According to experts, the main trends to observe in the aerospace and defence industry in the coming months are: innovative deployment of digital thread and smart factory to drive efficiencies; defence contractors will leverage innovation for building advanced military capabilities; innovation will continue accelerating growth in the space market, laying the foundations for the next generations of satellites. In addition, companies are not indifferent to climate change. It can be expected that R&D will go also towards innovative technologies and solutions to drive decarbonisation (Deloitte, 2021). Cloud computing, the Internet of Things (IoT), Artificial Intelligence (AI), Augmented Virtuality and Augmented Reality (AV/AR) will play a huge role in future of defence, from immersive and complex simulations to gathering and turning huge amounts of data into useful insights (Global Defence Technology, 2021).

To sum up, the coming months are going to be essential in the long process towards an European strategic autonomy. A lot is expected from the Strategic Compass that will be presented in March, but also the new wave of projects adopted within PESCO at the end of 2021 seems particularly interesting. The United States have switched its focus from Mediterranean and the Middle East towards the Indo-Pacific area, as the reborn of QUAD, the launch of AUKUS and the events of 2021 clearly showed. Nonetheless the Euro-Atlantic relations seems to have to overcome the obstacles of the past months, and NATO in 2022 is going to roll out its new Strategic Concept.

Despite everything, MENA will still have a fundamental role in shaping European defence and security policies and some countries should be monitored very closely during this year. The Iran nuclear deal seems to have reached its final chapter that could cast a long shadow over the future of the region, if it does not end positively.

Moreover, "new regions" will see a confrontation between European countries, the USA, Russia, and China in 2022: in particular, the Arctic where climate change is opening new scenarios. Besides, new threats and new opportunities will come from the cyber sector and the defence and aerospace industry seems to look at a very positive year, with huge potential developments.

Finally, 2022 is certainly going to be a year for Europe (and the world) to observe very carefully, with challenging opportunities to exploit.

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