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Getting the Balance Right

Next steps in Transatlantic burden sharing

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TOPLINE

The right balance of burden sharing between the United States and Europe for transatlantic security is important to shared interests, but getting it right is neither simple nor straightforward. Clear agreement on what constitutes security amid increased risk – and how the costs can best be divided – are essential to an effective response.

THE PROBLEM

The transatlantic security relationship is far from perfect and often lacks balance. European security dependence on the United States, beginning in the aftermath of WWII, has created an asymmetric arrangement whereby European states can underinvest in their own security in favor of social spending, while allowing the U.S. to maintain dominance on security objectives and direction. The United States spends approximately twice as much on defense spending as all the other NATO allies combined. As an Alliance, NATO members have repeatedly pledged to spend at least 2 percent of their GDP on defense – with 23 of 32 now meeting the requirement, according to NATO.

This asymmetry in power and spending has bred resentment on both sides of the Atlantic. Europeans chafe at American dominance and prioritization, at their perceived expense, of global U.S. security objectives, such as Washington's contest with Beijing or the growing militarization of outer space. Americans complain that Europeans won't take sufficient financial and political responsibility for their own security and are narrowly focused on their own backyard rather than accepting the evolving nature of global challenges.

Of course, the United States doesn't involve itself closely with Europe's security for charitable purposes. As 20th Century history has amply demonstrated on multiple occasions, threats to Europe's security impact and harm U.S. national interests. Wars both hot and cold in Europe have drawn in the U.S., sometimes contrary to existing U.S. popular opinion. Washington has had the dominant position to push its perspectives on the challenges and possible solutions – sometimes to Europe's delight but also often to its concern. So, is there a way to square the circle – to reliably and sustainably increase Europe's responsibility for the Continent's security while maintaining U.S. engagement and commitment?

The transatlantic partnership has many facets beyond security. It is the largest economic relationship in the world counting \$1.3 trillion in goods and services trade and the U.S. has \$3.95 trillion of investment in Europe. The close linkages extend across many other domains, including social, cultural, scientific and more. Defense cooperation is still at the heart of the relationship but these and other connections are often more apparent and publicly visible.

European leaders often paint a broader picture of burden sharing than just the security sector. They often point out how they lead on structuring and funding economic and development assistance in many areas that complements a strong U.S. security presence. As a whole, for example, the EU combined average on development assistance as a share of national income at 0.57 percent is closer to the aspirational 0.7 percent than the U.S.'s 0.25 percent. In two decades of grappling with how best to fortify the government of Afghanistan, for example, Europe took the lead on economic reconstruction and development while the U.S., through NATO, led on the military side.

Although defense spending is at the heart of security spending, there are enduring differences between Washington and European capitals as to what might constitute security spending, with some arguing that support for human capital in the form of education, health and welfare make a bottom-line contribution to national security. Spending on “softer” security such as migration, narcotics trafficking, and other law enforcement functions also is included into some calculations.

A related significant factor on both sides of the Atlantic in recent decades has been the shriveling of the defense industrial base due to underinvestment amid complacency, and industry consolidation. As weapon systems and equipment has grown more complex and expensive the political willingness has been minimal to fund their development in the absence (until recently) of a proximate hot conflict. A consequence has been how rapidly military aid to Ukraine in the past two years has depleted Western arsenals.

Despite these diverging views, however, it is worth noting that NATO's singular success over its 75 years has been the absence of a continent-wide hot conflict. Ukraine potentially poses a fundamental threat to that record and how NATO continues to respond will not only define European security for the next generation but the viability of the Alliance.

ESSENTIAL CONTEXT

As a grouping of Allies, NATO has long been cognizant of the need to balance and devote more resources to defense. As early as 2006, NATO Defense Ministers committed to a defense spending level of 2 percent, with a firmer leader commitment made at the 2014 NATO Summit in Wales to reach 2 percent in a decade. During his first Administration, U.S. President Donald Trump repeatedly cited the lack of progress in reaching this commitment as a key element of his visible disdain for NATO.

Europe has also taken some structural steps on its own in recent years to identify ways it can shore up the Continent's defense without U.S. involvement or funding. EU Commission President Ursula von der Leyen, a former German Defense Minister, has led efforts to give the 27-nation bloc more of a role in defense matters and incorporating some degree of strategic autonomy. Primarily this has been aimed at building off of strengths the EU already possesses such as developing support programs to reinforce and strengthen Europe's defense industrial base. This also reflected a determination to confront the reality, sometimes not always appreciated in Washington, that a significant portion of European defense spending goes to buying American weapons and equipment.

Russia's 2022 invasion of Ukraine has dramatically altered the momentum and sharpened the focus on how best to divide the responsibilities for helping Ukraine. Suddenly, an incoherent mix of concerns about Vladimir Putin's Russia before the invasion coalesced into a shared view of Moscow's its apparent intention to reconstitute the former Soviet Union. U.S. military aid to Ukraine from January 2022 through the end of August 2024 amounted to \$61.1 billion, eclipsing the nearly \$50 billion provided by European nations. Total European assistance to Ukraine, however, at €118 billion during the same time period outpaces the U.S.'s €84.7 billion.

Donald Trump's return to the White House in 2025 will introduce greater uncertainty into the transatlantic relationship and raise questions about the depth of the U.S. commitment to the Alliance and European security. Greater and more visible European financing for Continental defense may be the best way to counter that. The first Trump administration made burden-sharing an essential part of their European policy agenda, and made significant headway in raising European financial commitments. This past October Trump raised the stakes even further, indicating his

goal for NATO would be for Allies to raise their defense spending to 3 percent of GDP. That represents a monumental challenge for most nations, but one that starts to be reasonable should the security environment with increased Russian belligerence continue to deteriorate.

POLICY RECOMMENDATIONS

Maximum Pressure Should Continue. Europe is facing the most challenging security environment since the Cold War or perhaps the Second World War. With the 2014 Wales Pledge of 2 percent coming due, all Allies need to take the difficult political decisions to ensure they have met their commitments. The pressure inside the Alliance is the responsibility of all Allies, even if the U.S. as the de facto leader is the most vocal. Summit and Ministerial statements, as well as the new Secretary-General, need to be consistent in reminding NATO governments and people of its importance and their commitment.

Global Context Matters. European security is intricately intertwined with global security challenges ranging from the emerging “axis of upheaval” to migration to cybersecurity to WMD proliferation. Any discussion about the resourcing and objectives of NATO needs to factor in this reality. NATO’s European Allies need to be prepared to adopt a more global approach and acknowledge U.S. military responsibilities around the globe. The United States also needs to communicate how its responsibilities and national security strategy translate back into the NATO toolkit.

European Initiative Matters and Should Expand. NATO should retain its primacy in transatlantic and European security, however, there is proven scope for carefully coordinated actions by European countries outside of NATO to bolster key elements of Continental security. Recent steps by the EU to adopt a defense identity and role, along with improved coordination with NATO, have been encouraging and provide a degree of leadership balance with the United States. One area ripe for continued EU focus and support is building a resilient and capable defense industrial base across the Continent.

Calibrate U.S. Messaging. While U.S. pressure has made the difference over the past decade in lifting most Allies above the 2 percent threshold it has also come at a cost of some diminishment in the credibility of the U.S. commitment to the Alliance and increased unease over U.S. motives and plans. The new Trump Administration should consider carefully the effects it hopes to achieve in European capitals when crafting its messaging. Identifying key allies within Europe who can amplify and broaden the message would also contribute to measurable progress.

European confidence and commitment, even in the face – and, perhaps, because – of uneven commitments from Washington will be critical to ensuring NATO’s continued military and political viability. Russia, while straining to maintain progress on the Ukrainian battlefield and facing for the past two years, a united Alliance committed to its defeat, will no doubt look in 2025 for any opportunity to exploit gaps and differences across the Atlantic.