From troubled to troubles


The ancient Greek writer Plato described Atlantis as a mythical archipelago that suddenly disappeared. Does the same fate lie ahead for the transatlantic alliance, approaching its 70th anniversary in April 2019? President Trump’s anti-NATO statements during the election campaign in 2016 and his rude, biased and provocative behaviour at the two NATO summits give the impression that the transatlantic bargain is quickly unravelling. Reactions from French and German political leaders stating that Europe must now take care of its own defence suggest the same. Or are we witnessing a battle of words – intended to speed up fairer transatlantic burden-sharing – rather than a break-up of the alliance? The doomsday scenario seems remote, at least judging by the facts. Today, there are more American troops in Europe than at the end of the Obama administration. While the White House is in chaos, the State Department and the Pentagon are anchors of stability with regard to NATO. The US signed up to a long list of decisions reinforcing the alliance at the Brussels Summit earlier this year.

Halfway through the Trump administration, is the glass half-full or half-empty? Will NATO survive this current crisis or is the alliance approaching retirement age? This Policy Brief will assess the current status of the transatlantic relationship and NATO’s future prospects. Clearly, issues such as trade, finances, climate and differing views on Iran or the Israeli-Palestinian question have a major impact on the security partnership between the US and Europe. The Policy Brief will not address these topics in detail but will focus primarily on the security and defence agendas.

his country to play an active role in bridging the gap between the West and Moscow. ‘Genscherism’ became a negative term in the US. When the Berlin Wall fell in 1989, some commentators argued that the alliance might be consigned to the history books for good. Cooperative security under the umbrella of the Organisation on Security and Cooperation in Europe (OSCE) would replace confrontation. The collapse of Yugoslavia soon afterwards showed that NATO was still much needed. The fighting and atrocities in Bosnia could only be stopped after the US brokered a peace agreement – the 1995 Dayton Accords – and NATO stepped in with 50,000 troops to pacify the country. A couple of years later the same happened in Kosovo, albeit that a three-month air campaign and a mediation effort by the former Finnish President Ahtisaari were required to end the fighting on the ground between Serbian and Kosovar forces.

In the 1990s crisis management outside NATO’s own territory had become the prime focus of the alliance’s activities. In 2001 President Bush declared a ‘War on Terror’ after Bin Laden struck the Twin Towers in New York and the Pentagon in Washington D.C. on 9/11. NATO would follow the US in trying to defeat the Taliban and stabilise Afghanistan. The International Security Assistance Force (ISAF) was the alliance’s biggest operation ever, peaking at 130,000 troops by 2010. On the other hand, the US intervention in Iraq in 2003 caused a major upheaval in transatlantic relations. France and Germany openly opposed the unilateral American intervention, stating that Washington’s argument for attacking Saddam Hussein’s country was unjustified. They proved to be right as the illegally held weapons of mass destruction were never found. Supported by Belgium and Luxembourg, France and Germany proposed a list of European security initiatives at the ‘Chocolate Summit’ in Brussels. One of the initiatives was to establish a European military headquarters in Tervuren, a residential town to the east of Brussels. The Americans reacted furiously and for quite some time they opposed the European Security and Defence Policy. But again, once the dust settled the situation was not as bad as it had seemed before. Under President Obama, US-European relations were benign overall and the alliance was in reasonably good shape.

And then the troubles began. The election of Donald Trump as President of the United States in November 2016 marked the beginning of a new crisis in transatlantic relations. Compared to previous situations, the very foundations of NATO appeared shaken. The move from the ‘temporary facilities’ – as the sign said in 1966 – to the new, modern building across Boulevard Leopold III in Brussels was no reflection of the state of the alliance. Since he entered the White House, President Trump has stopped questioning the existence of NATO, but he has never stated clearly that the US is committed to the core Article 5 of the Washington Treaty – collective defence. His NATO agenda has focussed almost solely on the issue of burden-sharing. On various occasions he has threatened counter-measures if European allies do not spend more on defence. The norm of two percent of GDP to be spent on defence – agreed at the Wales Summit in 2014 (under President Obama!) – became Trump’s only criterion for gauging NATO solidarity. Allies were openly accused and Trump’s harsh campaign on the two percent topic dominated the two NATO summits in Brussels (May 2017 and July 2018). At the 2018 summit Trump even suggested a higher norm of four percent of GDP to be spent on defence. The proposal was ignored as the summit declaration had already been agreed at ambassadorial level a couple of days earlier. Trump was simply not informed, so as to prevent a repetition of the disaster that followed the G-7 Summit in Canada (June 2018), when he withdrew American consent to the communiqué after the meeting.2 Thus, major decisions on a further adaptation of NATO’s deterrence and defence posture in reaction to Russia’s new nationalism, on extending allied troop contributions to the Resolute Support training mission in Afghanistan and on many other issues were taken at the

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2 See e.g.: U.S. Officials Scrambled Behind the Scenes to Shield NATO Deal From Trump, New York Times, August 9, 2018.
NATO Brussels summit. In other words, the guardians of US security and defence policy – the American diplomatic apparatus and the Pentagon – secured the substantial agenda, bypassing Trump. The question is whether they will be able to apply the same trick in the future. A forthcoming NATO summit in the US to commemorate the 70th anniversary of the signing of the NATO Treaty might be a liability in that respect. Perhaps it would be wiser to organise a ceremony at the Brussels headquarters attended by foreign and defence ministers.

Towards fairer burden-sharing

As ‘paying the bill’ is President Trump’s absolute criterion for assessing the contribution of European countries, defence spending will remain a key NATO issue in the years to come. There is wide recognition in Europe that defence has been neglected for too long. The changing security environment is the driving factor in prioritising security and defence. The year 2014, with the Russian annexation of Crimea and interference in eastern Ukraine plus the launch of the Islamic State caliphate, was the turning point. The EU Global Strategy (EUGS), published in June 2016, reflects the new geostrategic environment and underlines the importance of defence. It is not so much Donald Trump but the end of the post-Cold War era – the first 25 years after the fall of the Berlin Wall – that has shaken up European politicians to spend more on defence. Trump has dramatised the issue; he is not its creator.

European countries have nevertheless responded to the American demand. At the end of each year they will report to NATO on how they plan to achieve the two percent norm by 2014 – the target year agreed at the Wales Summit. Some will, others will not, but there is diversity among the European countries that are unlikely to realise the two percent by 2024. The real ‘bad performers’ – those staying more or less at current low levels of defence spending – should be put under continuous pressure. But it seems less fair and politically even counter-productive to put the ‘mediocre performers’ in the same basket. Take the example of Germany – Trump’s favourite country to single out as a poor performer. The German defence budget is rising from some €34 billion in 2016 to over €42 billion by 2020 – comparable to the current level of the UK’s annual defence expenditure. A further rise to 1.5 percent of GDP by 2024 – as announced by Chancellor Angela Merkel – implies a further rise in the German defence budget to approximately €60 billion. If Berlin were to spend that amount on defence by the mid-2020s, Germany, rather than France or the UK, would become Europe’s biggest spender.

Another element to be taken into account for a fairer assessment of the burden-sharing is how to calculate the US contribution to NATO. So far, this has been based on comparing overall American defence expenditure with the total spending of European allies – resulting in the well-advertised 70-30 percent imbalance. On the American side this includes the expenditure for the Pacific Fleet, the American troops in Japan, South Korea and elsewhere plus other costs not related to NATO. A more realistic figure must be based on the total cost of all American forces in Europe and financial contributions plus the reinforcement capacities earmarked for the European theatre located in continental US. On this basis experts from the International Institute for Strategic Studies in London have calculated that the US was spending approximately 15 percent of its defence budget on NATO in 2016. This provides a completely different picture, resulting in a 25-75 US-European burden-sharing percentage. Of course, it should be noted that European countries are still very much dependent on the US for enablers – such as strategic reconnaissance and intelligence – and high-end capabilities, in particular precision-guided munitions.

Recent European defence initiatives outside NATO will start to have an impact in the coming years. The implementation of the EUGS has been taken forward at high speed. Permanent Structured Cooperation was launched in December 2017 and has good potential to produce results in European capability development, combining multinational governmental cooperation formats with industrial consortia. Several of them have been launched already: the Franco-German-Italian-Spanish EuroDRONE MALE, the Franco-German Main Ground Combat System project and several others. Furthermore, the European Commission has entered the defence stage and is offering sizeable sums of money from the Union budget for research and development of military equipment, up to €13 billion in the 2021-2027 timeframe. For all these projects and initiatives the same principle applies: it will take several years to see concrete results. But a European train has been set in motion and it will reach its destinations in the future. NATO can no longer assess the defence capabilities of its member states in a strictly alliance context. European efforts in the EU context will have to be taken into account.

At the same time, the US is increasing its own contribution to European security. The financial volume of the European Deterrence Initiative (EDI) has almost doubled compared to the last fiscal year budget prepared under the Obama administration.\(^5\) EDI is financing additional American forces in Europe through rotations of an Armored Brigade Combat Team and a Combat Aviation Brigade – totalling about 9,000 military personnel. Almost half of the EDI budget is being spent on building up prepositioned stocks of equipment for a division-size force.\(^6\) Taking into account all US forces in Europe on a permanent and rotating basis, the number has grown from 63,000 in 2016 to 74,000 in 2018. American military leaders are openly campaigning to further increase the US military presence in Europe.\(^7\) All these measures stand in sharp contrast to President Trump’s threats to withdraw US forces from Europe. The US itself is adding weight to its part of the burden.

Finally, the US-European security partnership should look beyond the financial input for defence and the output in terms of delivering capabilities. NATO is a political-military alliance. Thus, it can only be kept together if the burden is also better shared in political terms. The security interests of the European NATO members are not always the same as those of the US. In the past, European countries followed new US policies and initiatives, from adapting NATO strategies to extending alliance membership and operations in the Middle East. In the future, the European voice – or European voices – will be louder, particularly if Trump is re-elected for a second term. There is another reason. More balanced burden-sharing justifies more European political influence in NATO. One could even argue that Washington, by pressing the European countries to pay more, has embarked on a course that will reduce its own grip on the alliance. From a European perspective, that should be assessed as a positive trend as such, but the danger is that the Europeans will rarely be speaking with one voice. The result of a more Europeanised NATO could be a less effective alliance.

### Conclusion

The current US policy on NATO is ambiguous. President Trump is voicing a lot of criticism, while the State Department and the Pentagon are ignoring his rhetoric and Twitter posts as far as possible and

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5 It was called the European Reassurance Initiative (ERI) during the Obama administration. In fiscal year 2017 the ERI budget was $3.4 billion; the EDI budget requested for FY 2019 amounts to $6.5 billion.

6 European Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2019, Office of the Under Secretary of Defense (Comptroller), February 2018.

7 U.S. top commander in Europe wants more resources, more forces to deter Russia, Reuters, May 24, 2018; U.S. military needs more troops in Europe in case of war with Russia, U.S. Army Chief warns, Newsweek, Tuesday, Sep 18, 2018.
promoting increased investment in European security. So far, it seems that Jim Mattis, the US Secretary of Defense, and his State Department counterpart are continuing to step up the American contribution to Europe’s security. This will not go unnoticed in the Kremlin. In that sense, the often heard accusation that the alliance is weaker due to Trump’s critical and blunt NATO policy needs some rectification. In fact, Trumpism has resulted in the Europeans getting a lot more serious about defence, while at the same time the US contribution is growing. The key to alliance cohesion, higher defence spending and investment in better European military capabilities, is not in President Trump’s hands but in those of Vladimir Putin. As long as the Kremlin continues to pursue its anti-NATO course, its interference in Ukraine, its trolling campaigns to derail Western societies and its military build-up and provocations at the alliance’s borders, the future of NATO seems to be assured – with or without Trump.
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