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Brussels NATO Summit 2018: The Alliance Must Increase Defense Spending

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The North Atlantic Treaty Organization (NATO) summit in Brussels on July 11 and 12 is a chance for the Alliance to offer European NATO members an opportunity to answer the calls for increased defense spending. While progress has been made with European defense spending, much more has to be done. The U.S. needs to use the Brussels Summit to press allies on defense spending in a responsible and realistic way.

Raising Awareness

President Donald Trump did a notable job of raising the issue of European defense spending during the presidential campaign. In the Oval Office, he has continued to do so, and his message has been echoed by Vice President Mike Pence, Secretary of State Mike Pompeo, and Secretary of Defense James Mattis.

However, the new and welcome interest in convincing Europeans to spend more on defense has led to a flood of incorrect reporting, uninformed statements, and misconceptions. In this very important debate, it is essential to separate fact from fiction. Specifically:

- The U.S. does *not* provide “approximately 73 percent of the cost of NATO”¹ as is often claimed.

NATO uses a unanimously agreed formula based on a country’s gross national income to determine how much each member contributes to NATO’s common defense spending. In 2017, America’s share was 22.15 percent, followed by Germany (14.65 percent), France (10.63 percent), and Britain (9.84 percent). All members have met their common funding obligation requirement.

- U.S. forces are *not* based in Europe to allow Europeans to create an elaborate welfare state on the back of American taxpayers. Instead, U.S. troops are in Europe first and foremost to protect U.S. national interests. U.S. bases in Europe provide American leaders with flexibility, resilience, and options in a dangerous world. The huge garrisons of American service personnel in Europe are no longer the fortresses of the Cold War, but the forward operating bases of the 21st century. Of course, the presence of U.S. forces in Europe contributes to the collective defense of U.S. allies on the continent, but this is a consequence of, not the reason for, maintaining a robust troop presence.
- It is true that defense spending in Europe is not where it needs to be, but America’s allies do *not* “owe vast sums of money”² to the U.S. as a consequence. There is no central pool of defense funding controlled by the U.S. that member states pay into annually.

A Small Improvement

Although most followers of NATO are familiar with Article 5 of the North Atlantic Treaty—an

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attack on one is an attack on all—Article 3 is the most important when it comes to the overall health of the Alliance. Article 3 states that member states, at a minimum, will “maintain and develop their individual and collective capacity to resist armed attack.” Only a handful of NATO members can say that they are living up to their Article 3 commitment.

Since the end of the Cold War, many European nations (until very recently) have consistently cut defense spending. The result, inevitably, has been a significant loss of capability. In 2006, in an effort to encourage defense investment, NATO set a target for member states to spend 2 percent of gross domestic product (GDP) on defense. At the 2014 Wales Summit, member states recommitted to spending 2 percent of GDP on defense and also committed to spending 20 percent of their defense budgets on “major equipment” purchases by 2024.

According to NATO figures in 2017, only five countries—Estonia, Greece, Poland, the United Kingdom, and the United States—spent the required 2 percent of GDP on defense. Likewise, only 12 NATO members (Bulgaria, France, Italy, Lithuania, Luxembourg, Norway, Poland, Romania, Slovak Republic, Turkey, United Kingdom, and the United States) spent the required 20 percent of their defense budgets on new equipment and research and development. The number of members meeting the 2 percent benchmark is expected to increase to eight by 2018 with Latvia, Lithuania, and Romania—all frontline states in Eastern Europe—finally meeting the benchmark.

Since the Wales Summit in 2014, on the other hand, the annual real-terms change in NATO total defense expenditures has moved in the right direction. In 2017, NATO members (not including the U.S.) collectively increased spending by 4.8 percent, or \$23 billion, since 2015.³

However, even with this improvement, European countries have a long way to go. As an intergovernmental security alliance, NATO is only as strong as

its member states. Weak defense spending on the continent has led to a significant loss of capabilities in the Alliance.

Taking Action at the Summit

Reaching the 2 percent benchmark and meeting the Article 3 obligation requires a political, economic, and societal will to invest in defense. While some NATO members have increased defense spending, many nations in the Alliance continue to lag behind. In order to encourage NATO members to further increase defense spending in a realistic and timely way, the U.S. needs to:

- **Continue to press allies on defense spending.** President Trump should continue to address this directly with his European counterparts both leading up to and during the summit. European leaders should not take public support for NATO membership for granted. Instead, governments should strongly and consistently make the case for NATO, and the importance of robust defense spending, to their publics.
- **Get finance ministers involved.** There should be a special session for finance ministers (or their equivalent) at the meeting in July. In many parliamentary democracies, it is the finance minister who controls public spending. Educating the finance ministers on the importance of military investment might help to secure more defense spending over the long term.
- **Encourage European partners to make increased defense spending the law of the land.** Some European countries have passed legislation requiring that a certain amount be spent on international aid but have failed to do the same with regard to defense spending. The U.S. should encourage NATO members to enshrine defense spending commitments and timelines in legislation.

1. Benjamin Oreskes, “Trump Is Way Off on How Much of NATO’s Budget Is Paid by the U.S.,” *Politico*, September 26, 2016, <http://www.politico.com/blogs/2016-presidential-debate-fact-check/2016/09/trump-is-way-off-on-how-much-of-natos-budget-is-paid-by-the-us-228738> (accessed June 22, 2018).

2. Danielle Silva and Carlo Angerer, “Germany Rejects Donald Trump’s Claim That It ‘Owes Vast Sums of Money’ to NATO, U.S.,” NBC News, March 19, 2017, <http://www.nbcnews.com/news/world/germany-rejects-donald-trump-s-claim-it-owes-vast-sums-n735496> (accessed June 22, 2018).

3. North Atlantic Treaty Organization, *The Secretary General’s Annual Report: 2016*, pp. 29–31, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2018_03/20180315_180315-pr2018-16-en.pdf (accessed June 22, 2018).

This would help to increase transparency and political accountability.

- **Make a clear and public commitment to transatlantic security.** All of the members of President Trump's Cabinet have said the right things about NATO. However, nothing can replace hearing it directly from the Commander in Chief himself. He should state clearly and unequivocally that it is in America's best interests to remain actively engaged in NATO. A peaceful, stable Europe has led to economic, cultural, and military dividends that are far greater than the amounts the U.S. spends on military personnel and basing on the continent. American leaders must make a clear case that the U.S. remains in Europe and a leader in the Alliance because it is in America's national interest to do so.

A Great Opportunity

NATO has provided peace and stability for its member states since its inception in 1949. This was achieved because the countries of the security alliance had real military capabilities that they could leverage in defense of other member states. Weak defense spending by European NATO members threatens to undermine the collective security guarantee and play into Vladimir Putin's hands. The Brussels Summit is therefore a great opportunity for NATO members to recommit themselves to their treaty obligations under the North Atlantic Treaty.

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