



Background

Executive Summary

No. 1360

April 17, 2000

A GRAND BARGAIN WITH EUROPE: PRESERVING NATO FOR THE 21ST CENTURY

JOHN C. HULSMAN, PH.D.

Leadership by the United States is indispensable if the North Atlantic Treaty Organization (NATO) is to be revitalized to meet the challenges of the new century. One of the major truisms of the Cold War era was that Western Europe was an American interest too vital (and in a position too perilous) for the United States to make its allies carry more of NATO's defense burden. This may well have been good policy at the time, but the disparity in burden sharing today, so well illustrated by the Kosovo intervention, is undermining the alliance.

Today, Americans resent being asked to shoulder more than their fair share of Europe's military burden, while Europeans resent being dictated to by the United States. Burden sharing and power sharing, always overarching issues for the alliance, are becoming treacherous. How the alliance addresses these issues could very well determine its prospects for survival. It is time to adopt a Grand Bargain that offers Europeans more decision-making power in exchange for carrying more of the defense burden.

NATO's Security Burden. Burden-sharing problems became more evident during the Kosovo crisis. European military hardware is significantly inferior to that of the United States in strategic transport and logistics, intelligence, and high-tech

weaponry. Problems with compatibility are growing worse as U.S. technology advances. The difference between the U.S. and the European capability to transport an army at will, perhaps the key component for fighting a war in the post-Cold War era, is drastic. The United States is the only NATO country in a position to deploy large numbers of forces well beyond its national borders and sustain them for an extended time. Europeans depend heavily on the United States for force projection, even in places as close as the Balkans.

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A major reason for these deficiencies is that European allies do not devote enough of their resources to defense-related research and development. In Kosovo, U.S. intelligence assets identified

almost all of the bombing targets, and U.S. aircraft flew two-thirds of the strike missions and launched nearly every precision-guided missile. European forces lacked computerized weapons, night-vision equipment, and advanced communications resources, making it risky to use European aircraft in the campaign.

Kosovo illustrates that this gap is widening. If left unchecked, this trend will have devastating consequences. If the United States maintains the only genuine army within NATO and is forced to play a major role even in peacekeeping operations, the differences in burden will lead to massively different policy outlooks. It is difficult to see how NATO can survive without a more unified outlook.

Solving the Problem. The starting place for genuine reform lies in acknowledging the inextricable link between burden sharing and power sharing. This means that the European pillar must increase its financial and military contributions to the alliance while claiming a greater amount of decision-making power within NATO. Likewise, while the United States would benefit from being able to decrease its transatlantic defense burden, it must consent to giving the Europeans a greater role in determining how the alliance is run. This fundamental trade-off must underlie all the specific planks of any successful NATO reform proposal.

There is little doubt that altering NATO's command structure will be a major political concession by the United States. Yet such a bold reform is unquestionably in U.S. strategic interests as the world enters a new century with threats far different than the one posed by the former Soviet Union. The new Grand Bargain for NATO would allow the United States to meet its global responsibilities without sacrificing its European interests or commitments. Moreover, it would:

1. **Free up** limited U.S. resources for other global contingencies, giving America the freedom and flexibility to focus on other global interests without diminishing NATO's capabilities.
2. **Reduce** the need to supply the lion's share of NATO's military wherewithal

3. **Create** a more cooperative political environment within the alliance.

At a minimum, giving more power to the European allies would mean raising their defense spending levels—a good target is 3 percent of their gross domestic product each year, placing an emphasis on expenditures that will decrease the technological gap—and committing to professionalizing their armies.

As recently as April 1999, the NATO member states vowed “to improve our defense capabilities to fulfill the full range of the Alliance's Twenty-first Century missions.” The Europeans must concentrate on buying unglamorous but essential items that will correct their deficiencies in lift, logistics, and command, control, communications, computers, and intelligence (C⁴I) capabilities.

In exchange for considerable European efforts to roughly match the United States militarily within the scope of the alliance, the United States should agree to give the Europeans a greater say in how the alliance is run. For example, the Southern Command in Naples as well as a number of theater commands could be given to the Europeans.

The timing of the implementation of the Grand Bargain should establish a momentum for real change. Each step must build politically on the successful completion of another, moving from rhetorical and symbolic aspects to tangible deliverables. Reciprocity—the central concept behind the whole enterprise—should be the final outcome. The Grand Bargain will be complete when the alliance is roughly equal in terms of military capabilities, power sharing, and overall financial inputs with regard to the two pillars.

Conclusion. The NATO alliance has served the world well for the better part of 50 years as a bulwark of freedom against foes in an uncertain and often hostile world. Certainly, such an organization is worth modernizing, revitalizing, and preserving to meet the challenges of the future.

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Backgroundunder

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A GRAND BARGAIN WITH EUROPE: PRESERVING NATO FOR THE 21ST CENTURY

JOHN C. HULSMAN, PH.D.¹

All is not well with the North Atlantic Treaty Organization (NATO). The conflicts and tensions that have challenged the alliance since the end of the Cold War reveal an organization in need of urgent reform. Yet the political tensions at the core of NATO's problems can be explained succinctly: Americans resent being asked to shoulder more than their fair share of Europe's military burden, while Europeans resent being dictated to by the United States. Like a poison, these resentments eat away at the heart of the alliance that has assured European security since World War II.

Although burden sharing and power sharing have been overarching issues since the founding of NATO in 1949, neither has seemed more treacherous than they do today, in the absence of the Soviet threat that had compelled the allies to overlook their internal grievances for decades. How the alliance addresses these problems could very well determine its survival in an era when threats to European security are frequently less well-defined but proliferating rapidly. A Grand Bargain on burden sharing and power sharing must be struck that strengthens and empowers both pillars of this

worthwhile transatlantic alliance.

OUT OF BALANCE: NATO'S SECURITY BURDEN

A core problem for NATO security became more evident during the recent Kosovo intervention: Europe clearly does not share enough of the alliance's military burden. European military hardware is significantly inferior to that of the United States in strategic transport and logistics (which includes C-17s, rapid sealift, inflatable fuel tanks, and forward repair facilities), intelligence (satellites, sensors, computers), and high-tech weaponry (precision-

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1. The author thanks Dr. Kim Holmes, Vice President, and Michael Scardaville, Research Assistant, in the Kathryn and Shelby Cullom Davis Institute for International Studies at The Heritage Foundation for contributions to and assistance with this paper.

guided explosives and cruise missiles). Problems with compatibility—always the bane of this uneven alliance—are growing worse as U.S. technology advances. *The Economist* reported on this disappointing inequity:

Compared to U.S. forces inspired by the “revolution in military affairs” that promises perfect knowledge of everything on a battlefield, Europe’s static conscript-dependent forces look increasingly like dinosaurs. Western Europe’s defense budget is almost two-thirds that of America, but it produces less than one-quarter of America’s deployable fighting strength.²

Yet, the technological discrepancies between the U.S. and European forces pale in significance next to the difference between the U.S. and European forces in “lift” capabilities, or their ability to transport an army at will. Europe, in the words of the Western European Assembly, has ceded “a virtual monopoly”³ in this area to the United States. While unglamorous, logistical lift is probably the key component to fighting and winning a war in the post–Cold War era. Just as the British navy’s ability to move its forces in the 19th century was key to the success of its empire, so is America’s ability to place its troops quickly anywhere in the world the crucial reason for its military dominance. This disparity is a basic weakness that limits the effectiveness of European defense forces. The United States is the only NATO country in a position to deploy large numbers of forces well beyond its national borders and sustain them for an extended period of time. Europeans depend heavily on the United States for force projection, even in places as close as the Balkans.

A major reason for these technological deficiencies is that European allies do not devote enough of their resources to defense-related research and development. The United States spends nearly four times as much as its allies do in this area.⁴ Generally, the defense-spending picture among the allies is mixed; some have made genuine efforts to adapt to the post–Cold War security environment, while others continue to take a strategic holiday. U.S. defense spending in 1998 was 3.2 percent of its gross domestic product (GDP), for example, while France spent 2.8 percent of its GDP; the United Kingdom, 2.7 percent; Italy, 2 percent; Germany, 1.5 percent; and Spain, 1.3 percent.⁵ Poor procurement decisions do not convincingly explain the technological gap between the two pillars of the alliance; an insufficient financial commitment on the part of the Europeans has been a significant part of the problem.

The Lesson from Kosovo

NATO’s experience in Kosovo offers a practical illustration of how dangerously unbalanced the alliance has become. For one thing, Operation Allied Force demonstrates that the twin-pillar perception of a roughly equal alliance—although an ideal prototype—has little practical bearing on military realities in Europe. U.S. intelligence assets identified almost all of the bombing targets in Serbia and Kosovo, and U.S. aircraft flew two-thirds of the strike missions in Kosovo and launched nearly every precision-guided missile.

Technologically, Europe’s contribution to the allied effort was deficient. The European forces lacked computerized weapons, night-vision equipment, and advanced communications resources. These military deficiencies significantly affected NATO’s warfighting strategy. U.S. Air Force General Michael Short, who oversaw the NATO

2. Bruce Clark, “Armies and Arms,” *The Economist*, April 24, 1999.

3. Michael O’Hanlon, “Transforming NATO: The Role of European Forces,” *Survival*, Vol. 38, No. 3 (Autumn 1997), p. 11.

4. Kenneth I. Juster, “The Mistake of a Separate Peace,” *The Washington Post*, August 9, 1999.

5. William Cohen, “Report on Allied Contributions to the Common Defense,” *A Report to the U.S. Congress by the Secretary of Defense*, p. III–4. See also, William Drozdiak, “U.S. Allies’ Air Power Was Lacking in Conflict,” *The Orlando Sentinel*, July 11, 1999.

bombing campaign, stated afterwards that the shortcomings of the European aircraft were so glaring—especially in their lack of night vision capabilities and laser-guided weapons systems—that he was forced to curtail their missions to avoid unnecessary risk.⁶ Put simply, the European allies have not done enough to reconfigure their militaries since the end of the struggle with the Soviet Union.⁷ With the passing of the Cold War, geopolitical calculations for the alliance have changed, while European defense habits have not.

The unequal division of labor between the United States and its European allies in Kosovo is a flawed posture that sets a dangerous precedent for the transatlantic alliance in the future—America fights the wars and Europeans manage the peace. That both Washington and the Europeans have tacitly accepted this division of labor helps solidify the two-tiered alliance structure that has evolved. The fact that the Europeans are vowing to pay for most of the economic reconstruction of Kosovo and the Balkans does not and should not make up for the reality of their current military weakness and ineffectiveness. This specious equivalence is not the correct lesson to be learned from the Kosovo conflict.

Kosovo illustrates that the military gap is widening. If this trend is left unchecked, it will have devastating consequences. As the U.S. General John Sheehan, former Supreme Allied Commander of the Atlantic, noted, “The technological gap is increasing between the U.S. and Europe. Soon the other members of NATO will be little more than constabulary forces, with the U.S. possessing the only genuine modern army.”⁸ If the United States maintains the only genuine army within NATO and is forced to play a major role even in peacekeeping operations, the differences in

burden will lead to massively different policy outlooks. It is difficult to see how NATO could survive without a unified outlook.

If there is a productive lesson to learn from Kosovo, it is that the allies must end this lopsided arrangement. The unequal relationship that has existed almost since the signing of the Treaty of Washington—in which America chides its partner to do more, it grudgingly agrees, and then does little or nothing—merely increases resentment. Learning from this lesson and reforming the alliance will require strong leadership on both sides of the Atlantic. The steps the allies take now could reinvigorate this historically successful multinational institution and prepare it to meet the security needs of the coming century.

SOLVING THE PROBLEM: A GRAND BARGAIN

Since the end of the Cold War, efforts within NATO to address the fundamental burden- and power-sharing problems have fallen far short of the mark. At a Washington NATO Summit in April 1999, the alliance members signed a Defense Capabilities Initiative (DCI), which addresses the issue of burden sharing. The hope was to provide a common concept of operations that would prepare the alliance for the battlefield of the 21st century. The DCI points to a future in which force postures would be less dependent on overly large standing forces but would emphasize deployability and sustainability.

While Point #3 of the DCI asserts, “It is important that all nations are able to make a fair contribution to the full spectrum of Alliance missions regardless of differences in national defense structures,”⁹ the agreement does not state how the

6. Drozdiak, “U.S. Allies’ Air Power Was Lacking in Conflict.”

7. It should be noted that Canada also has failed to invest in upgrading its capabilities.

8. General John Sheehan, remarks, “NATO Priorities After the Madrid Summit,” Conference sponsored by the Atlantic Council of the United States, Washington, D.C., July 23, 1997.

9. See “The Washington Declaration,” Issued and Signed by the Heads of State and Government participating in the meeting of the North Atlantic Council in Washington, April 23–25, 1999, *North Atlantic Council Press Communiqué*, April 25, 1999, p. 1.

alliance will achieve this goal. Burden sharing should entail close military coordination, with shared risks and responsibilities and common experiences among all of the allies. Until there is a concrete plan to realize these concepts, the lopsided relationship will continue.

The vague DCI was designed to fulfill the aspirations of an equally nebulous New Strategic Concept, which alliance members also signed at the Washington Summit. The New Strategic Concept is supposed to outline the changes in the alliance that would allow it to prosper. Beyond signaling the formal acceptance of a European Security and Defense Identity (ESDI) within the alliance and discussing the need to narrow the technology gap between the United States and Europe, the document is little more than a public relations exercise; it does not begin to discuss how these aspirations are to be fulfilled.

The starting place for genuine reform lies in acknowledging an inextricable link between burden sharing and power sharing. This means that the European pillar must increase its financial and military contributions to the alliance while claiming a greater amount of power within NATO. Likewise, while the United States would benefit from being able to decrease its transatlantic defense burden, it must consent to giving the Europeans a greater role in determining how the alliance is run. This fundamental trade-off must underlie all the specific planks of any successful NATO reform proposal.

There is little doubt that altering NATO's command structure will be a major political concession by the United States. Yet such a bold reform is unquestionably in U.S. strategic interests as the world enters a new century with threats far different than the one posed by the former Soviet Union. The new Grand Bargain for NATO would allow the United States to meet its global responsibilities without sacrificing its European interests or commitments.

Indeed, meeting America's global commitments with the limited resources available in a peacetime economy will be one of the most challenging aspects of post-Cold War U.S. foreign and strategic policy. The danger of overstretching the military is a real one for America, which must make the transition from a position of dominance in its alliances to one of leadership. Today, the lack of a clear global threat makes the policy of domination of alliances unrealistic and counterproductive. The United States should lead a balanced alliance, allowing its partners to have a greater say in creating a truly cooperative arrangement.

Benefits of Burden Sharing. The key benefits of such a balanced approach are threefold:

- **It would free up limited U.S. resources for other global contingencies.** A greater European defense commitment within the alliance would give America the freedom and flexibility to focus on other global interests without diminishing NATO's capabilities.
- **It would reduce the need for America to supply the lion's share of military wherewithal for all NATO actions, a state of affairs that has led to increasing resentment.** As General Short stated before the Senate Armed Services Committee regarding France's restrictions on NATO bombers during the Kosovo air campaign, "A nation that is providing less than 8% of the sortie combination to an effort should not be in a position of restricting American aviators, who are bearing 70% of the load."¹⁰ The resentments from this lopsided arrangement present the greatest long-term threat to the continued health of the alliance.
- **It would create a more cooperative political environment within the alliance.** Resolving the burden-sharing and power-sharing dilemma and modernizing NATO would facilitate a stronger, more cooperative relationship that would keep NATO viable in the future.

10. Stephen Fidler, "France Under Fire Over Kosovo Curbs," *The Financial Times*, October 22, 1999.

European Obligations Under the Grand Bargain

If the United States were to share more power, then its European allies should agree to modernize their armed forces. At a minimum, this means raising their defense spending to 3 percent of their GDP each year and emphasizing expenditures that decrease the technological gap between the alliance's pillars. Moreover, they should commit to making their armies professional.

The European members should be allowed to use collective means to close the technology gap if they desire—as the ESDI outlines; but their adherence to the Grand Bargain should be judged on their individual efforts. Each European state would be given credit proportional to the defense expenditures it makes. For example, if France were to contribute 30 percent of the money to produce a new Eurofighter plane worth \$1 billion, it would be credited with \$300 million in expenditures.

The great advantage of setting a specific target (such as 3 percent of GDP) is that it is equitable and measurable. Every member would know if the target is, or is not, met. The specificity of the Grand Bargain would end the lopsided relationship that has troubled the alliance since the Cold War.

The target for defense spending, even at 3 percent of GDP, would be a genuine hardship for some of the European states (Germany, Italy, and Spain), but it would not prove difficult for others to meet (France and Britain). Those facing genuine sacrifice are likely to argue that, as members of the euro-zone, they made solemn promises to limit their countries' debt and deficit levels to 60 percent and 3 percent of GDP, respectively, which means any increases in their defense expenditures would force them to renege on these commitments. This would mean violating the economic stability pact they swore to uphold when they adopted the euro. Such a violation would lead (at least in theory) to stiff national fines.

The counter argument to this concern is simple: Solemn commitments were also made to the NATO alliance that must be honored. As recently as April 1999, in the Washington Declaration signed at the summit, all the NATO member states vowed in Point #7 “to improve our defense capabilities to fulfill the full range of the Alliance’s Twenty-first Century missions.”¹¹ Any balking about adding precision to this unambiguous commitment (and the heart of the Grand Bargain proposed here) should be seen as an excuse to perpetuate the status quo whereby certain states in the alliance are given a free ride due to America’s overgenerous defense contributions. The bad blood that this has engendered would be alleviated by the specific defense spending benchmark. The question becomes one of will and priorities. In meeting the 3 percent target, the European pillar would demonstrate its seriousness and its commitment to NATO. Such committed allies would merit a roughly equal say in how the alliance is run.

The Clinton Administration correctly understands that increased spending alone will not solve the problem; intelligent defense procurement is also crucial if the Europeans are to close the technological gap. The Europeans must concentrate on buying unglamorous but essential items that will correct their deficiencies in lift, logistics, and command, control, communications, computers, and intelligence (C⁴I) capabilities that will ensure their forces are capable of mastering the 21st century battlefield. Such procurement practices could easily triple the long-distance warfighting capabilities of the European allies within five years while requiring moderate spending increases—collectively totaling an increase of \$10 billion a year for five years, or 6 to 7 percent of total European defense spending on NATO.¹²

Changing European defense spending habits and decreasing the technological gap between the pillars of NATO would solve part of the problem initially, but, in line with these reforms, force

11. “The Washington Declaration,” p. 2.

12. O’Hanlon, “Transforming NATO: The Role of European Forces,” p. 10.

postures should evolve as well. About half the European allies still rely on conscription, while Belgium, the Netherlands, the United States, and the United Kingdom now have professional armies. France has declared it will professionalize its forces by 2002, and Italy is just beginning the process. A force that depends on high-tech weaponry, mobility, and survivability must be professional; the demands of warfare in this new century will require a commitment to extensive training that can only be expected of professionals. America's military success in the post-Cold War era has taught this much. The Europeans must complete this transition to a professional army within a relatively short time span.

Increasing European integration within the context of NATO might well facilitate economies of scale, making it easier for the Europeans to meet their increased defense commitments under the Grand Bargain. Such an arrangement should be encouraged with caveats. An enhanced ESDI must (1) take place under the NATO umbrella, (2) genuinely enable the European pillar to catch up technologically with the U.S. pillar, and (3) while allowing for an increased role for the European Union (EU) in the process, be open to all European members of NATO, whether or not they are in the union. Above all, the ESDI must enhance what the NATO alliance is doing through the Grand Bargain; it must not become the foundation for a separate defense organization designed to supersede the transatlantic link.

Broadly, the Grand Bargain among NATO allies provides a structure focused more on results than the architecture to achieve them. Rather than being drawn into the thicket of competing architectural models for European security, the bargain shines a light on an individual country's progress toward achieving the aims of the accord. It thus focuses on outcomes—an approach that has been lacking in other attempts to reform NATO.

American Obligations Under the Grand Bargain

In exchange for considerable European efforts to roughly match the United States militarily

within the scope of the alliance, America must change its thinking about power sharing. The United States should agree to alter the NATO command structure, with an eye toward giving the Europeans a greater say in how the alliance is run. For example, the Southern Command in Naples as well as a greater number of theater commands could be given to the Europeans. If they can muster the political will to carry out the reforms to their military establishments that are so desperately needed, the United States must acknowledge their efforts to transform the alliance into a genuine two-pillar structure.

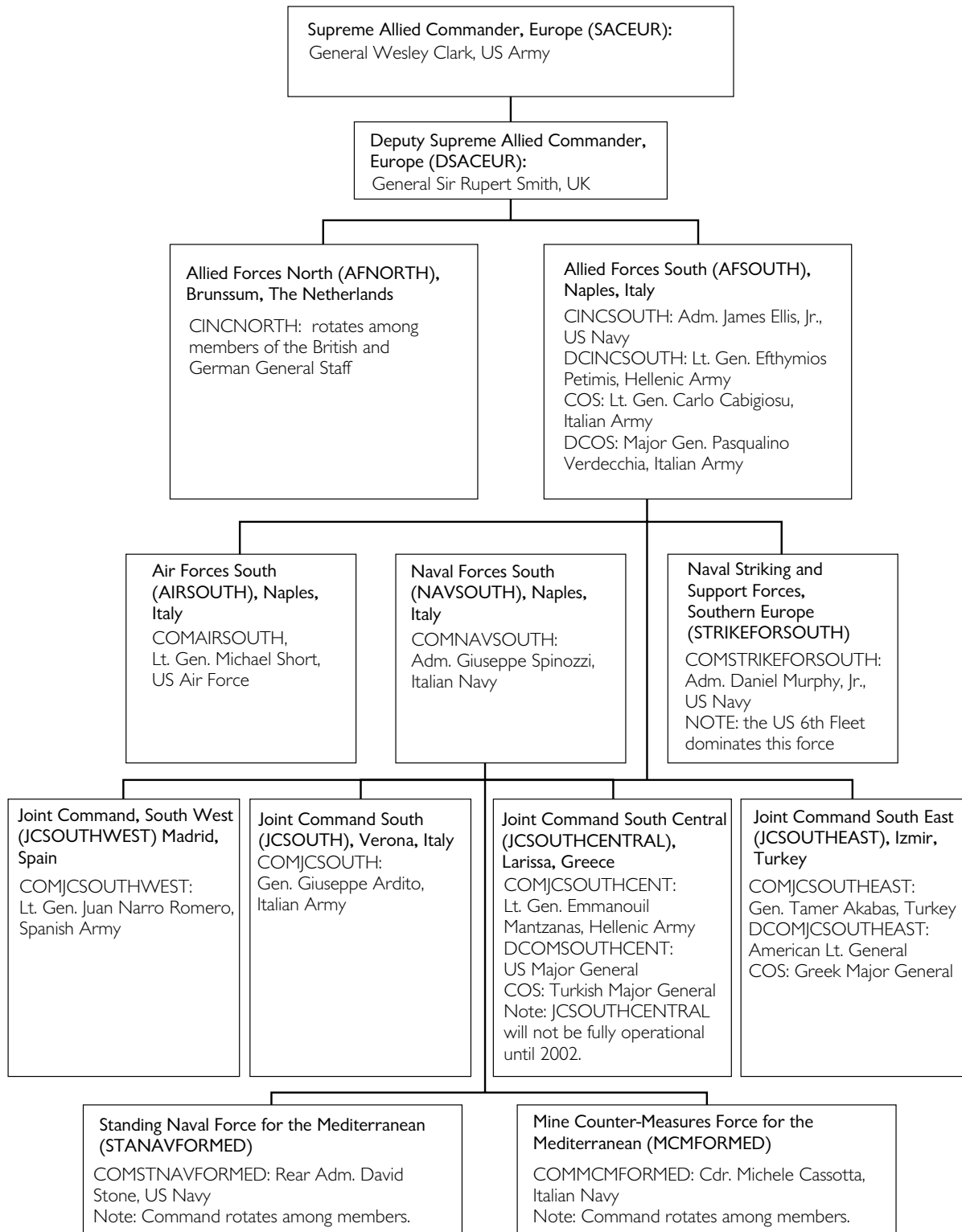
If France, for example, embraces the Grand Bargain, continues to professionalize its armed forces, spends just slightly more on defense, and wisely procures more high-tech weaponry, then the United States should have no qualms about transferring the Southern Command at Naples to the purview of a European general officer. This would be in line with France's desires. The Standing Naval Forces-Mediterranean in Naples (the only permanent naval force in the Mediterranean and a sub-command under Naval Forces South) currently is under the leadership of a U.S. Rear Admiral. This command could be transferred to a European without changing its current composition of forces. Both these prestigious and important commands should be allotted permanently to the Europeans if they fulfill their end of the Grand Bargain.

If the Grand Bargain is implemented, Europeans would serve as deputy head of the alliance (DSACEUR), head of the NATO Rapid Reaction Force, and heads of both NATO's Northern and Southern Regional Commands at Brunssum and Naples (see Chart 1), and lead a regional sub-command at Naples (NAVSOUTH). This strategy would demonstrate the U.S. commitment to accede to European desires for greater power sharing and provide concrete diplomatic rewards to European leaders who have the vision to embrace the Grand Bargain.

Chart 1

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Allied Forces South Command Structure



Source: North Atlantic Treaty Organization.

ACHIEVING THE GRAND BARGAIN

Three elements of reform are critical if the Grand Bargain is to become a reality: (1) timing; (2) implementing reform in practical stages, and (3) assuring reciprocity.

The timing of the implementation of the Grand Bargain should establish a momentum for real change. Each step must build politically on the successful completion of another, moving from rhetorical and symbolic aspects to tangible deliverables. Implementing reforms in practical stages should make the new configuration of the alliance psychologically comfortable for decision-makers. Reciprocity—the central concept behind the whole enterprise—should be the final outcome. The Grand Bargain will be complete when the alliance is roughly equal in terms of military capabilities, power sharing, and overall financial inputs in regard to the two pillars. The members of this new organization of equals, who likely will have many more shared experiences and shared commitments in the coming century, will find the alliance revitalized.

The steps to achieving these core elements of reform are as follows:

1. **Proposal for Burden Sharing.** At a NATO ministerial meeting, a European nation such as France or Britain should publicly propose this reform proposal to the United States as a potential NATO doctrine, which would require ratification by the North Atlantic Council. It should be stressed, however, that while there are set goals in the plan proposed here (e.g., spending 3 percent of GDP on defense, modernization, and professionalization of forces), it is entirely up to the Europeans to choose how to meet these goals.
2. **Individual Blueprints.** European states would devise their own plans for meeting their new obligations, since the new arrangement would be evaluated on a country-by-country basis. Their modernization blueprints may include reforms that are more affordable as joint ventures (such as through the ESDI). It is likely that the European blueprints would include a mixture of individual and collective targets to meet each state's obligations under the accord. The plans should be presented at the North Atlantic Council, the consultative arm of NATO.
3. **Proposal for Increasing Joint Training Exercises.** After it is informed of these individual plans at the North Atlantic Council, the United States would propose increased joint NATO training exercises between the U.S. Department of Defense and individual European militaries. Such extra joint training will help standardize tactics, increase shared military experiences, and cement bonds between the two pillars of the alliance. This also would serve as a public acknowledgment of how far the Europeans have come in modernizing their forces.
4. **Implementation of Individual Plans.** The Europeans would begin implementing their defense plans to meet their obligations under the Grand Bargain after the North Atlantic Council makes the plan official NATO doctrine. Timetables for increasing defense spending to the targeted amount (3 percent) of GDP, achieving a fully professionalized force, and narrowing the technological gap would be communicated to the United States in the North Atlantic Council. As this process begins, the United States would start substantive discussions on issues of power sharing, which should center on the regional command in Naples. At this time, the Standing Force in the Mediterranean, which is only part of the overall force, should be turned over to the Europeans. This is the only permanent naval force at Naples, which makes this move of great tangible value and preliminary to having the Europeans assume the full Naples command permanently.
5. **Force Deployment.** The Europeans would begin to deploy their new professionalized forces and commence joint exercises with the United States, which would reduce the current warfighting gap significantly.

6. **Ceding Command of the Naples Naval Force.**

After Europe exhibited this change in burden sharing, the United States would cede the overall Naples command to a European general officer, retaining the air force sub-command, since it will take the Europeans a very long time to catch up in air capabilities. In the interim, the United States should retain control over what will be largely U.S. troops. As the Naples command shifts to European control, the Europeans must deploy more naval forces there until at least half the forces are European. It is at this juncture that full command should be exchanged.

At the end of this process, the NATO alliance—through reciprocal burden-sharing commitments and power-sharing benefits—genuinely would be reformed.

OTHER REFORM OPTIONS

What if the Europeans collectively reject the Grand Bargain? Certainly, the problems threatening the alliance mean that the reform initiative cannot be allowed to rest. The United States should immediately and publicly place another proposal before the Europeans.

America should insist that the European countries that do not improve their military capabilities in line with the proposals in the Grand Bargain should at least contribute a like amount financially to all multilateral combat activities. The principle that all countries allied in NATO should contribute either compatible military assets or the equivalent amount in financial resources must be enshrined as NATO doctrine.

Second, during a given military campaign, the country with the greatest quantity of trained personnel and sophisticated equipment in the line of fire should assert the primary decisionmaking voice in how the military operations are conducted. For example, in accordance with this principle, a British general (Gen. Sir Michael

Jackson) commanded KFOR, the NATO peace-keeping contingent in Kosovo. At the time, Britain was the largest contributor of troops to that deployment. For a seat at the decisionmaking table, all allies should at least contribute financially their fair share for such operations, which would be the percentage of GDP they represent within the overall alliance. This plank would reaffirm the indissoluble link between burden sharing and power sharing.

What if the Europeans reject this proposal as well? At some point, the Europeans must realize that the United States must make significant adjustments to its overseas deployments with or without their approval of a NATO reform concord. As David Gompert and Richard Kugler of the RAND Corporation have argued, “the allies lack motivation to remedy their shortcomings, knowing that the U.S. can and evidently will protect common interests with or without them.”¹³ The United States must convince the Europeans that the lopsided relationship, which is perhaps the largest impediment to implementing the Grand Bargain, is over. Given America’s historical record of backing down rather than confronting its allies, it is easy to see why the Europeans might not take America’s newfound resolve seriously.

Leadership is at its core about convincing friends and foes alike of the sincerity underlying stated policy objectives. For in the end, if the Europeans continue to refuse to embrace the concept of reciprocity which lies at the heart of the Grand Bargain or its alternative described above, then the United States is faced with the unpleasant task of reconsidering its position within the alliance, making perhaps significant unilateral troop redeployments away from Europe. If the allies are not prepared to contribute significantly to the defense of their own national and regional interests, then the United States cannot be expected to shoulder the majority of their security burden. American leadership is vital to demonstrate the seriousness with which the United States takes these reform proposals and that its desire for

13. David C. Gompert and Richard L. Kugler, *Rebuilding the ‘Team’: How to Get Allies to Do More in Defense of Common Interests* (Washington, D.C.: RAND Corporation, September 1996), p. 4.

reform springs from a sincere commitment to preserving the precious transatlantic link.

But there is a third possibility. What if some of the European allies agree to the Grand Bargain while others reject it? It is clear that a melding of the two options is possible. For example, suppose France and Britain embrace the Grand Bargain and Germany, Spain, and Italy reject it. Britain and France, as two countries already committed to significant military reform, could implement their obligations under the Grand Bargain rather quickly. The Naples command would be turned over to either British or French leadership. The Germans, Spanish, and Italians would be forced in this two-track strategy to contribute more financially to the effort or lose significant decisionmaking say over what happens regarding the alliance.

The United States should make known to its allies that it will engage in peacekeeping and out-of-area missions only when its specific national interests are at stake. For example, in this two-track strategy, the United States would participate only in Combined Joint Task Force Operations (CJTFs), as opposed to full alliance operations. CJTFs allow coalitions of the willing to borrow NATO assets on an ad hoc basis for specific multinational out-of-area missions not necessarily mandated by Article V of the Treaty of Washington (i.e., self-defense operations). CJTFs remain dependent on NATO headquarters and infrastructure and assets governed by alliance protocols. Significantly, CJTF decisionmaking, once unanimously approved by the North Atlantic Council, naturally devolves to those countries participating in the specific mission. When an operation has ended, the CJTF is dissolved, and military assets and decisionmaking powers revert to overall NATO control.

The United States, as a condition of participating in future CJTFs, should stipulate that only European allies who adhere to the Grand Bargain could join with it in operational and strategic decisionmaking within the CJTF structure. This standard should hold true whether a European power or the United States proposes the CJTF. It would allow the United States to work closely with

those nations truly committed to NATO reform, while serving as a positive incentive for countries that are not committed to the Grand Bargain. This outcome would create a more responsive alliance, with an inner core of states committed to a flexible but equitable military relationship.

CONCLUSION

Leadership by the United States is indispensable if NATO is to be revitalized for the challenges of the new century. One of the major truisms of the Cold War era was that Western Europe was an American interest too vital (and in a position too perilous) for the United States to pressure its allies into making a more significant military and financial contribution to NATO. This may well have been good policy at the time, but giving Europe such a free ride in the post-Cold War era is no longer in America's interests. It is up to Washington to provide real leadership and to convince the European states that, while America is earnest regarding NATO reform, it remains committed to the transatlantic link. Matching rhetoric to policy goals will rebuild U.S. credibility, which is essential for the Grand Bargain to become a reality.

Finally, America's European allies must be made to look at the Grand Bargain pragmatically, for such an accord is certainly in their interests. For Europe to go it alone in terms of its defense, as some might wish, looks like a pipe dream in the aftermath of Kosovo. Further, if the Europeans balk at the Grand Bargain, saying the Maastricht Treaty strictures on their fiscal policies prohibit increased defense spending, they must be made to consider the alternative. To manage defense-related threats like Kosovo primarily on their own would mean a doubling or trebling of current European defense budgets, not the modest increase that the Grand Bargain would entail. U.S. policymakers should make clear to the allies that a crippled NATO (for operations beyond the Article V self-defense commitment) would be a significant geopolitical setback for the United States, but an absolute disaster for the Europeans politically, economically, and militarily.

The NATO alliance has served the world well for the better part of 50 years as a bulwark of freedom against foes in an uncertain and often hostile world. Certainly such an organization is worth modernizing, revitalizing, and preserving to meet the challenges of the future.

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