



The Heritage Foundation Executive Memorandum

No. 643

January 24, 2000

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

JOHN C. HULSMAN, PH.D.

The starting point for genuine reform of the North Atlantic Treaty Organization (NATO) must lie in acknowledging the inextricable link between burden sharing and power sharing. The European pillar must increase its financial and military contribution to NATO while being given more decision-making power within the alliance. The United States must consent to this enhanced European role, recognizing that the benefit of an increased European commitment to NATO means a decrease in the U.S. defense burden.

NATO reform is desperately needed precisely because burden sharing and power sharing are out of balance. Kosovo highlighted that the twin-pillar conception of a roughly equal alliance has no bearing on military realities in Europe, raising the question of the alliance's long-term relevance.

Almost all of NATO's problems in Kosovo stem from the two over-arching dilemmas of burden sharing and power sharing. Both have been present since NATO's founding in 1949, but the Soviet threat demanded that NATO de-emphasize these questions. The United States has always contributed more than its fair share to the alliance. During the Cold War, this was deemed a reasonable, if not a necessary, price to pay to preserve Western Europe from Soviet domination. With the Cold War's end, however, American geopolitical calculations have changed, while European defense habits have not.

Kosovo illuminated this disparity: U.S. intelligence assets identified almost all the bombing targets in Serbia and Kosovo, U.S. aircraft flew two-thirds of the missions, and nearly every precision-guided missile used was launched from an American aircraft. The European contribution, overall, lacked computerized precision weapons and guidance systems, night-vision capabilities, and advanced communications equipment. The American general who oversaw the air operation curtailed European aircraft sorties to avoid unnecessary risk. By almost any measure, European military hardware is inferior to that available to the U.S. armed forces. Kosovo illustrated that the military gap is widening.

What is necessary is a proactive plan that acknowledges the unbreakable link between burden sharing and power sharing. Rather than engaging in more useless finger pointing, both the United States and Europe must focus on preserving NATO for the 21st century. The emerging "Grand Bargain" includes two principal elements.

Produced by
The Kathryn and Shelby
Cullom Davis Institute
for International Studies

Published by
The Heritage Foundation
214 Massachusetts Ave., N.E.
Washington, D.C.
20002-4999
(202) 546-4400
<http://www.heritage.org>



This paper, in its entirety, can be found at: www.heritage.org/library/execmemo/em643.html

The Europeans should modernize their armed forces. Creating the trade-off between burden sharing and power sharing starts with the modernization of the various European state contributions to NATO. European members should seek to reduce the technological gap between U.S. forces and their own. A defense spending benchmark of 3 percent of gross domestic product (GDP) should allow for the modernization and professionalization of the European militaries.

The Grand Bargain, however, is not simply that “Europe” reach the threshold. Each NATO member must be capable of fully contributing to the alliance’s mission. Each European state will be given credit proportional to the defense expenditures it makes. For example, if France contributes 30 percent of the funding to produce a new Eurofighter worth \$1 billion a plane, it receives credit for \$300 million. The advantage of setting a specific target is that it is both equitable and measurable. In return for such an effort, the Europeans must be given greater representation in the overall NATO command structure.

The United States must restructure NATO commands to provide a greater European say in decision-making. The notion of a Grand Bargain also rests on the premise that those who contribute more to the alliance receive more authority within it. As the United States will no longer be forced to bear a disproportionate burden, it must cede more operational control to the Europeans—something it has been reluctant to do. In response to European modernization and professionalization, the Grand Bargain will allow for the eventual transfer of the Southern Command at Naples to a European general officer. European commanders will then head the NATO Rapid Reaction Force; the NATO Northern and Southern Regional Commands at Brunssum and Naples, respectively; and one of the NAVSOUTH commands at Naples.

There is no doubt that altering the NATO command structure is a major American concession and

that an increased European commitment represents a significant step for America’s European allies. Yet the benefits of such a bargain are enormous: The Grand Bargain will allow the United States to meet its global responsibilities without sacrificing its European commitments; will free limited American resources for other global contingencies, many of which affect Europe as well; and will reduce the need for the United States to supply the major share of NATO’s military wherewithal (which generates arguments about Europe’s “free ride”) while removing the resentment in European capitals generated by Uncle Sam’s total domination of the alliance. It also reflects changing political feelings in Europe, especially in Great Britain and France.

Conclusion. The Grand Bargain, in short, is in America’s interest and Europe’s. One of the truisms of the Cold War era was that Western Europe was too vital an American interest (and in too perilous a position) for the U.S. to pressure the allies into making a more significant military and financial contribution to NATO. While this may well have been good policy at the time, the changed international environment is forcing a reassessment. For the Europeans, the Grand Bargain is a pragmatic step: If Europe should want to go it alone and seek to manage defense-related threats without U.S. involvement, it would have to double, if not treble, its current defense spending. The Grand Bargain, by comparison, is a modest proposal.

More significantly, such a bargain acknowledges that the NATO alliance has served all its members well for 50 years. Such an entity is worth modernizing and preserving for the challenges of the future. The proposed Grand Bargain matches rhetoric on both sides of the Atlantic with policy goals. The result will be a strengthened NATO for the 21st century.

—John C. Hulsman, Ph.D., is Senior European Policy Analyst in the Kathryn and Shelby Cullom Davis Institute for International Studies at The Heritage Foundation.