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Amidst political disunity, military spending set to grow by \$400 billion and NATO reaches out into space

A review of the NATO Leaders' Meeting, London, 3-4 December 2019

By Dr. Ian Davis, NATO Watch

Key activities and decisions taken:

- ⇒ NATO's disunity was reflected in the lack of a summit communique and instead an anodyne 9-point London Declaration was agreed.
- ⇒ An expert group "reflection process" under the leadership of the NATO Secretary General is to be established to "further strengthen NATO's political dimension".
- ⇒ The leaders discussed NATO's coordinated approach to three strategic issues relations with Russia, the rise of China and arms control—without making any new commitments.
- ⇒ There has been a fifth consecutive year of growth in military spending across European allies and Canada, and an estimated accumulated increase in spending by 2024 of \$400 billion.
- ⇒ NATO's Readiness Initiative has been achieved: 30 battalions, 30 air squadrons, and 30 combat ships are now available to NATO within 30 days.
- ⇒ Space was formally acknowledged as a fifth domain of warfare for the alliance (a decision already taken by NATO defence and foreign



- \Rightarrow ministers), following up on the 2016 pronouncement of cyber as a warfare domain.
- ⇒ A new action plan was agreed to step up NATO's efforts in the fight against terrorism (although no details were released).
- ⇒ New security standards for telecommunications infrastructure, including 5G, were agreed (a decision already taken by NATO defence ministers in October).
- \Rightarrow Several other measures previously agreed by defence and foreign ministers were also apparently signed-off, including measures to enhance protection of energy infrastructure, ensure the alliance's technological edge and to step up the response to hybrid threats—although much of the detail on these measures remains outside of the public domain.

⇒ There appeared to be no discussion of NATO's new (classified) Military Strategy that was approved by NATO's Chiefs of Defence in May 2019 (see NATO Watch <u>Observatory No.50</u>).

 $\Rightarrow After three$ consecutive years ofsummits, the leaders agreedto meet again in 2021.

Summary of the Leaders' Meeting

When is a summit not a summit? When it is downgraded to a 'Leaders' Meeting'. NATO's Leaders' Meeting took place on the 4 December 2019 at the Grove Hotel, Hertfordshire—less than three miles from the Making of Harry Potter Studio Tour. A separate evening reception took take place at Buckingham Palace on 3 December, with no formal dinner afterwards. Thus, what was initially billed as a major summit celebrating NATO's 70th anniversary, was downgraded to a meeting with only one session of the North Atlantic Council at the level of Heads of State. Nonetheless, the meeting came at a vital time in the alliance's 70-year history as the global security environment becomes increasingly unpredictable and unstable, not least because of disruptive leaders within the alliance itself.

In a Trump-friendly agenda designed to hide disunity and avoid the kind of clashes between the US and European allies that marred last years' Brussels Summit, the leaders held a strategic discussion on Russia, the future of arms control and the rise of China. They also reviewed the readiness of allied forces, space policy, counter terrorism and ongoing efforts to achieve fairer burden sharing within the alliance.

An opening press conference was held by the NATO Secretary General Jens Stoltenberg ahead of the Leaders' Meeting on the 29 November, in which he released <u>new military spending figures</u>. These showed a fifth consecutive year of growth in defence spending across European allies and Canada,

French President's criticism of NATO's "brain death" as insulting and "very, very nasty". Trump also reiterated his demand that "delinquent" NATO states boost their defence spending, warning if they did not do so he would consider imposing US trade sanctions. In a separate bilateral meeting between President Trump and President Emmanuel Macron there were several <u>tense exchanges</u> between the two leaders, especially over the treatment of captured Islamic State fighters.

After his meeting with President Trump, the NATO Secretary General discussed the main themes of the Leaders' Meeting at a public diplomacy event, '<u>NATO Engages</u>: Innovating the Alliance'. This 'Town Hall' event was intended to facilitate a broader conversation about the future of NATO by bringing together policy makers and officials with other institutions, such as think tanks and universities, and was organised by the Atlantic Council, GLOBSEC, King's College London, the Munich Security Conference and the Royal United Services Institute, in partnership with NATO's Public Diplomacy Division and the UK Government.

The pre-meeting events on 3 December ended with a reception hosted by the UK's Queen and an informal supper hosted by the UK Prime Minister.

On 4 December, the NATO Secretary General started the day with a general <u>doorstep</u> <u>statement</u> and this was followed by the leaders arrival and a bilateral meeting with the UK Prime Minister (and in keeping with Boris Johnson's desire to keep a low profile in the run-up to the UK General election, there was no press conference).

and an estimated accumulated increase in spending by 2024 of \$400 billion.

On the 3 December, Stoltenberg held a bilateral <u>meeting</u> with President Trump. During their <u>press</u> <u>conference</u>, President Trump described the



(Gathering of the family portrait of NATO's Heads of State and Government – photo credit: NATO)

Following a 'family photo' of the NATO Heads of State and Government, the leaders met for a three-hour <u>closeddoor session</u> of the North Atlantic Council, and this was followed by a final <u>press</u> <u>conference</u> by the NATO Secretary General, in which he proclaimed that all the leaders stood together, "all for one, and one for all".

The following more detailed analysis of key aspects of the Leaders' Meeting draws on a combination of the above links, wider press reporting and NATO Watch insights in attempt to fill the information gaps. This analysis focuses on six main themes:

- Political disunity within the alliance, and the fraying of the Transatlantic Bond;
- The strategic discussion on Russia, the future of arms control and the rise of China;
- Instability on NATO's southern borders, including the missions in Afghanistan and Iraq, the fight against the Islamic State and divisions over Syria;
- Adaption of the alliance, the readiness of NATO's military forces and alliance telecommunications;
- Space as NATO's latest operational domain; and
- Burden sharing and military spending.

Intra-NATO divisions and the fraying of the Transatlantic Bond

While the NATO Secretary General was quick to cite the Musketeers unity theme, "all for one, and one for all", nothing could be further from the truth. The clash of personalities at the Leaders' Meeting triggered an <u>outbreak of</u> <u>undiplomatic</u> <u>language</u>—for example, President Trump criticised Canadian Prime Minister Justin Trudeau as "two-faced" after a video was released in which several leaders appeared to mock Trump in a private conversation—as well as severe disagreements over spending and future threats, including Turkey's role in the alliance and China.

In its 70 years of existence, NATO has experienced many fundamental internal crises, including the Suez Crisis, the Turkish invasion of Cyprus, de Gaulle who withdrew France from the military structure and the 2003 Iraq War. However, while the alliance was built to be durable and to survive individual leaders and disrupters, the current divisions are exacerbated by <u>sharp disagreements</u> among three key leading NATO Musketeers.

US President Donald Trump began his criticisms of NATO while still campaigning for office, and since then has regularly chided other countries over military spending (see below) and even hinted during <u>the previous summit</u> at possibly leaving the alliance.

Turkey's relations with most European allies are deeply troubled, and relations with the United States have yo-yoed between near collapse and close friendship over a range of issues. In particular, the decisions by Turkish President Recep Erdoğan to buy a Russian air defence system and to move forces into Syria, led to open questions about whether Turkey remains a viable NATO ally. Add a separate dispute with the EU over energy exploration in the waters off Cyprus, and Turkey has been the subject of arms embargoes and other sanctions from NATO allies.

Most recently, French President Emmanuel Macron in an interview with the Economist complained of "brain death" in the alliance. These comments stemmed from his anger at the lack of any Turkish cooperation with the rest of NATO over its intervention in northern Syria (only Trump was consulted and greenlighted the operation, see below). Partly as a result of this intervention and the lack of transatlantic cooperation in the region, and partly because of doubts about the US security guarantee, Macron wants to move towards a new European security arrangement. He hopes to remove the Russian threat by closer political alignment with Moscow and by turning Europe into an autonomous global player, willing and able to police its southern neighbourhood.

However, there are also important intra-European divisions on these matters. Germany, for example, appears to be willing to wait out political change in the United States and a hoped-for return to business as usual within transatlantic relations. Poland and the Baltic States, fearing Russia to the east, are seeking to enhance the strategic embrace of the US security guarantee, irrespective of who is in the White House.

Three strategic discussions: Russia, the future of arms control and the rise of China

Russia

Russia clearly remains the most urgent challenge for the alliance. In his final <u>press</u> <u>conference</u> after the Leaders' Meeting, the NATO Secretary General confirmed that the alliance remained committed to the so-called dual-track approach: strong deterrence and defence, while "remaining open to meaningful dialogue with Russia" (the <u>London Declaration</u> adds, "when Russia's actions make that possible"). The Declaration also asserts that "Russia's aggressive actions constitute a threat to Euro-Atlantic security", and that NATO is responding to Russia's deployment of intermediate-range, nuclear capable missiles in a "measured and responsible way".

The relationship between Russia and NATOand the West more generally-has deteriorated, taking on a radically changed quality. Since the illegal annexation of Crimea, NATO has suspended all practical civilian and military cooperation with Russia, while leaving some channels open for dialogue on the situation in Ukraine and other matters. Threatperceptions of Russia are not held equally by all 29 member states. Former Soviet countries in the Baltics and Poland are most concerned by Russia. But others, such as the Netherlands (which lost 193 citizens when a Russian missile brought down a Malaysian aircraft over Ukraine) and the UK (site of several chemical weapon attacks by Russian agents) have also sharpened their views in recent years. Others, such as Greece, Hungary, Italy and Slovakia, balance their security concerns with economic and energy ties.

The future of arms control

The London Declaration states that NATO is "fully committed to the preservation and strengthening of effective arms control, disarmament, and non-proliferation, taking into account the prevailing security environment". In practice, however, several NATO member states are clearly part of the proliferation problem and the alliance appears short on ideas for strengthening arms control—apart from looking to include China in future arms control arrangements.

Speaking at a Public Diplomacy Arms Control Conference in Brussels on 23 October 2019, the NATO Secretary General <u>acknowledged</u> that "these are tough times for arms control", adding: "the global arms control regime that has served us so well is eroding", pointing to Russia's disregard for its international commitments, and the emergence of new actors and new technologies.

The Secretary General identified four areas for collective action: "We need to preserve and implement the Non-Proliferation Treaty. We need to adapt nuclear arms control regimes to new realities. We need to modernise the Vienna Document. And we need to consider how to develop new rules and standards for emerging technologies, including advanced missile technology". He concluded: "NATO will and must play its part to ensure arms control remains an effective tool for our collective security – now and in the future".

But while the <u>London Declaration</u> reiterates a longstanding commitment "to full implementation of the Treaty on the Non-Proliferation of Nuclear Weapons in all its aspects, including nuclear disarmament", it also reasserts that "as long as nuclear weapons exist, NATO will remain a nuclear alliance". If the "strongest and most successful alliance in history" is unable to break this nuclear Catch 22 then the long-term prospects for the NPT are not promising.

Moreover, it was United States that withdrew from the Intermediate-Range Nuclear Forces (INF) Treaty on 2 August 2019 after accusing Russia of violating it, a claim Moscow denies. The collapse of the INF Treaty could spark a new arms race and the United States wasted little time in testing a medium-range cruise missile (that would have violated the treaty had it still been in force) only 16 days after pulling out of the treaty. The United States has also signalled its intent to withdraw from the Open Skies Treaty, a 1992 agreement between Russia and the West that permits reconnaissance flights over each other's territories to promote openness and transparency of military forces and activities.

Addressing the rise of China

The London Declaration recognised China's growing influence and international policies and suggests that these "present both opportunities and challenges that we need to address together as an alliance". The NATO Secretary General said that it was the first time that NATO had addressed the rise of China, adding "we must find ways to encourage China to participate in arms control arrangements".

For the US President, currently entangled in a trade war with Beijing, China in the longer term poses a greater strategic threat than Russia. Europe seems to be seeking an alternative approach and many European NATO allies already have strong economic ties with Beijing that influence their foreign policy. The conversation at the Leaders' Meeting appeared to be a brief, initial discussion about potential vulnerabilities and challenges in the relationship with China. The focus so far seems to have been on encouraging NATO members to reinforce their networks against actors like Huawei and to engage China where possible. But as China becomes a much more active player in Europe the discussions will continue and deepen. France and Germany, for example, concerned by the economic threat from China, pushed the European Commission to describe China as a "systemic rival" in an April 2019 strategy paper.

Instability on NATO's southern borders: the missions in Afghanistan and Iraq, the fight against the Islamic State and muddling through on Syria

Afghanistan

In a single sentence, the <u>London Declaration</u> reaffirmed NATO's commitment "to long-term security and stability in Afghanistan". In his <u>press conference</u>, the NATO Secretary General also welcomed the efforts to restart the peace talks, which collapsed in September.

In August, the United States and the Taliban had appeared to be close to reaching an agreement to end the 18-year war and start talks between the insurgent group and the Afghan government. However, on the 8 September President Trump cancelled the planned meeting at Camp David and declared the peace talks "dead" after a car bombing in Kabul on 5 September killed dozens, including a US soldier. While the negotiations were controversial, given the lack of participation by the Afghan government, the decision to end talks increased concerns about escalating violence in the country.

Since winding down combat operations in 2014, NATO's efforts have focused on training, advising and funding the Afghans to do the fighting. (Only US forces continue to have a combat role in Afghanistan). Although the Leaders' Meeting is unlikely to have had the time to discuss anything of substance, the NATO defence ministers in October did review progress of the training mission. It is unclear, however, whether the ministers discussed the issue of rising civilian casualties in Afghanistan.

According to the <u>UN mission in Afghanistan</u>, civilian casualties from airstrikes increased by over 60 per cent in 2018 compared to the previous year, with most caused by US airstrikes. And in the <u>first three months of 2019</u>, NATO and pro-government security forces in Afghanistan killed more civilians than the Taliban and other terrorist groups. It is the first time that fatalities caused by security forces in Afghanistan exceeded those caused by the Taliban. At the same time, total casualty numbers fell compared with the previous year.

The Global Coalition to Defeat ISIS

The London Declaration, without naming any specific non-state armed groups, stated that "terrorism in all its forms and manifestations remains a persistent threat to us all", and went on to declare that "We stand firm in our commitment to the fight against terrorism and are taking stronger action together to defeat it". The NATO Secretary General also

announced that the leaders agreed "a new action plan to step up our efforts in the fight against terrorism", but no further details on what the plan entails were provided.

NATO is part of the Global Coalition to Defeat ISIS, which was established on the margins of the 2014 NATO Summit. After helping local forces to liberate the territory that the Islamic State controlled in Iraq and in Syria, NATO's main focus is on preventing the group from reemerging, mainly by training local forces (as in Iraq).

Iraq

Canada has been leading the NATO training mission in Iraq since it was agreed in July 2018. In November, it was reported that Denmark had offered to take over Canada's leadership of the mission from the end of 2020 until mid-2022, but no announcement was made at the Leaders' Meeting. A new wave of anti-Iraq protests broke out on 1 October and the Iraqi prime minister has resigned in response. At least 420 people have been killed and 17,000 injured in the heavy-handed government response. The NATO training mission focuses on educating Iraqi military instructors, who in turn train their own forces in bomb disposal, armoured vehicle maintenance, civilianmilitary planning and medical care. The alliance also advises the Iraqi defence ministry on institutional reform. It is unclear whether this training includes the Shia-dominated progovernment paramilitary forces that have been at the centre of accusations of the unlawful use of military force against the protesters.

The conflict in northern Syria

While the alliance has no mission in Syria, it has been dragged into the debate over what is happening on the ground there. After President Trump abruptly ordered the withdrawal of most US forces from Syria, a Turkish military incursion on 9 October (<u>Operation Peace Spring</u>) triggered a new humanitarian catastrophe, with nearly <u>200,000</u> <u>civilians</u> fleeing from the Syrian frontier. In the chaos, some Islamic State prisoners <u>escaped</u>. The goal of the Turkish incursion was to drive the Syrian Democratic Forces (SDF) and its predominantly Kurdish component, the People's Protection Units (YPG), out of the area along the Syria-Turkey border. Ankara considers the YPG to be inextricably linked to the Kurdistan Workers' Party that has waged a decades-long insurgency in Turkey, and often conflates the groups. The YPG, a close ally of the United States, played a key role in the fight against the Islamic State in Syria.

On 22 October, Russia and Turkey <u>agreed</u> a 10point plan to create a safe zone in northern Syria, that included an SDF/YPG pullback. A separate <u>understanding</u> reached between Damascus and the Kurds allows the Syrian Government to deploy its troops in the border area. In the end, the withdrawal of about 1,000 US military personnel turned out to be largely illusory, as an influx of new forces to a different part of Syria left US troop levels <u>almost</u> <u>unchanged</u>.

Germany's Defence Minister triggered a debate within NATO when she <u>called</u> for greater German involvement in Syria and for the establishment of an international security zone. However, although the October NATO defence ministers meeting was dominated by the issue, with Turkey largely isolated, there was a lack of interest in taking the proposal forward and by the time of the Leaders' Meeting the proposal had largely been overtaken by events.

Turkey's incursion, its accord with Russia and its threat to unleash a wave of Syrian war refugees into Europe if European NATO allies criticised the operation caused dismay in the alliance. Indeed, US and Turkey keeping NATO out of the decision-making loop on Syria, was the main reason for President Macron's "brain dead" comment (see above).

In addition, in the lead-up to the Leaders' Meeting, the Turkish president, also threatened to veto NATO's defence plan for the Baltics unless the alliance endorsed its own assessment that Syrian Kurdish fighters on Turkey's borders were terrorists (a definition rejected by NATO member states). In his postmeeting press conference, however, the NATO Secretary General confirmed that the updated plan was agreed by the NATO leaders without any apparent quid pro quo.

While Syria was not part of the official agenda at the Leaders' Meeting, it was clearly the elephant in the room. The Turkish operation in northern Syria and the rapprochement between President Erdogan and President Putin no doubt provided private discussion material for the leaders. It also remains the case that Turkish interests in Syria and in the Middle East more generally, do not coincide with those of European allies. The complexity and fluidity of the situation in Syria suggests that the issue will continue to cause divisions within the alliance.

Adaption of the alliance and the readiness of NATO's military forces

NATO's deterrence and defence includes conventional capabilities, cyber defence, missile defence and a nuclear dimension. How the alliance is adapting to the changing security environment is a traditional discussion point on summit agendas. This Leaders' Meeting was no different, and the London Declaration boldly stated "We are adapting our military capabilities, strategy, and plans across the alliance in line with our 360-degree approach to security. We have taken decisions to improve the readiness of our forces to respond to any threat, at any time, from any direction".

Most of the key decisions on military readiness and mobility, addressing new technologies, and the domains of space (see below) and cyber, had already been taken in earlier defence and foreign ministers' meetings. The introduction of 5G and the rise of Chinese telecommunication companies has driven some of the cyber concerns, as reliable communication systems are indispensable to NATO. As Bruno Lete argues, the challenge of this 360-degree strategy "will not only be in mission multi-tasking but also in being able to apply a far broader spectrum of capabilitiesfrom big-platform, visible presence to intelligence-driven, cyber-assisted, special forces, and networked interventions".

Readiness Initiative

Under the so-called Readiness Initiative, by 2020 NATO member states agreed in June 2018 to make available 30 combat ships, 30 land battalions and 30 air squadrons, to be ready within 30 days. At the NATO defence ministers' meeting in October, the Secretary General announced that around three-quarters of those forces had already been generated. At the Leaders' Meeting he <u>announced</u> that "we have delivered" on the initiative. However, if a crisis were to break out tomorrow, <u>doubts</u> <u>persist</u> as to whether NATO is ready enough to respond.

Alliance telecommunications

While civilian infrastructure is predominantly a national responsibility, the issue of resilience in civilian telecommunications was included as an agenda item for the first time at the recent NATO defence ministerial meeting. The Secretary General said that the defence ministers were looking to agree "an update to requirement for our baseline civilian telecommunications". Asked whether the guidelines explicitly named any companies or countries, Stoltenberg said they did not. "These guidelines are not about a specific country or specific company, but rather they establish requirements which all allies are expected to meet", Stoltenberg said, adding that the main thrust of the changes was to reflect evolving technology: "They're quite detailed and technical but the main message is that the old guidelines didn't address 5G at all".

During the defence ministers meeting, the US Defense Secretary made plain his country's objections to allies using Chinese company Huawei, a cost-effective pioneer in the 5G rollout, stressing that "the alliance relies on secure communications for intelligence-sharing and military mobility". No further details on the guidance emerged at the Leaders' Meeting.

NATO's new Military Strategy

On the 22 May 2019, the NATO Chiefs of Defence signed-off on NATO's new Military Strategy. The document is classified and there are no plans to publish it. According to the brief

statement released by NATO at that time, the new Military Strategy "marks an important step in adapting the alliance for the increasingly complex security challenges that NATO faces". Apparently, the new Military Strategy was due to be approved by the respective defence ministries of the member states in the ensuing weeks, but it is unclear as to the current status of the Strategy and whether it was discussed at the Leaders' Meeting.

While details of the new Military Strategy are still unknown, it seems likely that the alliance is simply falling in line with recent updates to US military doctrine. Washington updated its National Security Strategy in 2017, National Defence Strategy (NDS) and Nuclear Posture Review (NPR) in 2018, and Missile Defense Review in early 2019. All of these documents were published in full, with the exception of the US NDS, for which only an unclassified summary was released. NATO's new strategy document is probably just a consolidation of US military doctrine plus some window dressing. However, since it is not publicly available it is impossible to assess (a) how closely it mirrors recent US changes in military doctrine, and (b) whether it diverges from the 2010 Strategic Concept—NATO's most recently agreed statement on core values, tasks and principles, the evolving security environment and strategic objectives for the next decade.

Given the importance of NATO's new Military Strategy—and its likely shaping by US military interests-it ought to be subjected to close scrutiny. Parliaments in member states should have a role in examining all decisions about the negotiation of treaties and multilateral accords, including determination of objectives, negotiating positions, the parameters within which the national delegation can operate and the final decision as to whether to sign and ratify. This should not be the exclusive reserve of defence ministries and their ministers. Without such certainty of process, NATO policy development lacks authority and credibility. At a minimum, a parliamentary mechanism or committee should exist in each member state to consider alliance policy documents, tabled treaties or international instruments.

Space: NATO's fifth operational domain

At the NATO defence ministers meeting in June a new policy or "a common NATO framework" was agreed to "guide our approach to space, the opportunities and the challenges". While the substance of the policy remains secret, the NATO Secretary General argued then (and since) that it was "not about militarizing space", but rather NATO playing an important role "as a forum to share information, increase interoperability, and ensure that our missions and operations can call on the support they need". In addition, the NATO Military Committee's meeting on 14 October 2019 was dedicated to space with a briefing by General John Raymond, Commander of the newly reestablished US Space Command.

While further details were expected to emerge at the Leaders' Meeting, this was limited to a simple <u>declaration</u> of space as the fifth operational domain for NATO (alongside cyber, land, air and sea). The timing of the new NATO space policy suggests that this is, at least in part, a reaction to US-led developments. In June 2018, President Trump announced that he had directed the Pentagon to establish a Space Force, describing it as a sixth branch of the US military. It would be the first time the Pentagon has stood up a new service since the Air Force received its independence after World War II.

While NATO owns ground-based infrastructure, it does not have its own spacebased assets. Instead, it requires permission to access member states' satellites (which make up about 65 per cent of the global total of satellites) before they can be used. However, given that NATO and member states' capabilities—including GPS capabilities, intelligence and surveillance operations, missile defence, communications, space situational awareness and environmental monitoring—could be weakened or lost by an adversary compromising satellites NATO uses to conduct military operations, it is clearly prudent for the alliance to amend its policy and doctrine to include provisions on the use of space systems.

The extent to which NATO becomes an independent actor in space and the policy framework for addressing space challenges and cyber warfare are issues that should be more widely debated within member states' parliaments and by independent experts in the public domain. To this end, NATO should publish its new space policy.

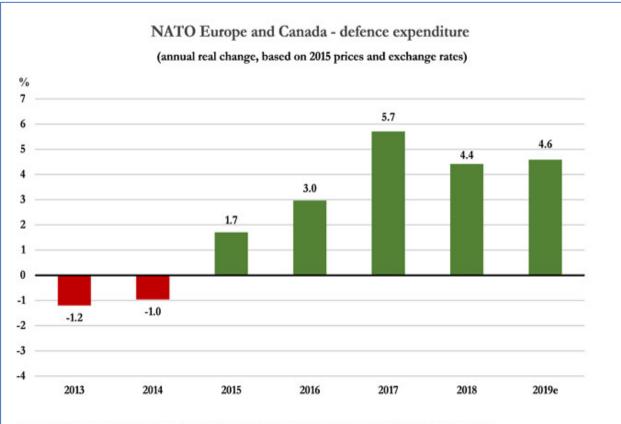
Despite Stoltenberg's insistence, it may only be a matter of time before weaponized systems are deployed in orbit, with the United States taking the lead, and China, Russia and India almost certainly following. Another sensitive issue will be deciding if an attack on an allied satellite constitutes an assault on the alliance and whether it triggers NATO's Article 5 collective defence clause.

As the recent special edition of the *Bulletin of the Atomic Scientists* asks, is space the next military frontier or an arms control opportunity? The focus of NATO military efforts in outer space should be on the latter, and to ensure that they are, greater transparency in the policy-making process is essential.

Burden-sharing within the alliance: moving in the right direction?

The issue of fair burden-sharing is one of the longest running fault lines within NATO. In 2014 member states agreed to move towards investing 2 per cent of GDP on defence by 2024. They also agreed to invest more in key military capabilities and equipment, and to contribute personnel to NATO missions and operations. In 2017 NATO member states agreed to report annually on how they intend to make progress on all three commitments: more money, capabilities and contributions.

At the 2018 NATO Summit, US President Donald Trump harshly criticized allies, particularly Germany, for not spending enough on defence and threatened to quit the alliance if they do not raise their military spending more quickly. It was no surprise, therefore, that the Leaders' Meeting reviewed the continued effort to bring national military spending to the agreed-upon target of 2 per cent of GDP.



Notes: Figures for 2019 are estimates. The NATO Europe and Canada aggregate from 2017 onwards includes Montenegro, which became an Ally on 5 June 2017.



According to <u>Associated Press</u>, President Trump hosted a lunch at the Leaders' Meeting for the nine countries in the 29-member alliance that currently meet the 2 per cent target. "Lunch is on me," Trump reportedly said as he sat down with representatives of the Bulgaria, Estonia, Greece, Latvia, Lithuania, Poland, Romania and the UK.

In a gesture to President Trump, NATO announced in late November that it had agreed to reduce the US contribution to the alliance's relatively small \$2.5 billion a year central budget, which covers its headquarters and staff and some small joint military operations. (In contrast, the US military budget is more than \$700 billion). The United States, which currently pays about 22 per cent of the budget will pay less and Germany will pay more: so that both the US and Germany will pay the same, about 16 per cent—effective in 2021.

Also ahead of the meeting, the NATO Secretary General <u>gave details</u> of large increases in allied military spending. In 2019 military spending across European allies and Canada increased in real terms by 4.6 per cent, making this the fifth consecutive year of growth. He also revealed that by the end of 2020, those allies will have invested \$130 billion more since 2016, and on the latest estimates, the accumulated increase in military spending by the end of 2024 will be \$400 billion. Stoltenberg described this as "unprecedented progress and it is making NATO stronger". (Press conference by NATO Secretary General Jens Stoltenberg following the meeting of the North Atlantic Council at the level of Heads of State and Government in London, 4 December 2019 – photo credit: NATO)

However, the idea that the United States is protecting Europe at US taxpayers' expense is a misrepresentation of both the NATO budgeting process and the nature and scope of US military spending. Large parts of

the US military budget have nothing whatsoever to do with NATO or European security, but go towards a global military presence. Europe's militaries are (with a few exceptions) appropriately scaled for their actual needs, although some states probably do need to spend more intelligently (and some countries may need to increase or pool their defence spending).

In contrast, the United States also needs to spend much less and shift the focus to 'soft' security expenditure. The case for reducing and rebalancing US security resources is overwhelming but is often the 'elephant in the room' during transatlantic burden sharing discussions. The United States could generate a peace dividend of over \$160 billion by reducing its spending to the NATO 2 per cent of GDP commitment.

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