

America and NATO

## The maths of Europe's military black hole

It needs to spend to defend, but voters may balk



Photograph: Getty Images

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ON NOVEMBER 23rd Mark Rutte, the new head of NATO, and Donald Trump, America's president-elect, were photographed together grinning delightedly and shaking hands in Palm Beach, Florida. Yet the mood in Europe's defence ministries is one of [grim foreboding](#). At a gathering of defence officials and defence-industry executives in Prague a few days after the election, the most optimistic sentiment was that Mr Trump was "unpredictable". Others were a lot less upbeat.

Some at the meeting, run by the International Institute for Strategic Studies (IISS), took heart from the fact that 23 out of 32 NATO members are this year meeting or exceeding a target to spend 2% of GDP that was established ten years ago following Russia's annexation of Crimea. Since 2022, when Russia launched its full-scale invasion of Ukraine, defence budgets across Europe have risen steadily. This year, total spending has increased by an average of 9% in real terms, reaching \$436bn.

Few believe this will be enough to persuade Mr Trump that America's allies are doing what they should. He appears to dislike the very notion of NATO, which was founded on the principle that all members are obliged to regard an attack on one as an attack on all. On the campaign trail, he invited Russia to "do whatever the hell they want" to any NATO country that is not paying its way.

Mr Rutte has warned that the 2% spending goal is now obsolete: meeting it is neither enough to impress Mr Trump, nor to deter Vladimir Putin should Europe be forced to bear most of the responsibility for its own security, as seems all too possible. If Mr Trump cuts military support for Ukraine to bully it to the negotiating table, Europe will have to contribute a lot more funding and weaponry while struggling to replenish its own stocks.

Poland is setting the pace, with an ambition to spend 5% of GDP on defence next year; all three Baltic States are on course to spend more than 3%. Mr Rutte has not so far set a new target. He thinks it may make more sense for specific countries to be given "capability targets". But assuming that Mr Trump deigns to attend the next NATO summit, in The Hague in June, a commitment to hitting 3% may be needed to stop him from "throwing his toys out of the pram", as one official in Prague put it. Bastian Giegerich, the director-general of the IISS, says that 3% is moreover easy for everyone to understand. To meet it, Europe would have to increase its annual spending by \$280bn at current prices, Mr Giegerich says. In practical terms, Germany, for instance, would need to find an extra \$40bn a year, roughly.

For all Mr Trump's antagonism towards NATO, his nominees for secretary of state—Marco Rubio—and national security adviser—[Mike Waltz](#)—understand the value of the alliance, says Sir Lawrence Freedman, a British military strategist. (Grave doubts exist about some of his other picks, though.) There will also be strong resistance within America's armed forces to major changes to the status quo, and pushback from many Republican senators who would balk at relinquishing American leadership of NATO.

Instead, Sir Lawrence thinks there may be more coalitions formed within NATO to perform specific tasks, such as the Joint Expeditionary Force, a military alliance of ten European nations founded in 2014 to protect northern Europe. Other more recent ones include the German-led 21-nation European Sky Shield Initiative to create an Israel-style layered air defence; and a coalition between Britain, France, Germany, Italy and Poland to develop long-range strike missiles.

Rather than planning to do without America, European countries should be developing the capabilities to operate, at least under certain circumstances, with only minimal American assistance, Mr Giegerich suggests. Europe still falls short in air-defence missiles of all ranges, precision strike power, and airborne surveillance, command and control. Mr Giegerich reckons that, even with adequate funding, it would take ten years for Europe to substantially reduce its reliance on America.

Many member countries struggle to recruit for the possibility of high-intensity warfare, points out a senior NATO official. Several that scrapped conscription after the cold war are looking at bringing some form of it back as a way to rebuild adequate reserves. Decades of neglect after the cold war have left both personnel and equipment levels severely depleted. Europe will require sustained higher levels of funding and a more resilient defence-industrial base to repair the damage.

It is unclear where all the money for this will come from, much less the political will; it will need to come at the expense of social programmes that are much more popular with voters. Defence big-spenders such as Britain and France have new governments that are scrambling to lower their fiscal deficits, too. Germany's constitutional debt-brake limits its support for Ukraine (though the question of how to find a way around it is being debated on the campaign trail ahead of an election early next year). This has created pressure on the EU to cut some budgetary slack for member countries wanting to borrow to bolster their armed forces. The idea would be to rule that Europe faces a security crisis similar to the covid emergency.

The European Commission took a major step in this direction on November 11th by allowing some "cohesion funds" from its seven-year common budget, possibly worth up to €130bn, to be spent on military-related programmes. According to a report in the *Financial Times*, in the next few weeks member governments will be told that the money can be used to support their defence industries and invest in projects to improve military infrastructure across Europe.

Re-appointed for a second term, Ursula von der Leyen, the president of the commission, has made building a "European Defence Union" a priority. She has nominated politicians from two front-line states for key positions. Kaja Kallas, the former prime minister of Estonia, is set to become the EU's top diplomat from December 1st; Andrius Kubilius, a former Lithuanian prime minister, has been chosen as the EU's first commissioner for defence. The main focus of Mr Kubilius's work will be co-ordinating defence procurement and helping to steer Europe's fragmented industry towards creating shared programmes that cut out wasteful duplication, and investing in new capacity.

NATO has previously been suspicious of EU ambitions to muscle in on its patch. The senior NATO official says: "It's all hands on deck. If the EU can mobilise money and raise military and industrial capacity, it will be great." But he warns that the EU must avoid protectionism. A competitive defence market must include NATO members such as Britain, Norway and Turkey—not to mention America—who are not in the EU. It was reported this week that France has dropped its long-standing opposition to giving EU-funded incentives for Europe's defence industry to non-EU firms.

Mr Trump could conceivably be persuaded that Europe is moving fast enough in the right direction to keep America committed, at least to some degree, to the continent's security. But America is preoccupied with confronting China, and Russia will seek any opportunity to divide and weaken NATO. Europe's leaders know

that, for everything to stay the same, everything must change when it comes to defence spending. Whether Europe's voters realise this, still less accept it, is another matter. ■