

Trump sounds the retreat: Can European defence advance?

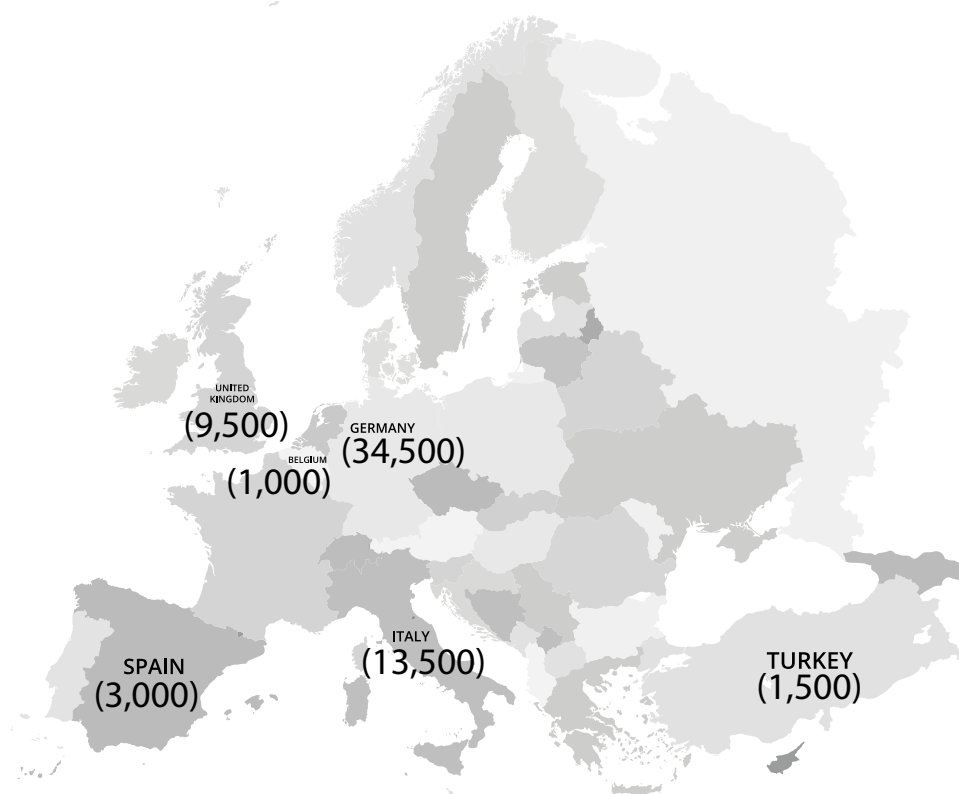
by Ian Bond
26 June 2020

Donald Trump may not succeed in withdrawing US troops from Germany this year, but Europeans cannot assume that the Americans will stay forever. European defence spending must become more efficient and effective.

After years of complaining that the US spends too much on defending wealthy allies, President Donald Trump has [confirmed](#) that he intends to reduce the number of US troops stationed in Germany to 25,000, from the current figure of around 34,500. The announcement, made without formally consulting Germany or NATO, has caused disquiet in Europe, raising worries about the US's long-term commitment to European security. But Europeans need to move from vague concern to strategic reflection and concerted action.

There are still no details of Trump's plans for forces taken from Germany, which hosts more than half of all US forces in Europe. Trump agreed last year to transfer 1,000 troops from Germany to Poland, and after his meeting with Polish President Andrzej Duda on June 24th, he implied that the US would now transfer more. He also suggested that some might go elsewhere in Europe. But most seem likely to end up back in the US.

Map 1: Main US force deployments in European NATO countries



Source: US Department of Defense, March 2020 figures.

The threats to Europe have not diminished. In recent years, Russia has strengthened its forces facing NATO. In early June, Moscow [said](#) that it had reinforced its Western Military District, adding about 3,000 men and 90 tanks to the First Guards Tank Army (which had itself been reactivated in 2014, and already had between 35,000 and 50,000 troops and 500-600 tanks). Trump's announcement of troop reductions in Germany came soon afterwards. But Russia is not the only problem: there are conflicts all around Europe's southern borders as well – in the Middle East, North Africa and the Sahel. Without substantial American help, Europe barely has the capabilities to contain them, let alone bring them to an end.

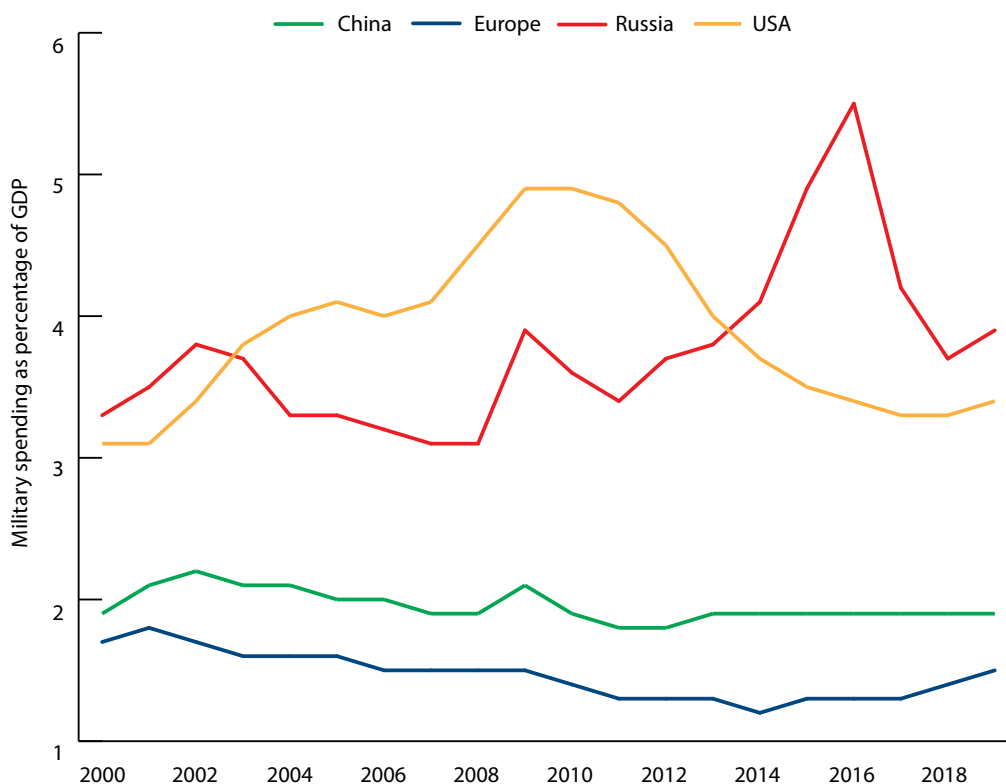
Trump may not be able to carry out his plan: he faces a tough fight to be re-elected in November; and in Congress leading Republicans oppose the withdrawal, and can deny him the funds to carry it out. US facilities in Germany are integral parts of US operations in the Middle East and Africa – the headquarters of US Africa Command is in Stuttgart. Moving forces back to the US would involve significant spending on new facilities for them, while making some operations harder to carry out. And the cost of maintaining the forces would no longer be shared with Germany: according to [research](#) by the RAND Corporation in 2013, the last published study, Germany was paying about a third of the cost of the US forces stationed there.

Trump still does not seem to understand how NATO works. In explaining the withdrawal, he accused Germany of being “very delinquent in their payments to NATO” and of owing NATO billions of dollars (which it does not – Germany, like other NATO nations, pays a (relatively small) contribution to NATO’s collective budget for common infrastructure, headquarters and the like); and argued that it did not therefore make sense for the US to defend Germany. He also continued to conflate Germany’s supposed bad behaviour in NATO with its surplus in trade with the US, claiming that Germany had cost the US hundreds of billions of dollars over the years.

But Trump has a point about Europe’s inadequate defence effort, even if he is wrong about the details. Germany (along with 18 other allies) does not contribute as much as it should to Europe’s defence. While all allies [committed](#) themselves in 2014 to aiming “to move towards the 2 per cent guideline within a decade”, the German defence minister, Annegret Kramp-Karrenbauer, has [said](#) that Germany will not meet the target until 2031 – in 2019 it spent only 1.4 per cent.

Europe’s problem is not just the amount that it spends on defence, but the inefficiency and ineffectiveness of its spending. Chart 1 shows that European NATO members (including Turkey) and non-NATO EU members have consistently spent less than 2 per cent of their combined GDP on defence over the last two decades, while the US has spent between 3.1 per cent and 4.9 per cent. Collectively, European defence budgets amounted to little more than 40 per cent of US defence spending in 2019.

Chart 1: Military spending as a percentage of GDP (selected countries/groupings)

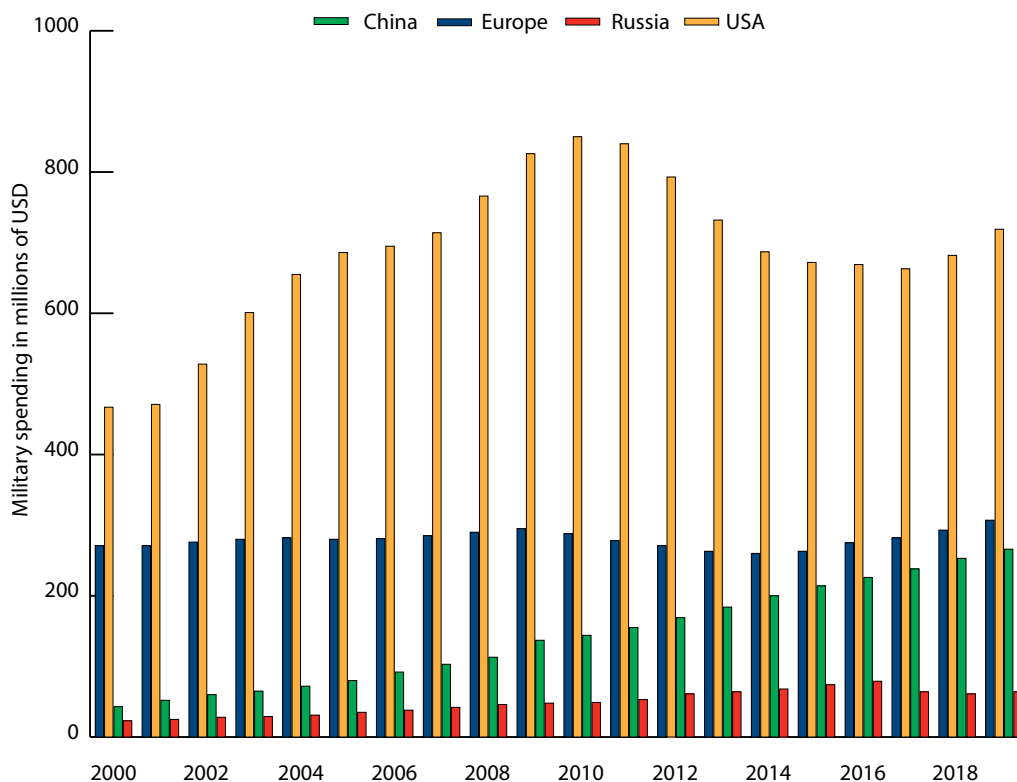


Source: SIPRI Military Expenditure Database.

Note: Europe is defined for these purposes as the European members of NATO (including Turkey) plus the non-NATO members of the EU.

Even so, as Chart 2 shows, in dollar terms Europeans are still spending more than China (despite the fact that the latter's defence spending is more than six times what it was in 2000), and almost five times as much as Russia. In 2019 Germany and Poland combined spent more on defence than Russia. But Europeans get far too many systems and far too little military capability for their money.

Chart 2: Military spending in constant 2018 US dollars (selected countries/groupings)



Source: SIPRI Military Expenditure Database.
Note: Europe is defined for these purposes as the European members of NATO (including Turkey) plus the non-NATO members of the EU.

The European Commission's 2017 [fact-sheet](#) on European defence reported that EU member-states operated 178 different major weapons systems; the US had only 30. EU member-states have 17 different types of main battle tank; the US has one. This proliferation of weapons systems leads to high unit costs for short production runs, and a lack of interoperability. For all their defence spending, European countries have around 9000 tanks, while Russia has almost 13,000. Europe has the edge in fixed-wing combat aircraft (1900 to 1600), but Russia has more attack helicopters (530 to 460). The European members of NATO have almost 1.9 million active duty troops, while the US has 1.3 million and Russia about 900,000. But very few of the European forces can be deployed in a crisis.

Politically and economically, this is a bad time to try to get European politicians to think seriously about increasing and rationalising defence spending. The EU's [economic forecast](#) for spring 2020 foresees a contraction in real GDP of 7.4 per cent this year, albeit followed by an increase of 6.1 per cent in 2021. The most optimistic scenario is that if defence budgets remain constant in nominal terms, a few more

countries may meet the 2 per cent target. But many governments, faced with a drop in revenues, will be tempted to prioritise social spending and cut defence budgets. Others will treat defence procurement as a disguised welfare scheme, steering money to local manufacturers even when the result is a less well-equipped force, that is therefore less able to operate with allies and partners.

A coherent defence effort is also hampered by intra-European disagreements on defence priorities. There are 21 countries that are members of both the EU and NATO. They may struggle to find an approach to defence that both the seven European NATO members that are not in the EU, including the UK and Turkey, and the six EU member-states that are not NATO allies could all rally to.

According to the Stockholm International Peace Research Institute, in 2019 the UK accounted for 16 per cent of defence spending in Europe. In the political declaration appended to the UK's withdrawal agreement with the EU last year, both parties agreed to co-operate closely on external action including through the United Nations and NATO, and agreed to design arrangements "that would ensure that the United Kingdom can combine efforts with the Union to the greatest effect". Since then, however, the UK seems to have lost interest in any institutionalised co-operation with the EU on foreign and security policy: there is no reference to it in Britain's February 2020 white paper on its future relationship with the EU.

Turkey accounted for another 7 per cent of European defence spending last year, but EU relations with Ankara have rarely been worse. The two are at odds over Turkish drilling for gas in Cyprus's exclusive economic zone, and over Turkey's intervention in favour of the UN-backed Libyan government – which led to a standoff between French and Turkish warships recently. Turkey is becoming increasingly estranged not only from the EU but from NATO and the US – especially over its purchase of Russian S-400 air defence systems, which led the US to shut Turkey out of the F-35 aircraft programme.

Despite the difficulties, however, the 21 members of both organisations have to make the best of the opportunity presented by the fact that NATO and the EU are both reflecting on the security environment at present. NATO is engaged in the #NATO2030 process, through which its secretary general, Jens Stoltenberg, hopes to strengthen political consultation in the alliance. Meanwhile, by the end of 2020 the EU aims to complete the 'Strategic Compass', a threat assessment process proposed by 12 member-states including France and Germany, and endorsed by EU defence ministers in a video conference on June 17th. The results of these two processes need to be complementary: a shared view of the threats to Europe (though one which acknowledges that the threats to different regions will vary); and the creation of a common forum for political dialogue on the security of Europe in which European countries, regardless of whether they belong to both the EU and NATO, can discuss the response to the threats.

Somewhere, probably in an informal forum, Europeans also need to discuss the relationship between NATO's Article 5 defence guarantee and Article 42.7 of the Treaty on European Union, which states: "If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power". That commitment is more binding than NATO's (which only calls for each ally to take "such action as it deems necessary"). But the EU has left the responsibility for territorial defence in Europe to NATO – potentially putting non-NATO countries like Finland in a grey zone, covered by a defence guarantee that its partners would have no plans or capability to fulfil.

Europe's ability to counter threats will depend on making its money go further by spending it efficiently, both nationally and multilaterally. As Sophia Besch [wrote](#) in 2019, EU member-states are at risk of developing capabilities that are unrelated to the Union's defence priorities, and of failing to agree on how to use them. The Commission should do more to ensure that more defence procurement involves competitive tendering, rather than member-states awarding contracts to national champions. Where it makes sense, it should encourage consolidation in the defence sector. But it should not try to shut defence firms from non-EU NATO countries out of the European market. Regardless of what happens to US troops in Europe and what kind of defence relationship the UK and EU establish, European countries should be free to buy the equipment that they judge best suits their defence needs and Europe's security priorities.

The Commission stands more chance of influencing the research and procurement decisions of member-states if it has a substantial budget to dangle in front of them. The Commission is pushing back against cuts proposed earlier in the year to the EU's next seven-year budget, the Multiannual Financial Framework for 2021-2027: the latest budget proposal includes €8 billion for defence research and capability development (up from €6 billion in the last proposal from the Council, though still well below the Commission's original ambition of €13 billion); and €1.5 billion for military mobility – enabling forces to move around the EU more easily in case of need – (up from zero, though less than a quarter of the original request for €6.5 billion). Despite the fact that it will end up with less to spend than it had hoped, the Commission needs to be more open to the participation of 'friendly' countries in EU-funded programmes. Though its legal responsibility is for the EU, it cannot look at the defence of the Union in isolation from the defence of non-EU Europe, and the US's potentially diminishing role in it.

Trump currently trails his rival, Joe Biden, in the opinion polls. But Europeans would be unwise to assume that if they do nothing questions about the US presence in Europe will go away. Trump may not lose the election, and even if he does, future administrations may not want to keep troops in Europe indefinitely, particularly if China's growing military power pushes the US to increase its presence in the Asia-Pacific region. Even if they would rather pretend that nothing is changing, the EU and as many non-EU European NATO members as are willing to do so need to start thinking about how to defend Europe and deter potential adversaries with reduced US help.

Ian Bond is director of foreign policy at the Centre for European Reform.