



# ALL ALONE? What US retrenchment means for Europe and NATO

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# 1 Introduction

*by Tomas Valasek*

Does NATO have a future? The United States now styles itself more as a Pacific, than a European, power – a preference made explicit in President Obama’s 2012 review of military strategy. Meanwhile, Europe’s governments are plundering their defence coffers to stave off the worst economic crisis in living memory. Either of these developments alone would have had a profound impact on how the transatlantic alliance functions. Taken together, they threaten to push NATO into irrelevance. As François Heisbourg, one of this report’s authors, points out, the alliance can only survive if its European members start playing a more active military role, and if the US shows patience with their efforts. Whether NATO governments can summon the time, money and political nuance to accomplish this transition at a time when many are worrying about their electoral and economic survival is open to question.

The 2011 Libyan war provides a likely blueprint for many future NATO operations. During the conflict, the US left its European allies to lead, taking on a limited, supporting role for the first time. Primarily under French and British command, NATO forces were indispensable in helping the Libyan rebels to topple Muammar Gaddafi. But when the guns fell silent, there was little sense that the victory had vindicated and refreshed the Atlantic alliance. NATO’s European members realised that the essential bargain underlying their alliance with the US had changed. Washington, more through inaction than action, had established a new operating principle. From now on, America will behave like any other ally, sitting out some of NATO’s wars, and doing just enough to help other operations to succeed. Its armed forces will

no longer automatically make up the difference between NATO's ambitions and European military means. Therefore many future crises will go unanswered unless the Europeans themselves do the work; some future operations will last longer, and perhaps involve more bloodshed, because they will be fought without the benefit of American military might.

In effect, NATO will be as strong or as weak as the Europeans choose to make it. Many NATO members realise this and find it scary – which says much about the Europeans' ability to project force and stability in their own neighbourhood. In fact Europe has scored some impressive military and diplomatic successes since the end of the Cold War. In 2001 a small EU force, combined with a diplomatic offensive led by, among others, George Robertson – then NATO secretary-general and another author of this report – prevented a civil war in Macedonia. In the late 1990s, Germany dropped its previous reservations about military force and joined its allies in wars in Kosovo and Bosnia. Some European countries have completely overhauled their militaries to make them better suited for today's wars. But most have not, and when the time came to send forces to Afghanistan, many could only muster symbolic contributions. Defence budgets continued to fall, and Europeans now increasingly disagree on the threats and missions on which they should spend their dwindling defence resources. Only four European allies followed the French and UK lead in bombing Libya; the vast majority of fellow Europeans were either unwilling or unable to do so.

Defence experts disagree on why Europe, still an economic powerhouse despite its current woes, is so shy about the use of military force. Most Europeans seem to lack in their DNA the sense of global responsibility that drives US foreign policy; they simply want to be “a big Switzerland: prosperous and safe, but reluctant to worry about problems in other parts of the world”.<sup>1</sup> In this report,

<sup>1</sup> Charles Grant, 'How to make Europe's military work', *Financial Times*, August 16<sup>th</sup> 2009.

Wolfgang Ischinger considers whether this description applies to Germany, the most notable absentee from the Libyan crisis.

Others think that Europe's passivity is less deeply engrained and has more to do with the somnolent effect of having been covered by the American security umbrella for so long. Kori Schake argues that US dominance in NATO smothered the Europeans' ambitions to carve out a bigger role in their own defence. Her somewhat more optimistic diagnosis leaves open the possibility that US retrenchment will spur more European investment in defence. The coming years will test this thesis, although, as George Robertson points out, the US could hardly choose a worse time to off-load the military burden on its allies. The Europeans could well fail not for lack of willingness, but for lack of financial means. This is a depressing possibility – but no longer an impossible one, given the magnitude of the economic crisis, and the strength of conviction in the US that the country has done too much for too long for European defence.



## 2 US retrenchment is right and overdue

*by Kori Schake*

NATO has long relied disproportionately on American military power. The European allies have a million more troops under arms than the United States, but the US provides around 80 per cent of forces that are capable of deploying and fighting abroad. Washington has long grumbled about the disparity, to little avail. The gap, if anything, threatens to grow: while all allies are cutting budgets to cope with the economic crisis, most Europeans are cutting deeper than the Americans, and they are starting from a lower base. The US is no longer willing to shoulder such an unequal division. The decision to support but not lead the war in Libya should be read as a warning that the US wants European allies to take greater control of their own security, and to free America to focus on more pressing threats in Asia and the Middle East.

Many Europeans feel hard done by, pointing out that America signed a pledge to defend its allies. But the Europeans made the same pledge; they are simply fulfilling it less. Moreover, Europeans underestimate their own strength. Any one of the major European militaries could have defeated any of the adversaries that NATO fought in the past 20 years. In combination, the Europeans' fighting power is more than adequate to impose their will even in some of the world's most challenging battlegrounds such as the Middle East. The US rightly expects them to show more grit. NATO's future depends in large part on whether Europe finds the will to start playing a military role commensurate with its strength.

## Alliance of unequals

It is hard to overstate the extent to which the quality of the US military's equipment and its ability to deploy abroad have outpaced those in Europe. The Cold War saddled America's allies with a difficult legacy: they have fewer 'usable' troops than the US chiefly because their militaries were designed to defend their territories against the Soviet threat, as opposed to taking the fight to other countries. In contrast, the American military has always been 'expeditionary', because of the vast expanse of the country and because the US has had the luxury, for the most part, of defending itself beyond its homeland. After the Vietnam War, it created a professional military when most Europeans still relied on conscripts; professionals serve longer and therefore are more experienced than conscripts. The gap in performance has widened further since the Soviet Union collapsed because most Europeans have been slow to reform their armed forces. In the 1990s, the US began to modernise its military by incorporating new communications and information technology into its operations. This transformation made it possible for US troops to collect and rapidly assess large amounts of data; a 'revolution in military affairs' that allows better communications between forces operating independently and the ability to attack targets from great distances with precision weapons. These are two key features of modern warfare.

By 2000, the US was generally considered, by a significant margin, to have the world's most powerful military. Defence spending that year was \$291.1 billion. Then the shock of September 11<sup>th</sup> 2001 propelled the armed forces further forward, because enormous amounts of money flooded into the defence budget, and because US troops acquired much new expertise in Afghanistan and Iraq. The US military budget has more than doubled since 2001: in 2012 it reached \$670.9 billion, the equivalent of 52 per cent of the entire world's defence spending. The increase has predominantly paid for equipment and operations; the US armed forces have only grown by around 100,000 troops, or less than 8 per cent of their

previous size (and are slated to downsize by at least that much after the wars in Iraq and Afghanistan).

The US has 11 aircraft carrier battle groups; no other nation has more than one. The US also has three times as many modern battle tanks, four times the number of fourth-generation tactical aircraft (and is already fielding the fifth generation), more than three times as many naval cruisers and destroyers, 19 times as many tanker aircraft and 48 times as many unmanned aerial vehicles as any other country. The additional public investment since 2001 has also allowed the US military to develop and use cutting-edge equipment such as better body and vehicle armour and more precise bombs.

The demands of recent operations also drove operational innovations: US forces today are much smarter, and their doctrines much more effective, than was the case in the early days of the wars in Afghanistan and Iraq. The combination of spending and fighting has produced an American military stronger and more resilient than any before.

Within the NATO family, the US casts an even longer shadow (China and Russia come the closest to matching US military numbers, and even they are far behind). Most NATO countries are well below the alliance's guideline of spending 2 per cent of GDP on defence; only Albania, France, Greece, and Britain spend above the threshold (the US defence budget represents 4.7 per cent of GDP). Defence spending per capita in the US is nearly double that of any NATO ally, at \$2,153 per person. Norway is second at \$1,284, followed by the United Kingdom (\$956), Greece (\$894), and France (\$870).

Military spending in NATO		
Country	Per capita defence spending (in US \$)	Defence budget as % of GDP
US	2,152	4.68
Albania	79	2.03
Belgium	521	1.26
Bulgaria	119	1.92
Canada	580	1.46
Croatia	229	1.60
Czech Republic	298	1.63
Denmark	784	1.39
Estonia	266	1.84
France	870	2.05
Germany	580	1.42
Greece	894	3.04
Hungary	147	1.14
Italy	506	1.44
Latvia	140	1.22
Lithuania	120	1.08
Luxembourg	500	0.47
The Netherlands	734	1.52
Norway	1,284	1.63
Poland	191	1.68
Portugal	349	1.59
Romania	104	1.38
Slovakia	249	1.53
Slovenia	388	1.63
Spain	369	1.15
Turkey	145	1.77
UK	956	2.71

*Iceland is not represented in the table because it has no defence forces. All data for 2009.*

*Source: 'The military balance 2011', International Institute for Strategic Studies.*

## Courage, Europeans

As a result of the divergence in spending and innovation, most NATO militaries cannot muster even an approximation of America's capabilities. But it is not against the US that European allies should measure themselves. It is their potential enemies that provide the most meaningful yardstick. And by any standard – spending, training, equipment or operational effectiveness – the European militaries in NATO are the world's penultimate, far eclipsing potential adversaries.

Europe looks weaker than it is because too often it wants to fight wars as the US does, not as the Europeans can. The Libya example is illustrative. In an operation in which the US did not want to lead or play a major role, it nonetheless fired nearly all of the cruise missiles that destroyed Libya's air defences in advance of allied strike missions, provided the great majority of the aerial tankers and nearly all of the surveillance and electronic warfare elements on which allied flights depended, and flew 25 per cent of all sorties. Without American support, the Libya operation could not have been fought in the way that it was. But that does not mean that it could not have been fought at all. The conflict would have taken longer, inflicted more civilian casualties and damage, taken more allied casualties, and been (as the British say) a much closer run thing.

Can anyone really doubt that the military forces of Britain, France, Denmark, Norway, Belgium, Canada, Spain, the Netherlands, Turkey, Greece and Romania could force the capitulation of a dictator who was fighting an armed domestic insurrection? Libya spent only \$1 billion on its military in the year before the rebels and NATO militaries felled Muammar Gaddafi – that is around 2 per cent of UK's defence budget. Britain's superb military alone could probably have found a way to succeed, especially with friendly forces on the ground. But the American way of war has raised the standard of performance so high that our allies hesitate to engage even in those military operations for which they have plenty of forces and adequate capability.

The European governments' hesitation has much to do with the perceived risks of a 'European way of war'. The US throws enough money, weapons and people at conflicts to guarantee an overwhelming advantage for itself; it also has the technology to do much of the fighting from afar and therefore in relative safety. Wars fought without America's weapons bring troops in closer contact with the enemy, and last longer, than those fought to the American doctrine. And the more lives are lost, and the longer the fighting lasts, the harder governments find it to keep public support.

It is possible that European capitals would have had a difficult time making the case for prosecuting the war in Libya on their own military terms. But it is unrealistic to expect the US to take part in operations so that European governments can avoid having to make the difficult political case for war to their own publics and parliaments. When Europe hesitates to act without US participation, it sends a signal that it considers the maintenance of the international order a luxury: worth undertaking if a bargain can be had, but not if any real opposition exists. Such a European politico-military mentality – one that fails to intervene to protect people from despotic governments, destroy suspect nuclear facilities and programmes, and enforce blockades or freedom of navigation would be a terrible outcome for the alliance and the world.

### **Austerity arrives**

NATO's spending and capabilities gaps are not new: the US has traditionally spent more on defence than its European allies, and just as traditionally, the US has called for Europeans to spend more. But while 'burden-sharing' debates are a long-standing part of NATO's fabric, three new elements make the current round more consequential for the transatlantic relationship than previous disputes.

First, the major threats to the US are no longer European in origin. Nor can most NATO allies offer much meaningful help in

tackling them. Few allies, with exceptions such as the UK, have followed the US lead in buying the means to transport and supply troops in faraway battlefields. While all allies sent forces to Afghanistan, most were unable to feed or arm them there without heavy help from NATO's logistical agencies or the US. Because virtually all future risks and threats to the US lie outside of Europe, Washington regards its mostly house-bound allies as a diminishing asset.

Second, US armed forces find coalition warfare more and more difficult and decreasingly helpful. The wars in Iraq and Afghanistan accelerated the transformation of US operations; the missions are now too wired, too widely dispersed, too precise, and happen too quickly for other allies to keep up. In the old days, the allies used to carve out battlefields in distinct 'areas of responsibility'. But because US forces are now able to respond quickly across long distances, they see less and less value in segregating the battlefield by time, location, or mission. As a result, they find it more difficult to give less capable militaries meaningful assignments.

Differential innovation also leaves some NATO countries more exposed to risk than others: allies that have the latest innovations take fewer casualties, inflict less unintended damage, and have a higher rate of success. No country wants to be the one which mistakenly bombs civilian targets because of under-funding, or takes unnecessary casualties due to lack of training, and whose shortcomings are paraded in the press. Because US innovations reflect so unflatteringly on its allies' forces, NATO has found it difficult to recruit troop-contributing governments and assign roles to them that entail risks.

The third and most important reason to take the current burden-sharing debate more seriously than previous ones is that pressures for austerity are likely to endure, not only in Europe but also in the United States. Economists Carmen Reinhart and Ken Rogoff have

<sup>2</sup> *Carmen M Reinhart and Ken Rogoff, 'A decade of debt', Policy Analyses in International Economics, September 2011.*

demonstrated that the after-effects of financial crises tend to take years to unfold.<sup>2</sup> Military budgets will continue to shrink, possibly even more considerably than currently forecast, before they have a chance to recover. The US

will be keener than ever to delegate costly non-essential military responsibilities to Europe, and the US government will be more sensitive than ever to perceived free-riding.

Washington struggles with deficits and debts of such enormous magnitude that 40 per cent of every dollar that the federal government spends is borrowed. Should interest rates climb significantly, debt service would crowd out most 'discretionary' spending (that which is not mandated by law). This includes defence: President Obama, who

<sup>3</sup> *Speech at the US Military Academy at West Point, December 1<sup>st</sup> 2009.*

once said, "the nation that I am most interested in building is my own",<sup>3</sup> initiated a large-scale transfer of federal spending from defence into

domestic programmes. The only government department that the White House required to make reductions in its 2012 spending is the Department of Defense. But the president is not alone in cutting military spending: Congress passed the Budget Control Act in summer 2011, which mandated a reduction of \$450 billion in national security programmes (defence, foreign affairs, veterans' affairs and intelligence). It also set in motion automatic across-the-board cuts to federal programmes, including the elimination of another \$550 billion from the defence budget over next ten years, unless Congress finds a better way to reduce the deficit.

It is possible to overstate the effect of current budget austerity; in fact, Secretary of Defense Leon Panetta and the Joint Chiefs of Staff are currently doing so. Panetta has described the cuts as "completely unacceptable" and a "doomsday scenario".<sup>4</sup> Yet if

<sup>4</sup> *Press conference, Pentagon, August 4<sup>th</sup> 2011.*

Congress were to order the Pentagon to save another \$550 billion on top of its share of the budget reduction agreed in 2011, US military spending would fall by just 15 per cent. That would reduce the 'baseline' military budget (excluding the cost of

current wars) to the level of 2007, roughly \$472 billion. And this most draconian outcome is unlikely to happen because the Budget Control Act contains enough escape clauses for the defence department to wriggle out of the full \$550 billion cut. Moreover, all these budget caps exclude war funds, and Congress has grown adept at moving money from the baseline defence budget into war spending to circumvent expenditure ceilings. Since August 2011, the Department of Defence has been allowed to shift \$9.5 billion from the baseline into war spending.

Still, even if the cuts are moderated, US forces will feel them sharply. The healthcare and retirement portions of the defence budget are ballooning: healthcare alone increased from \$19 billion four years ago to \$52 billion in 2011. With the overall defence budget falling, these increases have the potential to crowd out investments in research, development, training and procurement. The magnitude of cuts will be such that the US cannot accommodate the reductions within the existing force structure, and may have to adjust strategy, too: cuts in the armed forces, as well as political constraints, will make future 'nation building' missions less likely. US forces will have to accept greater risk when on operations, the size of the forces will be significantly cut, major weapons purchases will be cancelled, benefits to service members and veterans will be reduced, support to allies will be curtailed, and more cost-cutting strategies will be adopted than have been considered in at least a generation. It is this prospect that is driving the alarmed reactions of the Joint Chiefs of Staff and the Secretary of Defense.

## **Bad news for allies**

The Obama administration is signalling that most cuts, at least those that can be regionally allocated, will come in Europe. The president assured America's allies in Asia that US forces there will grow and announced a new deployment of US marines in Australia, from where they can quickly be deployed throughout Asia. No such reassurance has been accorded to America's European allies. Quite the opposite: the Pentagon's new 'defence strategic guidance' sees the

continent as largely peaceful and requiring less US assistance than the country currently provides.<sup>5</sup> The guidance acknowledges that European forces perform less well than desired, but the shortcomings are largely seen as Europe's problem to overcome. US ambassador to NATO, Ivo Daalder, recently said that "if there ever was a time in which the United States could always be counted on to fill the gaps that may emerge in European defence, that time is rapidly coming to an end."<sup>6</sup>

<sup>5</sup> *'Sustaining US global leadership: Priorities for 21<sup>st</sup> century defense', US Department of Defense, January 2012.*

<sup>6</sup> *Craig Whitlock, 'NATO allies grapple with shrinking defence budgets', Washington Post, January 13<sup>th</sup> 2012.*

As American defence spending shrinks, the opportunity cost to the US of maintaining so many troops in Europe grows. The Pentagon has made clear that it intends to withdraw many of the 80,000 US military personnel currently stationed in Europe, including two of the four US brigades on the continent. Major facilities in Germany such as the transport hub at Ramstein air base and the hospital at Landstuhl are likely to remain, because they are too expensive to replicate and it makes sense to keep them close to where US troops fight (Germany is halfway to Afghanistan from the US). But training facilities and bases hosting combat forces such as Grafenwoehr, also in Germany, will probably close. The nature of interaction with allied militaries will also change. The US will seek to transfer many of its joint training and other co-operative programmes with the European allies to its National Guard or military reserve units, which will rotate to Europe from the US on a temporary basis rather than be stationed permanently there. The new defence guidance also stipulates that the main job of the remaining US troops in Europe is to train allied militaries for deployments on NATO operations (as the previous administration of George W Bush proposed).

## **The impact of US budget cuts on NATO**

US cuts will make the world a more dangerous place for European allies – especially those near the borders of NATO. In the next few months and years, the alliance's cohesion will be gravely tested.

NATO's Baltic members succeeded in persuading the alliance to commence planning for the defence of their territories (something that had been considered unnecessarily provocative to the Russians at the time of their admission in 2004). They now worry that the reduced availability of American forces will extend the timelines on which military enforcements can be rushed to Europe, delaying the actual moment at which the US comes to their defence, and pushing more responsibility onto their own military establishments. The Baltic states will feel hard done by: since they applied to join NATO, the US has discouraged them from buying fighter planes to protect their airspace from Russian intrusion because NATO countries have a surfeit of fighters. They were encouraged to fill 'niche' areas of military expertise (for example, by focusing on cyber-defence) rather than build full-spectrum military forces. But as François Heisbourg points out (see 'The defence of Europe: Towards a new division of transatlantic responsibilities', below), when the US cuts its forces in Europe, the niche approach which Washington has encouraged leaves the Baltics exposed unless other Europeans fill the void. NATO agreed in 2012 to extend by several years multinational patrols in the Baltic airspace, but that will mean little unless countries volunteer the forces and funding for these patrols.

When allies created NATO in 1949, the <sup>7</sup> *'The North Atlantic founding treaty's 'Article V' guarantee that "an armed attack against one or more of them in Europe or North America shall be considered an attack against them all,"*<sup>7</sup> was not supported by the establishment of an integrated military command, and did not envision the long-term stationing of American forces in Europe. In 1950, President Eisenhower only convinced a reluctant Congress to keep US troops in Europe by arguing that it was a temporary measure, until those countries' economies recovered the strength to provide forces adequate to their own defence. NATO only established integrated military command in 1951. The alliance is likely to return to that earlier model, with no guarantee of permanent presence of American troops in Europe. The

<sup>7</sup> *'The North Atlantic Treaty', Washington, April 4<sup>th</sup> 1949.*

US, with its mobile and battle-ready armed forces, and separated from most (although, evidently, not all) future troubles by an ocean, will feel far more comfortable with this arrangement than its European allies. Just as the Europeans have benefited more from American power than the US (because they paid less for it in blood and treasure), they now stand to suffer more from the reduction of the US military presence in their region.

It is unlikely that US retrenchment will mean an overt reconsideration of America's obligations to defend others; Article V obligations would surely remain viable. But the US does not necessarily need to defend Europe by keeping close to 80,000 troops deployed there; it can and will ask its allies to do more for their own defence. The US may take longer to respond to Europe's requests for military assistance; access to 'critical enablers' such as intelligence, communications, precision weapons and operational support will be balanced against other demands on US forces elsewhere; and the US will train with allied forces less frequently. This will mean that America's NATO allies will need to do more individually, or in combination, without American participation. In fact, the US retrenchment may precipitate the emergence of a 'European pillar' – a defence capability that is less dependent on US participation and support – which many European governments have long hoped for.

In the case of Europe but also Japan and South Korea, this re-balancing act is long overdue. These countries have grown in vibrancy and prosperity compared to some of the states which they fear, such as North Korea. This positive development has taken place under the shelter of an American security guarantee, which reduced the financial burden of building individual defences against their enemies. Washington sees its wealthy and safe European allies as unwilling to extend the protections that they have received from the US to other countries that deserve and need the same support. Two decades of EU aspiration for a defence role has generated little progress in spending more or more cost-effectively on defence, and

added to American scepticism. Europe's laudable leadership on Libya may go some way to change this perspective. But there is much damage to repair – the experience of Iraq and Afghanistan has lowered Europe's standing in America's eyes. A popular joke in the US holds that 'ISAF' (NATO's International Security Force in Afghanistan) really stands for 'I Saw Americans Fight.'

Because the US has sustained its military might while most others have not, a moral hazard has taken root in NATO: allies expect Washington to undertake the most dangerous missions, while they accept 'showcase' roles simply to demonstrate participation. The US has been complicit in creating this bargain because it valued wide co-operation more than operational contributions: it was happy to see any contribution, no matter how insignificant, so that it could demonstrate support from NATO. The alliance has enormous credibility in US domestic politics; the Americans care little what the United Nations thinks but a NATO mandate gives them an important feeling of support from allies and fellow democracies.

But as US forces face tough trade-offs and are forced to accept greater risk in operations, they will expect more substantive European contributions. (The trend started before Afghanistan or austerity; as long ago as 2003 Donald Rumsfeld said that the Iraq "mission will define the coalition", hinting that he cared little for symbolic contributions from allies.) Europeans sometimes dismiss US calls for a fairer division of the military burden as though the US somehow had a sacred obligation to do more than other states. "That's the price of being a superpower", is the justification often offered by states that are militarily capable, but unwilling, to expand their contribution to NATO operations. The allies have grown too comfortable with shifting the responsibility for military action to the US: more and more countries cut their defence spending not only because of budgetary pressures but because they have grown less willing to use force as an element of state power in the international system.

## Leading from behind

The Obama administration's insistence on playing only a supporting role in Libya may begin to change this perspective. It is the clearest signal to date that the US will not do more, proportionally, than other allies when it, too, faces austerity. Those allies whose defence depends on American military reinforcement will need to boost their own forces and work more closely with other European countries: in future NATO operations, especially in their difficult opening stages, European countries will have far greater responsibility than they do now.

If they want to fight as the US does, rather than find their own, lower-tech approach to war, defence ministries on the continent need to take a number of steps. They need to accelerate spending in areas on which European forces are most dependent on the US: command and control; intelligence, surveillance, and reconnaissance; transport; refuelling; targeting and battle damage assessment; and precision-guided weapons. While NATO's 'smart defence' initiative bears an unfortunate name (was NATO defence not smart over the last sixty years?), its key tenets – closer collaboration among European militaries and stricter prioritisation in defence spending – are to be applauded.

Most of America's closest allies are also experiencing budget austerity, and will be even less able and willing than before to compensate for a reduced US commitment by increasing their own. They will resent the US for making unilateral cuts that affect their well-being. But the US is right to demand an adjustment. It has allowed the expectations of its allies to inflate far beyond sensible limits. In Germany, for example, US military plans have evolved over the past half a century from reconquering the country should it be occupied by the Soviet Union to stationing troops in Germany to deter attack; to accepting the risk of nuclear attacks on the American homeland in return for defending Germany; to attacking approaching enemy forces before they even got to Germany; and to sustaining US forces in Germany because the country reduced its own defences to focus on re-unification.

Washington has numerous means to impress on its allies that they need to do more for their own defence. For example, during operations in Libya the US allowed fighting to drag on without stepping up American assistance. Washington thus limited American exposure while increasing that of the allies. The Obama administration made clear that it would not allow allies to fail – but it contributed only enough assistance to prevent operations from failing, not enough for them to speedily succeed. The administration's goal was to show Europe the consequences of its spending choices.

Diplomacy will undergo just as dramatic a change as the use of armed forces. In Libya, a reluctant US had to be prodded by Britain and France to support an intervention, inverting the traditional US role. The White House never made a solid case that the intervention in Libya was in American interests (in part because Obama is so neuralgic about endorsing the previous administration's 'freedom agenda'), and did not dare seek Congressional approval (instead claiming that America's supporting role did not constitute war). The closest the administration came to justifying the war was arguing that it was in US interests to support its allies, who did have a strategic interest in the outcome.

NATO countries should expect the US to take a similarly limited diplomatic interest in future crises. The Obama administration has declared Libya to be a demonstration of its strategic doctrine: in response to a humanitarian crisis, the US will work with allies to gain international acceptance for intervention in support of indigenous forces and join a coalition to use military force. It will not play the dominant role in such coalitions. It will not support revolutionary movements without mandates from the UN Security Council, the existence of a unified political opposition which the US thinks is capable of governing the country in question, and support from regional organisations and neighbouring states. This is a much narrower role for American leadership than has been typical in the post-World War II era.

## What will Europe do?

The Obama administration exudes satisfaction with the burden-sharing and the exemplary nature of US support in Libya. Ambassador Ivo Daalder has said: “I’m not sure there is a lesson we

<sup>8</sup> Josh Rogin, *Ivo Daalder: We are not even thinking about intervening in Syria*, *The Cable*, November 7<sup>th</sup> 2011.

need to learn for the United States.”<sup>8</sup> US diplomacy since the Libya war has focused on arguing for improved European capabilities, in the expectation that its prodding will inspire allies to boost their flagging defence spending

and take a more active role in security. But as Clara O’Donnell points out, it is not at all obvious that European allies will actually

<sup>9</sup> *Interview with the author.*

choose to fight Europe’s wars.<sup>9</sup> The reasons are that public support for the use of military force

is declining, leaders are mostly unwilling to make the case for assertive uses of force, budgetary austerity will not allow European countries to replicate US assets, and the US is becoming stingier with its support and leadership.

<sup>10</sup> He said: “*The mightiest military alliance in history is only 11 weeks into an operation against a poorly armed regime in a sparsely populated country [Libya] – yet many allies are beginning to run short on munitions, requiring the US, once more, to make up the difference*” (speech to the Security and Defence Agenda, Brussels, June 10<sup>th</sup> 2011).

Moreover, US actions in Libya will diminish rather than increase the likelihood of other states leading future missions. Many allies found Libya a deeply unsatisfactory experience. They resented that the US did so little while taking so much credit, and the way in which the former secretary of defence, Robert Gates, vented US frustrations at allies’ militaries.<sup>10</sup> These are not the actions of an administration that is setting allies up for success.

The White House should study the disciplined behaviour of the Clinton administration during the UN operation in East Timor in 1999-2000. There, the US underwrote Australia’s leadership, and has benefited for nearly 15 years from the country’s greater participation in other wars. At the time when trouble in East Timor broke out, Australia sought to portray itself as an Asian country (rather than part of the ‘Anglosphere’) and as a constructive

contributor to security in the region. It also wanted to demonstrate the deterrent power of Australia's military might, and to raise its international profile. While President Clinton wanted to take the lead in stabilising East Timor, he could not gain domestic support for an overt American role in UN operations, having blamed the UN for the Somalia debacle which killed 19 US personnel in 1993. Instead, Clinton quietly agreed to provide Australia military assistance that it might need to lead a UN mission in East Timor. In doing so, the administration gave Australia a major foreign policy success, the confidence to undertake even more demanding military operations in future, and the close bilateral working relationship which continues to the present day.

If the Obama administration had employed a similar strategy in Libya, it would have celebrated British and French diplomatic successes at the UN (rather than claiming, as it did, that America's late effort materially strengthened the Security Council resolution and delivered the support of the Russian and Chinese governments). It would have resisted showcasing the extent of US military participation. It would have put in place guarantees of expanded support if allied operations incurred greater than expected difficulty. It would have restrained secretary Gates and other senior officials from excoriating Europeans' performance because that encouraged allies to consider the US unreliable as a source of political and military support in NATO operations. They had just taken the lion's share of the risk, and done the majority of the work, and yet the Obama administration talked as though Europe were too feeble to accomplish anything without the US. America's actions made it less likely that allies will lead in the future; the White House emaciated the very initiative that it should have encouraged.

## **What next for NATO?**

How can Europeans keep the US from disengaging too much from NATO? As a rule of thumb, the more the European militaries do, the more the US will remain willing to work with, and do for,

Europe. As much as the US might wish to trade the other NATO members for allies that contribute more, judge less, and are more pliable, such countries are in short supply. The much-trumpeted ‘pivot to Asia’ constitutes a rotation of only 2,500 US marines through Australia – and even that is mostly because the US failed to convince Japan and Guam to keep and expand US bases there. The US has also had little success encouraging co-operation among its allies in Asia, who, as François Heisbourg points out, continue to fear and distrust each other. For all their faults, the Europeans continue to be America’s best allies. The challenge for Europe, then, is less to avoid being replaced by others than to demonstrate that NATO contributes enough to US security for Washington to continue working through the alliance. The US is always tempted to work with the Europeans bilaterally or to fold groups of them into ‘coalitions of the willing’, which the US finds a more convenient tool to fight its wars and manage its security problems.

The various ‘pooling and sharing’ projects, through which allies plan jointly to buy new equipment and pool some existing military infrastructure in order to save money, help to demonstrate Europe’s seriousness. Allies should also turn NATO’s own think-tank dedicated to military modernisation, Allied Command Transformation (which they have dramatically under-utilised) into a real conveyor belt for military innovation, and incorporate its ideas into their militaries. This would help to diminish the gap between US and European forces. And allies may want to consider funding their operations from a common pool of money, into which all member-states contribute (currently, countries pay their own costs in operations, meaning that those that accept the greatest risk also bear the greatest financial expense). Common funding would make it easier for the less wealthy countries to take part in NATO missions and accelerate their force modernisation. (Admittedly, common funding would make it more difficult to launch operations in the first place: some countries that would normally approve an operation but not participate and thus not pay would now lose the option of not paying, and will be more likely to veto the entire mission.)

NATO countries need to accept that not all allies will join all future operations. They should make the ‘à la carte approach’ seen in Libya (where only eight out of the 28 allies dropped bombs) an accepted part of how NATO works.

That is a far less robust model for operations than NATO’s old ‘in together, out together’ approach, but ‘à la carte’ may be as good as it gets. The allies, no longer unified by a common enemy, worry about different threats. And if they agreed only to fight wars about which all allies cared equally passionately, NATO would shrink back into solely looking after the territorial defence of its member-states. Instead of requiring every member to take a substantial role in every military operation, NATO should allow some countries to participate only symbolically – as long as they give their approval for NATO to undertake the given operations and, should countries agree to common funding, pay their share. Such a division of labour would reinforce the risk of moral hazard in military operations: by allowing symbolic or no contributions to operations, NATO would fuel complacency among Europe’s lesser troop and hardware contributors (though, with the US leading fewer operations in the future, moral hazard will become a problem among Europeans, rather than between Europe and the US). But ‘à la carte’ is better than the alternative, which is that NATO fails to launch important missions altogether because some member-states do not want to take part. Even if some allies stay on the sidelines, the unanimous political agreement required in NATO to launch operations provides an important legitimating factor: it demonstrates that the most powerful democracies approve of using military force, which is especially useful in cases when the UN Security Council is unable to pass a resolution (as was the case in Kosovo).

NATO’s own post-operational reviews of the Libya mission have revealed numerous additional ways to improve how its member-states work together. The Europeans need to strengthen NATO planning staffs so that they can command future operations without reinforcements from US planners – NATO’s air war in

Libya was a far smaller affair than the 1999 campaign against Kosovo and yet the Europeans ran out of officers capable of identifying suitable targets (the US had to rush its officers to Europe). NATO countries need to develop plans for the acquisition of much needed new equipment, either through the time-honoured but expensive method of dividing the order into industry-friendly national shares or, ideally, by agreeing common ownership and delegating the work to the most experienced and reliable producer. And most importantly, they need to make their military plans more explicit about how much support they expect from the US, and negotiate arrangements with Washington on how and what kind of assistance the US will provide during operations.

If the current austerity drives the US to withdraw from some of NATO's missions, the Balkans may pose a near-term test, both for the Obama doctrine and for transatlantic relations. The president would have a very difficult time making the case for US involvement if security in the Balkans unravelled: to the average American, the problem of political stability in the region should have been 'solved' long ago, and Europeans should be eminently able to handle residual trouble themselves. The American military would likely react with the weary exasperation with which it greeted Libya: it would suggest that the Balkans were not a vital US interest and ask how another major mission could be accommodated with current force levels and funding cuts. The US would expect Europe to handle the situation if political and ethnic frictions led to a return of violence in Kosovo and other places. Would Europeans be willing to manage the problem rather than simply try to quarantine it? And could the NATO alliance survive if the US chose not to participate in a war in Europe?

Such important decisions, rather than any grand strategies or declarations, will make or break NATO. Twenty years after the end of the Cold War, Europe is no longer at the centre of American security calculations, and the US will judge its usefulness by its results. The US and Europe will either nudge each other towards a

greater appreciation of collective action, or they will fracture, with Europe and the United States both convinced that Europe cannot be a military power.



### 3 The defence of Europe: Towards a new transatlantic division of responsibilities *by François Heisbourg*

Europe's defences are undergoing an epochal change, comparable in scope to the end of the Cold War. Its main cause is the economic crisis combined with the shift in power from the slow-growing and deeply-indebted industrialised world towards the rapidly-rising emerging economies.<sup>11</sup> The effect of these trends is magnified by Barack Obama's rejection of the strong interventionist policy of the George W Bush era, and the European Union's failure to prevent the unfolding eurozone crisis. As a result, the transatlantic compact and Europe's collective and national defence policies are being transformed in a process which is only in its opening phases: there is more, much more to come.

<sup>11</sup> See Arvind Subramanian, *Eclipse: Living in the Shadow of China's Economic Dominance*, The Petersen Institute for International Economics, 2011.

The broad outlines of this transformation are beginning to emerge. In future, US diplomats and armed forces will be far more engaged in Asia than in Europe, NATO will become an essentially regional organisation for the defence of Europe and its immediate neighbourhood, and European allies will lead its operations just as often as the US. Crucially, parts of Europe itself could succumb to xenophobia and nationalism as the economic crisis on the continent deepens, and voters lose faith in their governments' capacity to halt the relentless decline in living standards. A 'Balkanisation' of parts of the current EU cannot be excluded, nor even the collapse of the European Union itself. Governments on the continent would do

well to prepare for these still unlikely but increasingly more imaginable, and greatly destructive, possibilities.

### **‘Leading from behind’: The consequences for Europe**

Although members of the US administration have vigorously rebutted the notion that they were ‘leading from behind’ during the

<sup>12</sup> See comments by US ambassador to NATO, Ivo Daalder: [#Libya](https://es.twitter.com/USAmbNATO).

<sup>13</sup> Mitt Romney’s ‘white paper’ on foreign policy makes no mention of NATO and 14 mentions of Europe, mostly in historical context. It mentions China 35 times.

<sup>14</sup> See: Hillary Clinton, ‘America’s Pacific century’, remarks in Honolulu, US, November 10<sup>th</sup> 2011; and testimony of Secretary of Defense Leon E. Panetta before the Armed Services Committee of the US House of Representatives, October 13<sup>th</sup> 2011.

<sup>15</sup> ‘Sustaining US global leadership: Priorities for the 21<sup>st</sup> century’, US Department of Defense, January 2012.

Libyan war,<sup>12</sup> the expression is an apt description of new US policy. The perilous state of America’s public finances and the public’s aversion to foreign wars (not unlike after the Vietnam war) will make it very difficult for current and future presidents to initiate new military missions. The political gridlock in Washington greatly hampered Barack Obama’s ability to secure support and funding for NATO’s war in Libya – this despite the fact that during most of it the US played only a supporting role. The political and economic drivers of the new ‘leading from behind’ posture are here to stay, so it is reasonable to assume that the US is in the midst of a lasting paradigm shift, on which the US presidential elections in November 2012 will have little effect.<sup>13</sup> Official policy statements, notably by Secretary of State Hillary Clinton and Secretary of Defense Leon Panetta<sup>14</sup> as well as the new ‘defence strategy guidance’<sup>15</sup> buttress this assumption, including in particular the adoption of an Asia-centric security and defence policy. On that basis, we can discern several consequences for Europe’s defence.

First, in conflicts such as the one in Libya, where the US is a key participant but not the political and strategic leader, the UK and France – the most likely leaders – will also decide the manner in

which the operations are conducted. In the Libya war, the US withdrew its manned aircraft from bombing duties after the first few days of conflict. In practice, this meant that the war was not fought according to the American doctrine of ‘shock and awe’ based on overwhelming force; the European allies were more selective in their choice of targets. Whereas the US-led war in Iraq in 2003 began with the destruction of many power plants, water processing facilities, oil refineries and civilian telecom networks, the Europeans in Libya went out of their way to avoid crippling elements of infrastructure critical to daily life. As a consequence, urban services were mostly back to normal in Tripoli within ten days of its liberation, while Baghdad’s infrastructure is still struggling today. It would be a mistake to attribute this approach entirely to material European limits rather than to Kantian virtue: given Libya’s military weakness and the limited set of targets it presented, the Europeans could have inflicted more damage on Libya’s infrastructure than they did. The British and the French follow a different doctrine by choice, not just necessity. The new Libya may yet descend into chaos, but at least the ‘European way of war’ will not have been an aggravating factor.

The same successful outcome of European tactics, however, may not be possible in other, more demanding, contingencies. Libya, with a population of only six million and an active rebellion on the ground presented a ‘best case’ challenge to Europe’s limited armed forces. The country is close to Europe and has an accessible coastline and reasonable climate. Other places that have seen, or could yet see, Libya-style unrest – such as Syria or Saudi Arabia – are not nearly as ‘militarily congenial’. The Europeans may also struggle to repeat the success of Libya because governments have come to place unrealistic limits on any risk of collateral damage. In Libya, NATO caused less than 100 unintended casualties (due mostly to ‘fratricide’ when NATO aircraft inadvertently struck rebel forces). In future wars, Western publics will see anything more than this number as a failure. But such low figures cannot be easily replicated in more demanding military situations.

Second, the Libyan experience will, or should, compel European force planners to revisit long-standing assumptions about military role-sharing between the US and other NATO countries. The US

<sup>16</sup> See for example Madeleine Albright, *The right balance will secure NATO's future*, *Financial Times*, December 7<sup>th</sup> 1998.

has long discouraged its allies from “uselessly duplicating” America’s defence capabilities,<sup>16</sup> and European armed forces continue to lack many weapons and skills that the US possesses. This is also true for France and the UK, which

have ambitions to field broad-spectrum military forces but lack the financial means to do so. The US continues to enjoy a quasi-monopoly on weapons that suppress enemy air defences or provide close air support (CAS) to allied troops on the ground. The Europeans fare no better in comparison with the US in cutting-edge technology such as unmanned ‘drones’ and command, communication and intelligence systems. In future, the French or the British will have to assume that American weapons such as CAS aircraft might not always be available. They were lucky in Libya in that attack helicopters could replace American fixed-wing aircraft: Libya’s proximity to Europe and its long coastline made it easy for the French to deploy ship-borne attack helicopters. Even so, this deployment took several weeks, because France had not counted on the US withdrawing its aircraft and therefore had not pre-positioned its ships.

To avoid similar surprises in future, European allies will need to acquire some weapons which the US alone in NATO currently possesses. France and the UK, Europe’s military giants, should lead the way, but others must not rely on Paris and London alone to fill the gap, nor should the UK and France simply decide who buys what between them. There is no guarantee that future European operations will always be led by Paris and London jointly, as was the case in Libya. In other contingencies, different combinations of countries may assume leadership. Initial European peacekeeping operations in post-war Bosnia in the summer of 1996 were led by the UK, France and the Netherlands. In Côte d’Ivoire, at the time of the Libyan campaign, France intervened alone to

prevent a civil war. These different configurations of countries must possess their own means to intervene, and be able to do so without relying on US aid.

As Washington expands its military presence in East Asia while reducing the defence budget by at least \$450 billion, it will inevitably cut its troops in Europe.<sup>17</sup> How big the US drawdown in Europe will be is unclear at the time of writing, but it will occur. Therefore, assuming all other conditions remain equal, the Europeans will have to fill the resulting gap. Of course, other conditions do not remain equal: European defence spending is decreasing and Russia's military modernisation is proceeding. Even if one continued to consider Russia's efforts unthreatening in nature, normal prudence would dictate that NATO's European members maintain a credible ability to deter any potential aggression. The combination of these different pressures suggests that the Europeans will have to sacrifice their ability to send substantial forces for extended periods to far-away countries such as Afghanistan, in order to defend their interests at home and in their near-abroad. It would be convenient if the military requirements of close-to-home and far-flung operations were broadly comparable, but they are not. Governments may therefore have to reduce some planned equipment purchases such as long-distance transport aircraft, in favour of investments in other areas such as drones, intelligence, command centres and communications.

*17 On the planned deployment of 2,500 US marines in Darwin, see Floyd Whaley, 'Eye on China, US builds up Pacific ties', International Herald Tribune, November 7<sup>th</sup> 2011. On the need to reduce the US defence budget see 'Pentagon military review will axe US troops', BBC News, January 5<sup>th</sup> 2012.*

In strategic terms, the Europeans will be abandoning the post-Cold War visions of a 'global NATO', capable of intervening anywhere in the world. Such a shift will not play well in Washington, which continues to have ambitions to deploy forces anywhere in the world, and which sees allied militaries as a part of these plans. There is a risk that America may lose interest in NATO under such conditions. However, Washington may also choose to view the alliance's unique

ability to ensure military interoperability at all levels of allied forces as a common good that deserves to be supported.

The degree to which changes in Europe will transform US views of NATO depends, naturally, on changes in attitude within the US. In particular, much will hinge on the level and content of America's future defence spending. Under the more benign scenario for Europe, the US will continue to provide plentiful American weapons in support of Europe-led operations, and to lead from behind, as was the case in Libya. This would amount to an evolutionary rather than revolutionary change in how NATO conducts its business. However, it is prudent to assume that the US, given the dire state of its public finances, will cut its defence budget deeply during the

<sup>18</sup> *Chinese defence spending in 2009 was \$150 billion. Assuming an increase of \$15 billion a year during the current decade – a prudent estimate as it implies a reduction in Chinese economic growth from the present 9-10 per cent annually to some 5 per cent in 2020 – China would have a defence budget of \$315 billion by 2020. US defence spending in 2000 was around \$290 billion (in 2000 dollars).*

coming decade, eroding American capacity and will to support NATO operations. Moreover, China is expected to increase defence spending within 10 years to a level approaching that of the pre-9/11 US defence budget.<sup>18</sup> This trend will further reinforce the Asia-centric character of US defence policy and give the US even fewer reasons to take part in operations away from that region. Last, but emphatically not least, developments in Europe itself could cause the US to walk away from its already reduced role in NATO. Savage public spending cuts in a more inward-looking Europe could end up reinforcing the US tendency to cut its own

budget and focus on Asia. The allies will need to tread very carefully to avoid mutually debilitating retrenchment descending into ever-deeper recrimination and 'tit-for-tat' cuts.

## **Wrenching change in Europe**

Changes in Europe will interact powerfully, and for the most part negatively, with the evolving American posture. The most immediate and obvious trend is the reduction of defence spending in practically

every European country, including all of the major powers. Although currently planned cuts are still modest in percentage terms, they come after a decade of stagnation, which itself followed the deep reductions of the ‘peace dividend’ years: Europe’s defence cuts stand in contrast to increases in every other region of the world (the US is reducing its defence budget too, but from a far higher base).

The growing severity of the sovereign debt crisis ensures that much deeper cuts will be considered in most European countries, with a comparatively healthier Germany being a possible and surprising (given its previous track record) exception. This deterioration of defence spending will not only constrain Europe’s capacity to intervene in future crises, but will also give the Americans more reasons to criticise their allies, as former Secretary of Defense Robert Gates did in his valedictory speech in Brussels.<sup>19</sup> The fact that the US will be cutting its own spending will not alleviate the debate. On the contrary, the Americans will suggest that their own reductions mean that the Europeans need to pick up the slack, while pointing out that the Europeans have engaged in a reprehensible form of moral hazard, as the military spending of NATO’s European allies has fallen from 51 per cent of the US defence budget at the end of the Cold War to less than 34 per cent today.<sup>20</sup>

<sup>19</sup> Thom Shanker, ‘Defense secretary warns NATO of dim future’, *The New York Times*, June 10<sup>th</sup> 2011.

<sup>20</sup> Author’s assessment on the basis of the country tables in the relevant editions of ‘*The military balance*’, 1988-89 and 2011, IISS, London. The drop is even sharper if one confines the data to countries that were members of NATO at the end of the Cold War.

In theory, the Europeans can partly offset the impact of defence budget cuts by acquiring weapons jointly and by ‘pooling and sharing’ their remaining military forces. But European attempts at multilateral procurement, notably through the European Defence Agency, are not faring well, mostly because the participating governments are loath to back up their rhetorical commitments to co-operative programmes with joint funding. And political reality has intervened against military pooling and sharing too. All too often, the governments’ top priority is not to preserve military

strength but to safeguard employment at home – and because military integration inevitably leads to losses in defence jobs, governments have been reluctant to share their armed forces. European countries also hold divergent views on when and how to use force – during the Libyan war, only eight out of the 28 allies took part in bombing runs. These differences make it difficult to agree on sharing military forces because countries fear that their chosen partner may withdraw its units from the joint force at a critical time. A similar cost-saving concept, under which countries specialise in certain military skills, is even more controversial – it assumes that countries are willing to rely completely on a partner to release the corresponding assets when they are needed, and such confidence is in short supply.

There have been determined pushes towards co-operation: the Benelux countries have found ways to pool parts of their militaries, and the French and the British agreed a military rapprochement in 2010, though the latter two countries will struggle to overcome industrial rivalries, political differences (for example over the handling of the eurozone crisis and on financial regulation) and occasionally differing attitudes on ‘wars of choice’. (On the other hand, they may find co-operation on nuclear investment and testing easier because they share an interest in maintaining small but capable nuclear arsenals.) The little pooling that will occur in Europe may generate some financial savings. But it will come nowhere near to offsetting the effect of current and prospective budget cuts. The Europeans will not do ‘more with less’, as EU and NATO officials sometimes optimistically proclaim, but ‘less with less’.

### **Will the EU survive?**

As serious as the crisis in defence budgets is, it pales in importance compared to the existential problems that the European Union faces. The European leaders’ hopes of ‘muddling through’ the euro crisis seem misplaced as successive rescue packages have unravelled at ever-shorter intervals. Political leadership has been found wanting,

at both national and EU levels, with the exception of the European Central Bank. Worse, it is not evident that a solution to the financial crisis can be found in the existing framework of the European Union as it exists today. Europe's aggregate sovereign debt is similar to that of the US, but Europe's anaemic growth rates give creditors little hope of seeing their investments repaid. Worse, the adoption of a single currency by 17 member-states with deeply differing economic structures and competitive advantages was undertaken with none of the federal tools which allow continental scale economies (such as the US, India or Brazil) to sustain a single currency despite deep regional divides. This combination of low growth and inadequate federal mechanisms casts doubt on the EU's future existence in anything like its current form.<sup>21</sup>

<sup>21</sup> For more see François Heisbourg, 'L'Europe finira-t-elle comme l'Union soviétique?', *Le Monde*, November 10<sup>th</sup> 2011.

Two basic, and opposing, scenarios, with distinct strategic consequences in terms of the transatlantic relationship, are increasingly likely. The most dire is one in which the euro implodes in an uncontrolled manner. This would probably be a rather straightforward affair, with the single currency being replaced by national currencies: there is little reason to believe that it would be possible to build a 'new euro' for a new version of a German-centred *Grossraumwirtschaft*, since neither the Benelux countries nor Finland would find it in their interest to live with the exceedingly high exchange rate which Germany's currency would command. If the euro goes, devaluations in most of the member-states and capital controls (the latter may well be imposed even before the euro goes under) would follow. That, along with the unfathomable fund of ill-will generated by the euro's collapse, would presumably make it impossible to sustain much of the current *acquis communautaire*: the single market and the free movement of people and labour could hardly survive. German Chancellor Angela Merkel, EU Council President Herman Van Rompuy and French President Nicolas Sarkozy are probably right when they state that the end of the euro would lead to the end of the European Union.

While the collapse of the EU would be a traumatic event, it would not necessarily cause a return to the great wars of the 20<sup>th</sup> century. Its most immediate impact would consist of economic distress in Europe comparable to the Great Depression of the 1930s. But the world war that followed the Great Depression was also a product of the hegemonic quest of powerful, dynamic states, most notably Germany and Japan, which had hit upon hard times. The ageing, rigid, static societies of Europe are hardly in a position to claim world-shaking hegemony. They are more likely to hurt themselves, along the lines of the wars of Yugoslav succession in the 1990s – one can envision a possibility that a nationalist regime in one or more countries would trigger clashes between competing ethnic groups, either inside or across (former) EU borders. Hungary represents one such possible flashpoint, and populist (though not necessarily nationalist) forces are also on the rise in the Netherlands, Sweden and Finland, among other countries.

US intervention, via NATO, to keep peace in Europe should not be taken for granted. Unlike in the case of the wars in Bosnia and Kosovo, the US may well turn its back on this newly ‘Balkanised’, post-EU Europe. Its interventions in Bosnia and Kosovo took place under conditions very different from today’s: at the time, the US held unquestioned global supremacy; the wars were the highpoint of

<sup>22</sup> *Phrase coined by Charles Krauthammer in ‘The unipolar moment’, Foreign Affairs, 1990.*

<sup>23</sup> *Words of Secretary of State James Baker (speaking about the Balkans), as cited in: Richard Holbrooke, ‘To end a war’, Random House, 1998.*

America’s brief post-Cold War “unipolar moment”.<sup>22</sup> Nor had the transatlantic habits of solidarity and collaboration, built up during the Cold War, yet been eroded by time and defence budget cuts in Europe. If a war were to break out in Europe in future, the US may well decide that it does not “have a dog in this fight”,<sup>23</sup> and that its scant resources are better used at a place of greater importance to US security such as Asia or the Middle East.

The Europeans and their US friends need to start thinking about how to prepare for the possibility of a Balkanised Europe. NATO

and the EU (in its future incarnation) will need to develop ways to manage crises within EU countries as well as possible conflicts among member-states. NATO's and the US role in (belatedly) freezing the conflict between two of its members, Turkey and Greece, in the 1970s, points the way: when Turkey intervened in Cyprus, the US stopped the supply of spare parts for its weapons in Turkey's armoury, thus hastening the signature of a cease-fire agreement. Similarly, the EU is targeting Hungary's Achilles heel – its need for macro-economic assistance – to exact changes in the judicial system and the governance of the country's central bank.

In the alternative scenario, the euro is saved on a sustainable basis, which implies that two essential conditions are met. First, members of the eurozone set up quasi-federal institutions and instruments with a substantial common budget, backed by a sizeable federal revenue base (one sees the outlines of such a federation in the 'fiscal compact', which most EU countries barring the UK agreed in December 2011 to create). Second, members of this integrated eurozone would have to undertake economic reforms deep enough to trigger a rate of growth sufficient to decrease public debt overtime. Such a scenario, while greatly preferable to the collapse of the euro, would cause great changes of its own to European defences.

As in the case of the failure of the euro, there would be a long period during which defence spending would not be high on the European agenda – the US would therefore continue to feel that its allies were leaving America to carry the burden of providing for global security. The gradual estrangement of the two sides of the Atlantic would continue. Conversely, were a strong *Kerneuropa* to emerge around the eurozone countries, Washington could at last acquire the single identifiable partner in Europe, whose telephone number might be more desirable than that of the current EU high representative, Catherine Ashton. Third, such a eurozone federation would probably lead to the weakening of the EU as a project of consequence, if not to its simple disappearance. Elements of the *acquis communautaire*, such as external trade policy, single market

or EU-funded research and development would be difficult to save at the level of 27 countries. The EU's 'common security and defence policy', in which many non-eurozone governments take part (including, crucially, one of Europe's militarily power tandem, the United Kingdom) could lose its remaining relevance.

This in turn would raise a number of questions: What defence policy would prevail in a eurozone in which Britain was not a part? The UK has been a prominent advocate (with France) of an interventionist policy, and (with most Nordic and Central European states) of a strong link with the US. Would the core, now without the UK, become more German in its defence thinking; less inclined to intervene in places such as Libya, and less wedded to NATO? What would the non-euro states of Central and South East Europe (such as Bulgaria, Romania and the Czech Republic) do? Would they seek to integrate defensively with the European core or pursue an even closer alliance with the US? Some, such as Poland and the two non-euro Baltic countries (Latvia and Lithuania) have a reasonably good chance of securing fast access into the euro, but what about Romania and Bulgaria?

Nor should one assume that 'variable geometry', whereby Paris and London remain the hub of EU defence co-operation while Germany and France lead the federalised eurozone, will offer an acceptable substitute 'fudge' in institutional terms. It is not evident that the core, in which Germany plays a dominant role, will share Britain's views on defence, and leave London to speak in the name of the EU: it may seek to reserve that right to itself. Also, for such variable geometry to emerge, the United Kingdom would have to choose to remain a member of the EU. But if a quasi-federal core is created, the EU itself will be marginalised as most decision-making migrates to the eurozone core. UK influence in the EU will inevitably decline as the core countries start 'pre-cooking' most decisions without London's participation. And why would the UK accept a diminished role in a declining institution? It is more likely its government would seek to gradually loosen ties with the EU. London and Paris might

well take their defence co-operation, including command of future operations, outside the EU, as they did in the case of the war in Libya. Common EU security and defence policy would cease to exist for all purposes but minor missions such as monitoring.

Even if the euro and a (marginalised) EU survive, member-states on the EU's eastern fringes could see their security situation deteriorate. Countries in South East Europe such as Romania and Bulgaria have little hope of meeting the criteria to join the eurozone anytime soon. If a strong core group emerges without their participation, Romania and Bulgaria and the Balkans generally would be left dangling between Russia and Turkey on the one hand, and an Asia-focused US and a federalising European core on the other.

## Options for the future

Change in Europe along the lines sketched out above would take time: possible shifts from single currency to national ones, or the drafting and ratification of a new treaty, are long, drawn-out processes. More time still will be necessary for the security consequences of this transformed Europe to be felt. But the process could easily be punctuated by sudden 'tipping' moments, such as the decision of a key state to withdraw from the euro or the collapse of one government and its replacement by a new, radical and xenophobic one. To prepare for such moments, and to limit their potential damage, EU governments and institutions need to draw up contingency plans, much as militaries do. As imperfect as those plans often prove in the face of reality, their very preparation helps the participants to think about ways to manage future crises.<sup>24</sup> Banks and some European governments such as the UK, are already drawing up plans for a chaotic collapse of the euro. Key EU governments should also think through their reaction to the emergence of a radical, nationalist regime in Europe: what tools do they have at their disposal to pressure such a regime not to misbehave?

<sup>24</sup> As Carl von Clausewitz wrote: "We cannot be ruined by a single error if we have made reasonable preparations" (as cited in [www.military-quotes.com/Clausewitz.htm](http://www.military-quotes.com/Clausewitz.htm)).

Without waiting for the fate of the European integration process, NATO's members and institutions should engage in a review, under the aegis of defence ministers and chiefs of defence, of NATO's plans and ambitions. They need to revise them to take into account the likelihood that future NATO missions would not always include frontline US combat forces. They should draw up contingency plans for 'non-Article V' operations – those fought not in self-defence but in the name of, for example, human rights – with or without certain types of US capabilities. (In case of 'Article V' wars – those fought in defence of a NATO ally – one can reasonably safely assume US involvement.)

This is not to say that the allies should abandon traditional 'one for all, all for one' plans – some non-Article V conflicts may well be fought with the full complement of allies including the US. But NATO needs to prepare for the possibility that some might not. It should lay the ground for European-led operations under the NATO flag and relying heavily on US weapons, but only in limited quantity and for select types of operations, such as the destruction of enemy air defences, where the Europeans lack meaningful capabilities. Such a review would no doubt be contentious. The Americans would complain about continued European reliance on their troops and weapons. Others would argue against the wisdom of buying the types of weapons which the US already possesses (such duplication, however, would be the only way to guard against the possibility that the US refuses to take part in Europe-led NATO missions, or to make its weapons available). However, such a review would be better than the alternatives: chaotic and divergent re-nationalisation of defence, as allies lose faith in NATO altogether and seek to fend for their own security any way they can.

In the longer term, the allies need to rethink their mutual defence arrangements observing the following general principles:

- ★ **Keep defence multilateral.** Whatever happens to the EU, NATO partners should avoid any drift towards a 'hub-and-spokes'

system, in which the European allies compete with one another to strike the closest possible military alliance with the US. A similar system of bilateral defence guarantees exists between America and its Asian allies. However, unlike a proper continent-wide alliance such as NATO, it does not generate commonality of strategic purpose or broad-spectrum interoperability between the military forces of the countries of the region. Hub-and-spokes is a distinctly second-best model practiced in East Asia because South Korea and Taiwan have been unable to form a collective defence pact with the US that includes Japan, their erstwhile and unrepentant coloniser. Europe ought to reject such an approach, though on present trends the temptation to cozy up to the US at the expense of others will only grow stronger. Poland is already attempting to buttress its NATO defence pledge with additional informal guarantees in the form of US bases on its territory. If the euro collapses and the EU withers, and if Russia takes advantage of the unrest to gain strategic advantage in its near-abroad, yet more countries in Central Europe will be desperate for a tighter US embrace. To prevent NATO from degenerating into a series of bilateral defence deals, the US should clearly state its preference for the current, multilateral alliance and reject the hub-and-spokes approach in all circumstances.

- ★ **Be open to a eurozone defence policy.** In the same way that the US eventually (albeit slowly and grudgingly) accepted that the EU should have its own security and defence policy, Washington should now welcome and not discourage the possible security and defence initiatives launched by the as-yet hypothetical European core. Precisely because the UK would not be a part of this core, an extended hand from the US would help to preclude the risk that the core grows completely distant from the US and NATO. Germany needs to be encouraged to take an active role in defence, not given the cold shoulder; and Poland, along with the other ‘new Europe’ countries would need to be reassured that their

transatlantic ties will not be compromised if they join the European core.

★ **Tailor ambitions to budgets.** Allies should bring NATO's ambitions in line with their crisis-reduced budgets. They should relinquish plans to build a global NATO through continued expansion, and eschew missions that entail unaffordable projection of military force across long distances. They should prioritise missions closer to home, in Europe and its near abroad. Their investments in military hardware should be similarly adjusted: NATO countries need to focus on making their equipment and doctrines compatible. The allies' ability to fight as a (more or less) unified force is NATO's unique asset, which needs to be protected from budget cuts. NATO should spend less time and money chasing costly, time-consuming and politically divisive new weapons systems such as anti-ballistic missile defences. Allies are right to worry about Iran's plans to produce missiles and nuclear weapons, and to want to keep a close eye on the country by investing more in satellites and unmanned drones. But for the time being, the need for fast-track deployment of interceptor missiles in Europe is questionable.

★ **Be sensitive to symbolism.** As capabilities are drawn down, symbolism acquires added importance. The allies should therefore exercise great care when deliberating about the future of US nuclear weapons based in Europe. Many NATO countries, old and new, regard them as the embodiment of US commitment to the defence of Europe. Given their sensitive role, German Foreign Minister Guido Westerwelle was wrong

<sup>25</sup> For more, see Franklin Miller, George Robertson and Kori Schake, 'Germany opens Pandora's box', CER briefing note, February 2010.

in 2010 to propose (without prior consultation with other NATO countries) their removal from Europe.<sup>25</sup> However obsolete technically and military meaningless these weapons are, they will acquire more strategic and political visibility as some of

America's conventional forces are removed from Europe. Whatever happens to the nuclear weapons should be done consensually and deliberately. The US should not unilaterally decide to withdraw them; nor should those countries that host them give up their capacity to do so simply by failing to upgrade the fleet of aircraft which carry the US bombs.

- ★ **Show solidarity.** For their part, the Europeans should complement the 'closer to home' strategy suggested above with a readiness to participate symbolically in far-flung US endeavours when these do not run counter to the European interest. For instance, to take a particularly distant (and hopefully unlikely) case of a war on the Korean peninsula, the Europeans should be symbolically present alongside their US allies as they deploy in South Korea to repel a North Korean attack. As the US pivots towards East Asia, Europe's willingness or unwillingness to support America's policies in that region will become a major element in strengthening or weakening US will to engage with an increasingly regional NATO.

The above principles assume that allies on both sides of the Atlantic are prepared to make certain basic choices. The US must be ready to sustain a broad-spectrum and permanent political, strategic and military commitment in Europe, preferably via the multilateral framework of the Atlantic alliance. The crucial importance of East Asia makes it easy for decision-makers in Washington to forget about Europe. Yet the latter region continues to have great strategic importance in its own right and by virtue of its proximity to Russia and the Middle East. Moreover, in a world in which China has the men, the money and increasingly, the guns to compete with the US, America will have more reasons to firm up relations with its traditional allies: their support counters China's growing ability to proffer its own blandishments and threats beyond East Asia. While Europe will not play a central role in America's Asia strategy, it can be helpful to Washington.

The Europeans, as they struggle to restore growth and reduce debt, will be sorely tempted – and indeed pressed by the markets – to reduce their defence spending even further, and to subordinate foreign and security policy to whatever will boost their ailing economies. However, with average defence spending in the EU at around 1.5 per cent of GDP (compared with 4.7 per cent in the US), the governments stand to reap comparatively few economies from further cuts, and they stand to lose an enormous amount in terms of security. Defence spending has, in most EU countries, dropped to or below the level at which countries can deal with even moderate risks and threats close to home. European governments ought not to jeopardise their own security even further, particularly not in an age where the US no longer automatically leads from the front.

## 4 Germany after Libya: Still a responsible power? *by Wolfgang Ischinger*

Writing in 1980 as German foreign minister, Hans-Dietrich Genscher stated: “The foundation of German foreign policy is our integration into the European Community and into the North Atlantic Treaty Organisation. Only within these two communities can we secure the survival and the prosperity of our country in peace, freedom, and in economic and social stability. Therefore, it must be the first priority of our policy to keep them strong and to continue to develop them further.”<sup>26</sup> This formula holds as true today as in 1980. In fact, it comes as close to a basic law of German foreign and security policy as there exists. For almost two decades, Germany adhered to this credo so closely that it followed its allies into three wars – in Bosnia, Kosovo and Afghanistan – despite scepticism and unease among its citizens about the use of military force.

<sup>26</sup> Hans-Dietrich Genscher, ‘Deutsche Außenpolitik für die achtziger Jahre’, *Europa-Archiv* Nr. 12/1980. All quotes from sources in German have been translated by the author.

Yet today, more than at any point over past decades, German friends and partners wonder whether the country still takes this fundamental principle seriously. The decision to abstain from the UN vote authorising NATO to intervene in Libya made allies worry that German foreign policy is returning to a *sonderweg*, going its own ‘special way’, and placing little emphasis on either international responsibility or NATO and EU solidarity. The perception abroad of German reluctance and selfishness in tackling the euro crisis has fuelled these fears further. Many in Germany itself – including former chancellors, foreign and defence ministers,

<sup>27</sup> *They included former Defence Minister Volker Rübe, former Foreign Minister Joschka Fischer, as well as, most prominently, former Chancellor Helmut Kohl: 'Wir müssen wieder mehr Zuversicht gewinnen: Helmut Kohl über eine Außenpolitik, der es an Verlässlichkeit mangelt', Internationale Politik 5/2011, September/October.*

and members of the Bundestag – worried that the country had not only made a serious mistake with its abstention from the humanitarian intervention in Libya, but also ran the risk of losing its political compass and its reputation as a steady and reliable ally.<sup>27</sup>

The government has indeed made mistakes, and compounded them with counter-productive explanations and justifications after the fact. But fears that Germany is renegeing on its obligations are exaggerated and over-simplified. The decision to abstain on the UN Security Council (UNSC) vote and to refuse participation in the Libya intervention was not a harbinger of military retrenchment, let alone a first step on a German *sonderweg*. Instead, it was a *sonderfall* – a very 'special case', driven by an unfortunate confluence and combination of events and rationales.

German scepticism about the use of force ('never again war') played a role. But over the past two decades, the Germans have grown more, not less, comfortable with the use of force. The political classes and citizens remain firmly committed to membership of the EU and NATO – so much so that the idea of a 'United States of Europe', a fringe notion in many EU countries, has many supporters in Germany. The fallout from the abstention on Libya has made Berlin more attuned to the expectations of its allies, and more likely to play a significant part in any future contingency. Many in the German establishment have come to think of the abstention as a mistake that should not be repeated.

This is not to say that Germany is about to become a 'normal' power. Its foreign and security policy continues to be driven by inherent contradictions. While the country is willing to assume more responsibility internationally, it has also become very comfortable – too comfortable? – with the status quo. When the peaceful revolution in 1989-90 ended totalitarianism in Europe, the country

lost the desire for further change. While over the past 30 years NATO's focus has shifted from territorial defence to the defence of universal rights and a global campaign against terrorism, Germany has only partly digested these changes. Nowhere is this clearer than in Afghanistan, where the Bundeswehr has only grudgingly and belatedly engaged in counterinsurgency operations. Germany's armed forces remain unprepared for Afghanistan-style challenges; they lack the political support at home for direct combat, and the government and the elites pay little attention to military issues.

It is quite unlikely that Germany will move to build the capabilities that would be necessary to operate as forcefully as others want it to do, or even as much as it arguably should be able to do, given its size, importance, economic strength, and history. Even the ceiling and the level of ambition formulated in the German government's 2011 'defence policy guidelines' will seem modest, maybe frustratingly so, to some of Germany's <sup>28</sup> 'Defence policy guidelines', Ministry of Defence of Germany, May 18<sup>th</sup> 2011. partners.<sup>28</sup> There is practically no debate in Germany on what a possible US military retrenchment would mean for the country and the continent. Crucial contributions to this discussion, such as Robert Gates' farewell speech as US Secretary of Defense in Brussels in June 2011, or an essay by Hillary Clinton entitled 'America's Pacific century' (published in *Foreign Policy* magazine) in November 2011 have received only scant attention in Germany. The new US 'defence strategic guidance', issued in January of 2012, received more coverage for its focus on Asia at the expense of Europe, but it too failed to spark a meaningful debate. Should the US indeed make a habit of 'leading from behind', or should NATO in the long run even become 'post-American', Germany will not be remotely capable of filling the void left by the US.

### **A sonderfall, not a sonderweg**

A unique mix of four ingredients led to the German abstention on UN Security Council resolution 1973. First, there were genuine

doubts about the wisdom of military intervention in Libya. Second, electoral and coalition politics as well as distractions beyond foreign and security policy played an important role. Third, the decision-making process proved to be slow and ineffective: Germany was left unprepared when the Obama administration changed its stance at the last minute to support intervention. Fourth, Germany failed to think through the broader strategic implications: nobody in Berlin warned that a German abstention would be read abroad as a break with the West and with basic German foreign policy traditions.

Many of Germany's concerns about the Libya intervention were understandable and legitimate. On the one hand, Muammar Gaddafi's threats against Benghazi amounted to a just cause for an intervention, which gained additional legitimacy when the Arab League itself called for a no-fly zone and the UNSC authorised it. On the other hand, there were real doubts in Germany and elsewhere whether a limited military intervention using air power alone and with no clearly defined goal (which is how the operation started) would stop Gaddafi's troops. The principle of *respice finem* – 'consider the end' – became a key argument of those sceptical of intervening. And while, on the eve of the intervention, NATO seemed well positioned to stop the progress of Gaddafi's forces toward Benghazi, it appeared that each subsequent step would be much more difficult, and could even end in a larger-scale war or in

<sup>29</sup> David Sanger and Thom Shanker, 'Gates warns of risks of a no-fly zone', *New York Times*, March 2<sup>nd</sup> 2011.

a failing state in Libya. Some of these concerns were apparently shared and echoed by then-Secretary of Defense Robert Gates and a substantial part of the US foreign and security policy establishment.<sup>29</sup>

Under different circumstances, the strong arguments in favour of intervention, including the importance of the Libyan uprising for the future of the 'Arab spring' in general, might have outweighed Germany's concerns. However, other factors intervened to push Germany into the 'no' camp. They were: a governing coalition in disarray, regional elections, the considerable domestic effects of the

Fukushima nuclear disaster, a dysfunctional decision-making process, and a lack of strategic thinking.

By any measure, what the German government had on its plate in early March 2011 would have sufficed for an entire year. Defence Minister Karl-Theodor zu Guttenberg resigned on March 1<sup>st</sup>, little over two weeks before the UNSC vote on Libya. Guttenberg's successor, Thomas de Maizière, appointed on March 3<sup>rd</sup>, had little familiarity with the deliberations on Libya, which were to come to a head two weeks later.

In addition, the German political parties faced several important regional elections in the second half of the month, including in the conservative stronghold of Baden-Württemberg, considered to be an important test for the governing coalition. The partner of Merkel's Christian Democratic Union (CDU), the Free Democratic Party (FDP), had had a tough year: they had lost of their support nationally over the course of a little more than twelve months. The party leader, Guido Westerwelle, Germany's foreign minister and vice chancellor, was in danger of losing both the party leadership and maybe even his cabinet position depending on the outcome of the regional elections (he eventually lost the former post but kept the latter). FDP officials were so discontented that there were rumours that the governing coalition might break up. The chancellor and the foreign minister felt that they had to read public opinion correctly: more than ever, voters' sentiment dictated policy.

According to one reliable poll, 62 per cent of Germans were in favour of the intervention but only 29 per cent wanted the Bundeswehr to participate in it.<sup>30</sup> The government therefore had a relatively easy course of action – a 'yes' to the NATO intervention and UNSC resolution, combined with very limited, if any, German military participation. Astonishingly, it chose not to take this option. In explaining the government's

<sup>30</sup> '62 Prozent der Deutschen für Militärschlag', *Welt Online*, March 20<sup>th</sup> 2011.

reasoning, Merkel argued that Germany would have to participate in the mission if it voted yes: “As everyone knows, Germany will not contribute to military measures”, she said on March 18<sup>th</sup>.

<sup>31</sup> *Press Statement by  
Chancellor Merkel,  
March 18<sup>th</sup> 2011.*

“To make it clear once more: This is the only reason why we abstained.”<sup>31</sup> Why Germany would have to abstain if it did not contribute

was never conclusively explained. President Obama, it was hinted, had told Merkel that if Berlin voted yes, Germany would have no choice but to participate. Even if this is what he told her – it was quite clearly not correct. In addition, Merkel’s argument contradicted statements by key members of her own government, including the foreign minister, who opposed the intervention as such. The government appears to have come to believe that the pacifist instincts of the German people would force the Bundestag to reject a military deployment.

The Fukushima nuclear disaster in Japan, though seemingly unconnected, fuelled those pacifist sentiments. On March 11<sup>th</sup> an earthquake and a tsunami hit Japan, causing an environmental catastrophe that was to have an enormous domestic impact on German politics. In the autumn of 2010, only months before the Fukushima disaster, Merkel’s coalition had prolonged the operating lives of the country’s nuclear power plants, against the opposition of the Green and Social Democratic parties and much of the German public. Many of these plants happened to be in the region of Baden-Württemberg, a key political battleground for the coalition. The anti-nuclear backlash after the Fukushima disaster had the potential to close the already narrow gap there between the CDU-FDP regional government and the Green/Social Democratic opposition. In a last-minute bid to hold on to Baden-Württemberg, and in the very week in which the UNSC voted on Libya, the CDU-FDP federal government ordered nuclear plants to be shut, reversing its stance on nuclear energy. Having lost one of its signature projects, the Merkel government was under even more pressure to ‘get Libya right’ in terms of electoral politics – it made the chancellor more cautious than ever. (In the event, Merkel’s and

Westerwelle's parties lost control of Baden-Württemberg to a Green-led regional government, the first in Germany).

Added to all of this, many Germans had long been critical of the Bundeswehr's participation in the Afghanistan operation, and worried that Libya would ensnare allied soldiers in a similar quagmire. Moreover, the euro crisis, which had dominated public debate for months before the Libya war, made Germany fearful that it would have to pick up the tab for saving the euro. In sum, the first two weeks in March were extraordinarily full and challenging. At the time of the UNSC vote on Libya, the German public felt that it was being asked to do too much. It did not have the stomach to also send the Bundeswehr to help to save Libyans from Gaddafi. And the government did not have the patience and courage to opt for a middle course – support the war but stay out of it.

## Foreign policy consequences

The foreign policy consequences for Germany, while easy to read in hindsight, seemed less clear at the time of the decision.

The initial US view of Libya was in a way very similar to that of Merkel and Westerwelle: Secretary of Defense Robert Gates was openly sceptical of the wisdom of intervening, and President Barack Obama long seemed undecided.<sup>32</sup> As long as the US objected to a military engagement at the UN, the German government was able to pay little attention to Libya. This policy fell apart when, on March 15<sup>th</sup>, after Gaddafi had threatened “no mercy” for the citizens of Benghazi, the US chose to support the no-fly zone and military strikes. Berlin had failed to grasp that Obama, who had several strong proponents of intervention in his foreign-policy team, might change his mind.

<sup>32</sup> See Ryan Lizza, ‘The Consequentialist: How the Arab Spring remade Obama’s foreign policy’, *New Yorker*, May 2<sup>nd</sup> 2011; Helen Cooper and Steven Lee Myers, ‘Obama takes hard line with Libya after shift by Clinton’, *New York Times*, March 18<sup>th</sup> 2011.

Not having anticipated Obama's sudden 'yes', there was very little time left to weigh its consequences. In the debate that followed in the ministries and the chancellery, no one attempted to analyse systematically and weigh the pros, cons, options, risks and consequences of a potential German yes, no or abstention on UNSC resolution 1973. The political parties would do well to consider seriously the establishment of a sort of National Security Council that could improve and facilitate process and structure in German security policy – especially when decisions have to be taken under significant time constraints. Interestingly, Germany is the only one among the major Western powers which has no systematic and formalised approach to national security decision-making.

Had a comprehensive analysis taken place, it would have highlighted the option of voting in favour of, but abstaining from participation in, the NATO mission. However, on March 16<sup>th</sup> and 17<sup>th</sup>, too few in the government were aware that Germany was about to violate its essential 'never alone' rule – a fundamental

<sup>33</sup> See Hanns W Maull, 'Germany and the use of force: Still a 'civilian power'?', *Survival*, summer 2000.

tenet of German integration into the West and in Europe.<sup>33</sup> Big picture thinking – about the community of Western democracies, but also about the Arab spring and the 'responsibility to protect' – was absent in the critical hours.

In sum, amidst the coalition crisis, very important regional elections, an attention deficit with respect to Libya, a flawed decision-making process, and a complete failure to consider the long-term picture, domestic reflexes carried the day. Yet the circumstances were unique and complicated. They do not represent a premeditated, strategic choice for Germany to 'go it alone', now or in the future.

Unfortunately, German government officials did their best to confuse their allies about the significance of the vote. Even though she was sceptical about the intervention, Chancellor Merkel said that Germany "unequivocally shared the goals" of UNSC

resolution 1973 – she tried to have it both ways.<sup>34</sup> Westerwelle, disputing that Germany was isolated, argued that his country stood “together with countries and also partners as important as Brazil, India, Russia, and also China”.<sup>35</sup> While it was not meant that way, the statement could have been read, and was read, as the first step towards a strategic alignment beyond the West. Several politicians, including Dirk Niebel, a cabinet member from the FDP, even implied that Germany’s European allies had only been pursuing national economic interests.<sup>36</sup>

<sup>34</sup> *Press statement by Chancellor Merkel, March 18<sup>th</sup> 2011.*

<sup>35</sup> *Majid Sattar, ‘Die Isolierung des Systems Westerwelle’, Frankfurter Allgemeine Zeitung, March 19<sup>th</sup> 2011.*

<sup>36</sup> *‘Niebel bezichtigt Alliierte der Heuchelei’, Spiegel Online, October 27<sup>th</sup> 2011.*

Further compounding the confusion, the government withdrew all German military personnel (about 600) from NATO operations in the Mediterranean and returned them to national command, puzzling many. The reasoning was this: the NATO mission was to play a role in enforcing a weapons embargo against Libya. And if German soldiers continued to participate in the mission, they might in theory have to use military force. Technically, this would constitute an involvement in military action against Libya, requiring a parliamentary vote. This argument needs to be read as an attempt by a government to justify a bad decision to international and domestic critics.

However, too much has been made of the German stance during those few days in March. Today, in Germany, the government’s abstention and behaviour during the crisis is widely considered to have been a mistake. When Westerwelle suggested in August 2011 that Germany’s emphasis on non-military means played as important a role in toppling the Gaddafi regime as NATO’s airstrikes<sup>37</sup>, Gerhart Baum, former federal interior minister from the FDP, called the argument

<sup>37</sup> *He said: “Everybody, in their own way, has a share in the end of the regime. So do we Germans, with our political priorities and targeted sanctions policies. Internationally, this is very much appreciated”. Quoted in Damir Fras and Steffen Hebestreit, ‘Die Seite der Trittbrett-Sieger’, Frankfurter Rundschau, August 23<sup>rd</sup> 2011.*

<sup>38</sup> Severin Weiland, 'FDP-Politiker nennt Westerwelle rechthaberisch', *Spiegel Online*, August 25<sup>th</sup> 2011.

<sup>39</sup> Jörg Lau and Bernd Ulrich, 'Eine deutsche Schande', *Die Zeit*, August 26<sup>th</sup> 2011.

“embarrassing”.<sup>38</sup> Westerwelle was also publicly contradicted by the new president of the FDP – who had taken over from him as party leader in May – and by Angela Merkel, who emphasised NATO’s critical role and expressed Germany’s gratitude for it. The headline of an article on Libya in the largest weekly *Die Zeit* read “German shame”.<sup>39</sup>

The Libya episode may have put an end to one myth in German political circles – the idea that elections can be won by appealing to German pacifism. It had been popular since former Chancellor Gerhard Schröder clinched re-election in 2002 in part because he criticised US plans for a war against Iraq. Libya showed that things are more complicated. Germans realise that the Iraq and Libya wars could not have been more different in nature. And while few wanted Germany to participate in it, most recognised that the intervention was the right thing to do. Voters did not reward those who opposed intervention loudest; Libya had essentially no effect on regional elections. Next time, politicians will have to think twice before assuming that a rejectionist position is the way to voters’ hearts.

## Germany, international responsibility, and a post-American NATO

Most analysts in Berlin believe that Germany cannot afford to act again like it did in March 2011. This is only partly because the government was wrong about Libya; the feeling is rooted in the conviction that Germany has a heightened international responsibility, for historic reasons and due to German affluence. This commitment

<sup>40</sup> Federal Ministry of Defence, 'Defence policy guidelines: Safeguarding national interests - assuming international responsibility - shaping security together', Berlin, May 27<sup>th</sup> 2011.

to international responsibility is not an empty formula. Germany’s 2011 defence policy guidelines, one of the most prominent strategy documents of the German government, cites “assumption of international responsibility” as one of three core national interests.<sup>40</sup>

Twenty years ago, ‘responsibility’ meant diplomatic and economic engagement, but not the use of force. Germany’s culture of restraint and the conviction that the country should never again wage war have been deeply ingrained into German strategic culture. Only a very smart ruling by Germany’s constitutional court in 1994 allowed the armed forces to participate in UN or NATO missions. However, by the early to mid-1990s, most Germans felt that opposition to the use of force in the face of mass atrocities was precisely the wrong lesson from German history. Most of the political spectrum and the public supported the decision to contribute forces to NATO operation to save Kosovo from Slobodan Milosevic in 1999. ‘Never again war’ became ‘never again genocide’. The key parliamentary parties (excluding the isolationist PDS, later *Linkspartei*) reached a consensus that the use of force, under the right circumstances, is not only justifiable but may be, politically and morally, necessary.

This consensus still holds but it has been put to the test in Afghanistan, where German troops have been involved in their most intense combat in recent history. The country’s forces participated in NATO’s mission from its very beginning in 2001, and, in 2006, Germany assumed responsibility for security of Afghanistan’s north. But by 2007 the resistance in Afghanistan had grown into open warfare, for which the German public and the German armed forces were wholly unprepared.

The troops have learned and improved by leaps and bounds, which is a credit to the men and women in the field, but even so Germany failed to stop the rapid deterioration in security in its sector.<sup>41</sup> More than 50 German soldiers have died in Afghanistan.

<sup>41</sup> See Timo Noetzel, ‘Germany’s small war in Afghanistan: Operational learning amid politico-strategic inertia’, *Contemporary Security Policy* 31:3, 2010.

The experience in Afghanistan has made the Germans less willing to approve the Bundeswehr’s presence abroad. About two-thirds of the population now consider the mission a mistake. Kosovo created the illusion that an intervention could be efficient and successful, with

low risk and cost. Afghanistan has proven the exact opposite – many Germans see it as a risky, long, and costly enterprise with dubious benefits. While support for the Kosovo intervention was high, the appetite for foreign engagement has decreased somewhat because of Afghanistan.

Despite the German shortcomings and casualties, about 5,000 German soldiers remain on active duty between Kunduz and Masar-i-Sharif – this at a time when a number of other NATO countries have already withdrawn their troops. Germany today remains more committed to its allied missions than would have been thought possible in the early 1990s (though the government, under pressure from the parliament and public opinion, is moving towards a step-by-step withdrawal from Afghanistan, as are other allies, including the US).

The language with which Germans discuss their role has become more honest, too. Over the past two years, German officials have started to use the term ‘war’ when talking about Afghanistan. The government has also become more forthright in explaining that

<sup>42</sup> *Thomas de Maizière, speech at the Handelsblatt Conference, October 25<sup>th</sup> 2011. De Maizière regularly ranks among the most popular government members, with an approval rating of 61 per cent in October 2011.*

<sup>43</sup> *Angela Merkel, speech at the 50<sup>th</sup> anniversary of the Bergedorfer Gesprächskreis, September 9<sup>th</sup> 2011.*

foreign policy must occasionally have a military component. In October 2011, Defence Minister de Maizière stressed that “the use of military force can be a political means to prevent or to contain worse violence”.<sup>42</sup> Chancellor Merkel emphasised in one of her most recent security policy addresses that, while no conflict today can be solved exclusively with military means, they “cannot and must not be excluded”.<sup>43</sup> Germany today is more clear-eyed about foreign interventions: more aware of their dangers, but also convinced of their potential importance.

It is in this very spirit that the government has begun what is shaping up to be the largest reform of the Bundeswehr since its creation in 1955. Its primary goal is to prepare the armed forces for operations

abroad; the structure and training are to “focus on deployment”, particularly in post-conflict settings. “Ensuring security for our nation today”, the government emphasises, “means above all keeping the consequences of crises and conflicts at bay and taking an active part in their prevention and containment.”<sup>44</sup> The immediate goal of the reforms is to ready the Bundeswehr to deploy 10,000 troops at the same time (today, about 7,000 troops are serving abroad, mainly in Afghanistan and in Kosovo). The base and personnel structure are to be reformed accordingly: the ministry announced plans in the autumn of 2011 to close or move many bases and to cut and restructure defence bureaucracy, in order to free up resources for deployments. It also suspended compulsory military service indefinitely in July 2011.

<sup>44</sup> *Federal Ministry of Defence, 'Neuausrichtung der Bundeswehr: Reformbegleitprogramm', October 18<sup>th</sup> 2011.*

### Germany: 'a complicated partner'

While reform and innovation will improve Germany's capacity to contribute to common missions with other partners, allies will continue to regard Germany as failing to 'pull its weight'. Even if the reforms succeed, the Bundeswehr's 10,000 troops ready for deployment will compare unfavourably with Britain's or France's plans to field up to 30,000 such troops.<sup>45</sup> Germany will want to take part in international peacebuilding and peacekeeping missions, but not in shooting wars. The country's defence expenditure as a percentage of GDP (about 1.2 per cent in 2011) is half that of Britain and a quarter of America's.<sup>46</sup> For all its power and wealth, Germany will remain only a supporting actor in Western foreign and security policy for the foreseeable future.

<sup>45</sup> *See, respectively, 'The French white paper on defence and national security', 2008; and 'Securing Britain in an age of uncertainty: The strategic and defence review', October 2010.*

<sup>46</sup> *'The military balance 2011', The International Institute for Strategic Studies, March 2011.*

Should the US continue to 'lead from behind' and lose some of its interest in NATO, Germany will not significantly increase its role in the alliance to compensate. The possibility of a substantial reduction

of America's commitment to NATO is barely recognised and discussed in Germany. The 2011 defence policy guidelines state that “[o]nly those who offer capabilities for a common fulfilment of tasks can take part in shaping the alliance.”<sup>47</sup> But the document says

<sup>47</sup> *Federal Ministry of Defence, 'Defence policy guidelines: Safeguarding national interests – assuming international responsibility – shaping security together', Berlin, May 27<sup>th</sup> 2011.*

nothing about the possibility that those capabilities do not come overwhelmingly from the US anymore. Robert Gates' farewell speech in Brussels, in which he warned that future American leaders “may not consider the return on America's investment in NATO worth the cost”, received limited coverage in the German press.<sup>48</sup> The announced US ‘pivot’ to Asia did receive some more attention, but has, so far, failed to spark a real debate on its consequences.

<sup>48</sup> *Robert Gates, speech to the Security and Defence Agenda, Brussels, June 10<sup>th</sup> 2011.*

The German defence establishment, let alone the public at large, will only truly consider the potential consequences of such a US move when they actually manifest themselves in tangible alliance capabilities and performance: US actions, rather than strategic thinking in Berlin, will drive German policy. The lack of foresight with respect to what a post-American NATO might mean for Germany is worrying; tacitly, almost everybody continues to work under the assumption that the US will be willing and able to step into future contingencies, if necessary. As a result, few are preparing for the possibility that it might not. This lack of a sense of urgency is evident in the German government's lukewarm attitudes to ‘pooling and sharing’ military capabilities.

There continues to be a fundamental, characteristic tension in German security policy: while the country is ready to assume more responsibility than it has in the past, it consistently does less than its allies would like it to do and less than a country of its size and influence probably should. Defence minister de Maizière recently said that “the Bundeswehr must be able to make a significant contribution within NATO, the European Union, and the United Nations – a contribution which adequately reflects Germany's role

and weight as well as the contribution of other large states in Europe.” But allies are bound to be disappointed by what the Bundeswehr reforms will produce, and what Berlin will be ready to contribute to NATO.

Contrary to the exaggerated view of the heady days of March 2011, Germany is not turning its back on its allies and the use of force; if anything, the Libyan experience has made it more conscious of the potential role of military force in preventing mass atrocities. But it will remain a deeply status quo-orientated, conservative power, uncomfortable with its growing influence and military responsibilities – and the enhanced expectations of allies that accompany these new realities.



# 5 Conclusion

*by George Robertson and  
Tomas Valasek*

In 2011, the United States did in Libya what it had threatened to do for many years – to demand that Europe protect its own values and interests with its own means. The comfortable illusion that if something happened in Europe or its backyard, be it Bosnia, Kosovo or north Africa, the US would always be there to fill the gaps in European capabilities, has been exposed for nonsense. The two sides can now forge a new, albeit uncomfortable relationship in a healthier atmosphere devoid of delusions.

The transition to this new reality will be fraught with difficulties. European voters are typically ambivalent about defence spending even in good times. Far-sighted governments can make – as many have already – the case for robust defence spending, but always at considerable expense of political capital. Times are anything but good, with the prospect of default or downgrade looming over governments with weak public finances. Hence, it may be years before the European members of NATO are in a position to increase defence spending and procurement. Concurrently, the US is less patient with its European allies than ever before because it too faces a budget crisis. There is a great risk of the allies falling out and blaming each other for NATO's ills, as François Heisbourg warns. Leaders will need to show patience and understanding for each other's difficulties over the coming months and years, and they will need to summon those qualities while coping with the worst economic crisis in decades.

They have done well so far, though strains are showing. Privately, US diplomats have taken to belittling NATO's new 'smart defence' concept, with its emphasis on tighter cross-border co-operation, as a smokescreen obscuring defence cuts. They are right to be frustrated with the limitations inherent in smart defence: the efficiencies that it stands to generate will be too small to compensate for the cuts in national defence budgets made by European governments since the economic crisis began. But they are wrong to suggest that smart defence either encourages or masks defence budget cuts; in fact, it is one of the few available ways to partly offset their impact on Europe's military clout. The frustrating truth is that the economic crisis will keep the Europeans from responding to US calls for improvements in their armed forces along the timelines that the Americans expect.

The Europeans, for their part, need to stop cutting defence spending because, as François Heisbourg points out, budgets are already so low that further reductions will generate little in savings while doing irreparable harm to the armed forces. European allies also need to make a success of smart defence: their militaries can create economies of scale and reduce back office expenses by buying and operating new equipment together and merging some of their military infrastructure, such as defence academies. NATO and the EU need to think more creatively about how to encourage nations to collaborate. (The EU's 'pooling and sharing' initiative shares many of the goals of smart defence.) For example, NATO countries could agree to set aside a portion of their common infrastructure funds to cover the 'start-up' expenses of collaborative projects. Many good ideas for pooling and sharing cost money in the short term, before delivering savings later. Common funding for those short-term costs can make a real difference, particularly for the smaller allies. There may well be other ways to encourage nations to collaborate – the bottom line is that, with low military budgets a certainty for the next few years, countries should leave no stone unturned in their search for ways to make defence spending more efficient.

No matter how capable European militaries become, their strength will come to nothing if they fail to agree collectively on how and when to use force. Too often in NATO, countries vote in favour of a military operation and then let others do the job. When as few as a third of the allies do the fighting (as was the case in Libya), the alliance punches far below its weight: it could manage more crises, and do so more rapidly and effectively, if all countries contributed meaningful forces.

Even though NATO allies have fewer security interests in common now that the Soviet threat is gone, it should be possible to narrow the gap between their varying concerns and priorities. One possible way to do so is by launching an annual ‘European intelligence review’; ideally this should be conducted by a geographically-representative group of senior experts outside active government duty (to make the review punchier than today’s anodyne assessments by the EU). Like its US counterpart, the National Intelligence Review, this would collate the various risks and threats faced by Europe. Naturally, governments would have the option to ignore its conclusions, and many probably would. But its very existence, and the public debate that should accompany its conclusions, would help form a core set of defence and security priorities, against which the media and the public would judge the performance of their governments and institutions. And in situations when the US chooses to delegate the lead to Europe to tackle a particular crisis, the presence of a common list of priorities might make it less likely that the European countries would divide, leaving only a small group to do the fighting.

Germany makes the crucial difference between Europe being a middle military power or a great one. Germany’s economy is larger by a third than those of Britain or France, yet the country fields 60 per cent fewer troops capable of rapid response to crises than they do. Left unchanged, this discrepancy in military strength will corrode ties between Europe’s largest countries. Now that the US expects Europe to lead many future operations, the UK and France,

by virtue of their military might, are the most likely leaders. But if the two countries repeatedly find themselves providing the bulk of the troops and weapons, with some allies helping but many of the rest free-riding, the French and British publics will question why the military burden is not divided more equitably. In effect, London and Paris have inherited America's old job of haranguing other allies to reform their militaries. And Germany will be foremost in their thoughts. Wolfgang Ischinger's conclusion that Berlin is neither paying much attention to the US 'pivot' away from Europe nor ready to assume some of America's responsibilities is deeply worrying.

When President Obama ensured that the Europeans would lead the mission in Libya, he did the continent a great favour. He forced the European nations to confront their reality and he has precipitated a rebalancing in the alliance, one which so often in the past has been shirked and avoided. The alliance that will emerge from the creative disarray that has ensued may well be somewhat diminished: it is hard to imagine how, given the twin challenges of US retrenchment in Europe and the economic crisis, NATO can maintain its ambition to fight two large conflicts and six small ones simultaneously. The alliance's credibility may be better served by discussing frankly its current financial and military difficulties, and adjusting NATO's ambitions accordingly.

Such a decision will no doubt spawn much 'whither NATO?' commentary. But those predicting the end of the alliance will be as misguided as previous doomsayers were after the end of the Cold War. NATO's critics miss one important point: the alliance is one of the most adaptive institutions in history. The transatlantic link keeps it together because the West still has much to lose from the perils of terrorism, organised crime, cyber warfare, failed states, nuclear proliferation, pandemics or the sudden displacement of populations. The division of labour between the US and Europe has changed before, and it is changing again, under pressure of austerity, budget-balancing and the changing military priorities of the US. The old

relationship was, in any case, always time-limited. Based as it was on Cold War ties of confronting a common Soviet opponent, with lingering memories of how transatlantic unity delivered victory in World War II, its relevance was wearing thin with each passing year. The post-economic crisis, post-pivot NATO may look poor against the alliance's prior record, especially if allies reduce its current ambitions. But, if it did not exist, the idea of a flexible military organisation capable of stitching together effective operations to be carried out jointly by Americans, Canadians, Europeans, and other partners would surely have to be invented.







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**CENTRE FOR EUROPEAN REFORM**

# **ALL ALONE?**

## **What US retrenchment means for Europe and NATO**

**François Heisbourg, Wolfgang Ischinger,  
George Robertson, Kori Schake and  
Tomas Valasek**

Does NATO have a future? The US increasingly thinks of itself as a Pacific, not European, power. And the Europeans are plundering their defence budgets to stave off the worst economic crisis in living memory. Any one of those two events in isolation would have a profound impact on how the transatlantic alliance works. Taken together, they threaten to push NATO into irrelevance. In this new CER report, five senior experts including a former NATO secretary-general argue that a concerted effort from both sides of the Atlantic is needed to reform the alliance: the European countries will need to assume greater responsibility for their own security, and the US will need to show understanding and support their efforts. Whether NATO governments can summon the money and patience to execute such reform when many worry about their very economic and political survival, is the key question before the alliance today.

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