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Europe pays its fair share what ever Donald Trump says

US criticism of its Nato partners rests on an outdated notion of global power

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AN HOUR AGO by: **Andrew Moravcsik**

Politicians have short memories. At the Nato summit in Brussels this week, President Donald Trump and European leaders reaffirmed their faith in the transatlantic alliance. No one had an incentive to recall that Mr Trump, as a US presidential candidate, called Nato “obsolete” and threatened to pull the US out. Since then, his administration has reversed its position and now consistently and correctly recognises Nato as essential to US national security.

Yet under the surface, the two sides of the Atlantic remain deeply divided on a fundamental issue: whether the Europeans should spend more on defence. Mr Trump insists that European governments are not living up to their 2014 pledge to spend 2 per cent of gross domestic product on their militaries. In Brussels, he again scolded Europeans for not “paying what they owe”.

To be sure, 23 of 28 Nato members do not meet the 2 per cent standard today. Although a few countries are moving in the right direction, Europe as a whole is unlikely to increase defence spending by a third, which is what would be required to make up the deficit.

Mr Trump will continue to criticise the Europeans for failing to fulfil the 2 per cent pledge because a bipartisan consensus backs him at home. President Barack Obama confessed that European “free riders aggravate me”.

Yet US criticism of Europe is misplaced. Demands for more European defence spending rest on an outdated conception of world power. When Americans think about global influence, they tend to calculate only military might. Angela Merkel, among others, has rightly criticised this view as “narrow minded”. Today, the German chancellor insists, investment in non-military instruments such as trade, aid and international organisations are often more cost-effective ways of assuring national security.

It is high time, therefore, that the Atlantic alliance reinterprets the 2 per cent pledge in a broader way. In fact, the Europeans do devote 2 per cent of GDP to national security, but often in the form of just such non-military contributions to national security — and in this they far outspend the US. If Europeans shifted those “civilian power” resources into defence spending, both the US and Europe would be weaker and less secure.

Collectively, Europeans spend more and deploy far more combat troops abroad than anyone except the US. Yet Europe’s real comparative advantage lies in the fact that it is the world’s pre-eminent “civilian superpower”. Its unique capacity to project economic and diplomatic power, often in situations where the US is powerless to defend its interests unilaterally, is just as essential to western security as American military might.

The EU is the world’s largest trading bloc — and Europeans know how to exploit it. Iran offers a recent illustration. Three decades of American sanctions hardly had any impact, since trade between the two countries is essentially nil anyway. Yet almost as soon as the Europeans imposed strong sanctions in 2014, Iran began to negotiate towards a nuclear agreement.

Europe also provides two-thirds of the world’s official development assistance and is the largest funder of the UN and almost all other international organisations.

Nowadays such non-military instruments are essential. Consider the very issue on which Mr Trump the campaigner most harshly criticised Europe for “free riding” on American military might: Ukraine. From the start of the Ukraine crisis in 2014, Washington and Brussels ruled out military intervention.

Instead, the core of the western response has been economic and diplomatic, and it has rested almost entirely on European assets. No western policy has done more to keep Russia at bay than Europe’s substantial package of direct economic aid and debt relief to Ukraine, which totals about €11bn up to 2020. Without it, the country would long since have collapsed.

European leaders like Ms Merkel have taken the diplomatic lead in the conflict, persuading Vladimir Putin to limit his territorial gains in eastern Ukraine, concede a ceasefire and withdraw heavy weapons under international oversight — while negotiating for future local elections and the eventual removal of Russian forces. Ukraine is still far from secure, yet these modest gains nevertheless constitute a remarkable diplomatic achievement.

All this is expensive. Europe has outspent the US 10 to 1 on its non-military responses in Ukraine: in foreign assistance and free trade, sanctions, energy policy and diplomacy. Add it all up and it totals more than 2 per cent of European GDP.

Many Americans insist that Europe should spend more on both defence and on civilian power but, as these figures show, this demand is not only unrealistic, it is also unfair. And no one in Washington proposes to reciprocate by redressing America’s own endemically low commitment to civilian power.

For years Europeans have argued that the US should “pay what it owes” to the UN and to international development efforts. Instead, the Trump administration now wants to cut foreign aid and support for refugees, seems to disdain international legal and financial commitments, maintains a lukewarm attitude towards free trade, intends to reduce State Department funding and has not even bothered to appoint diplomats in some important parts of the world.

The real lesson of this transatlantic spat is that Nato should reassess the 2 per cent of GDP commitment of each member in terms of both military and non-military spending that promotes common western security. American military spending and Europe's spending on civilian power would largely offset one another, with each side focusing disproportionately on what it does best. This may not be ideal, but it is the best we can expect in the real world.

Rather than criticising Europeans, Americans should be grateful that they are spending 2 per cent — but have chosen to do so in a way that so perfectly complements US policy.

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