

Toward a New Transatlantic Bargain

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Summary

The North Atlantic Treaty Organization (NATO) is often described as the most successful military alliance in history. In addition to longevity, those characterizing NATO this way are usually thinking of the Alliance's role in protecting freedom and guaranteeing peace in Europe against a hostile Soviet Union, right up until the Iron Curtain fell. NATO's role in ending ethnic cleansing in the Balkans, and in helping to reintegrate Central and Eastern Europe into the mainstream of the continent, only added to this positive image of the Alliance.

For NATO to hold together all this time—even amid such monumental challenges as the Suez crisis, the Hungarian revolution, the Prague Spring, Vietnam, Pershing missiles, and Kosovo—it is clear that allies maintained an underlying commitment to each other and to the cause of an alliance greater than the sum of its parts. The recognition that each side of the Atlantic was willing to sacrifice a bit to the other for the benefit of the whole is what is meant by the concept of a “transatlantic bargain.” For decades, this transatlantic bargain—though predominantly unstated and uncodified—was instinctively understood and acted upon.

In more recent years, this transatlantic bond has been sorely tested, over the war in Iraq, over different perceptions of Russia, of missile defense, of terrorism, and even over differing interpretations of relations with Georgia and Ukraine. Whether or how NATO survives the severity of these tests still remains to be seen. NATO will surely come out best, however, if there is a renewed commitment on both sides of the Atlantic to some of the fundamentals of the Alliance that are important to both sides—a renewal of the transatlantic bargain.

Three Views of NATO

Many have argued that the glue holding NATO together was the existence of a powerful, common enemy and the imminence and proximity of an existential threat from the Soviet Union. According to this view, the end of the Cold War and disappearance of a Soviet threat naturally led to growing differences among the allies. With the “glue” gone, different opinions about how much to spend on defense, on what constitutes a threat to the Alliance, and on how much the Alliance should focus on “out of area” tasks became more pronounced. Put another way (as matter of practice if not conscious judgment) the benefits of the common good were no longer seen as significant enough to justify suppressing nationally distinct views and policy preferences. The transatlantic bargain was destined to come undone.

But a second view argues the opposite. Was the Alliance really only rallying against an existential threat? There had to be something deeper at work—a commitment to the shared values of freedom, democracy, human rights, and the rule of law. NATO has been a vehicle for protecting and promoting these values, whether the Soviet Union existed or not. And as the Soviet threat disappeared, NATO sought to organize to protect its members against new threats and challenges. This view of NATO explains why the Alliance intervened in the Balkans, took over the International Security Assistance Force (ISAF) in Afghanistan, expanded partnerships around the globe, and fought terrorism in the Mediterranean and piracy in and around the Gulf of Aden. According to this view, the end of the Cold War only meant that NATO needed to modernize and reorient itself to face the new challenges of the post–Cold War era.

Finally, a third realpolitik view argues that allies adhere to NATO so long as it serves their national interests. Neither a single threat nor core values are the true bond. During the Cold War, warding off the Warsaw Pact was simply synonymous with NATO members pursuing their national survival. After 1991, NATO struggled to address its members’ security interests beyond survival. It stabilized and ultimately included many former adversaries. It responded to crises threatening member-state interests, such as renewed war and fears of mass migration from the Balkans. Throughout, America’s European allies wanted a more balanced transatlantic relationship with a greater voice for Europe, albeit with the United States still in the lead, that is, a *primus inter pares*.

Having a greater voice would require Europe to commit a greater share of its resources to the common good of the Alliance. Instead of increasing defense spending, however, most European allies decreased it. The United States continued to set the agenda, taking NATO farther and farther afield—for example, to Afghanistan with ISAF after the terrorist attacks of September 11, 2001, and to Iraq for the NATO Training Mission. Many European allies took part in those missions not out of intrinsic national interests in Afghanistan or Iraq, but rather because showing solidarity with the United States was in

their national interest. Yet while European governments took these decisions, European publics became more disenfranchised from a NATO that seemed divorced from their sense of their own priorities.

While each of these three views may have some validity, as a matter of practice, NATO rhetoric has followed the logic of the second view, which suggests that NATO need only update itself to match the changing global environment.

But in this revamped, outward-looking NATO, where is the transatlantic bargain, the shared sacrifice, and the belief in the greater common good? Even as NATO has taken on more and more roles over time, public support for these new roles—and just as tellingly, national budgetary support—has declined, perhaps because what NATO agrees to do is not well connected to perceived national interests.

For publics on both sides of the Atlantic, NATO and the transatlantic relationship are no longer the most important organizing factor in national security policy. America looks to global hot spots and to Asia. Europeans look inwardly to building their own institutions. Young diplomats and military professionals look beyond NATO for the best career opportunities and greatest challenges.

Whither the Transatlantic Bargain?

Since the fall of the Berlin Wall, NATO has updated its Strategic Concept three times in an effort to answer this basic question: What is the purpose of the Alliance in a world far different from that of the Cold War? The first review, in 1991—arguably the most significant as it broke with the Cold War mind-set—kept NATO focused on collective defense, while removing the presumption of a hostile Soviet Union. The second review, in 1999, updated the 1991 concept to incorporate new programs launched since 1991, including partnership programs, crisis management, and responses to new threats and challenges. Little known, the 1999 concept encompassed potential NATO roles in counterterrorism and missile defense, among other things.

The 2010 Strategic Concept stands as the most recent milestone in the Alliance’s transformation toward the new strategic landscape of the twenty-first century. It again updates the array of challenges facing the Alliance and the diverse means by which NATO can seek to address them. Challenges now range from armed strikes that cross the Article 5 threshold, requiring all members to act in the defense of those allies attacked, to cyberattacks to energy disruptions to failed states and insurgencies that threaten allied interests. The means that the Alliance might use to tackle these challenges include traditional military deterrence and defense as well as a “comprehensive approach” to crisis management,

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peacekeeping, security partnerships, cybersecurity measures, sea-lane protection, and so on.

Yet what the 2010 Strategic Concept could not do—just as its predecessors could not—is reestablish a transatlantic bargain. The 2010 Lisbon Summit provided a political mission statement, and several (even conflicting) tasks for the Alliance, without providing the political bargain needed to sustain and implement them. Thus NATO continues to require a political-level approach to the questions of whether a new transatlantic bargain in fact exists, can be created, is necessary, or is even possible. And at the same time, it requires detailed follow-up to the Strategic Concept, including resourced implementation of core decisions. The 2010 Strategic Concept does not mark the end of a debate on NATO’s future course but rather its beginning.

The absence of a renewed transatlantic bargain has meant that implementation of specifics has suffered. Former U.S. secretary of defense Robert Gates pointed to many of these symptoms in his farewell address in Brussels in June 2011: insufficient military capabilities on the European side of the Atlantic; no fair sharing of the burdens of common security; and a lack of political will among many allies to contribute to common operations. Many Europeans would equally ask whether there remains a strong American commitment to Europe and whether Washington is willing to lead. NATO’s operation in Libya, despite the room it gave rebels to overthrow Muammar Qaddafi, cannot paper over the rifts within the Alliance over common goals and commitments, and raises new questions about solidarity within NATO and America’s commitment to Alliance leadership.

Against this background, the nature and the future of the transatlantic bargain should be the central issue to be tackled at the forthcoming NATO Summit in Chicago, Illinois. Officials should discuss which future NATO role would best generate commitment from publics, leaders, and governments on both sides of the Atlantic—to the point that they will dedicate the financial and human resources necessary to ensure Alliance success. They should consider how NATO leaders can strengthen the transatlantic consensus on future tasks and challenges, how best to achieve a fair distribution of costs and benefits among all NATO members, and how the Alliance can keep up its efficiency and its capability to act under severe budgetary constraints.

To stimulate this kind of debate it is essential to explore a complex, and fundamental, set of questions surrounding the transatlantic relationship. Was there ever a transatlantic bargain, and if so, what was it? What would a transatlantic bargain look like today? In such a bargain, what is the role of NATO? What needs to be done going forward?

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Historical Bargaining

While much of the transatlantic bargain was codified by treaty and political obligation, much of it was also implied and assumed, though never stated. This has given the transatlantic relationship a flexibility and vitality over decades; but equally, it means that the political will and vision dedicated to the transatlantic relationship is only as good as the leaders of the day.

Despite the frequent use of the expression “transatlantic bargain,” one can doubt whether the term “bargain” ever really described the transatlantic relationship correctly. Most probably, the diplomats who in 1948–1949 negotiated the Washington Treaty that created NATO did not have the notion of an American-European “quid pro quo” in mind. Instead, the term “transatlantic bargain” was coined a few years later and was accepted in a more generic sense—the notion that the transatlantic relationship has to be seen as a two-way street. In that sense, the transatlantic bargain was indeed a set of unwritten rules that were based on shared interests, values, and expectations. It always combined a mixture of “hard” self-interests and “soft” democratic values and beliefs in a wider democratic community.

The transatlantic bargain was never limited solely to the security policy field and was always considered in a broader context. NATO was one element in a network of transatlantic-centered institutions, alongside the European Coal and Steel Community (later the European Community and then the European Union), the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade, and so on.

It is true that militarily, the European allies agreed to maintain strong armed forces to help cope with the Soviet threat, and in exchange, the United States promised to maintain a massive troop presence in Europe and extend the nuclear umbrella. But just as importantly, politically, the United States contributed to stability, security, and the conditions for prosperity in Europe, and European allies accepted U.S. political leadership. Economically, the United States provided generous support for the reconstruction of Europe, partly as a bulwark against communism, but also because a stable and prosperous Western Europe would be an indispensable economic partner for the United States. It is not by chance that the European Union (EU) has its origins in the Marshall Plan—the mechanism to distribute the American reconstruction money properly.

Despite the bargain and two-way-street intentions, however, fair burden sharing hardly ever functioned in NATO as a matter of practice. Each side of the Atlantic had different expectations about how interests, values, and obligations related to each other. Washington saw the transatlantic link more as a contract, expecting European allies to “do their part.” Most European capitals, however, leaned toward the idea of a compact, expecting a static relationship but not necessarily translating into specific commitment. As the late U.S. NATO

ambassador Harlan Cleveland famously noted, there was an inbuilt conflict right from the very start. The Alliance seemed an “organized controversy about who is going to do how much.” Still, Washington accepted the free riding of many European allies because NATO, as a whole, still served U.S. interests, some Europeans at least made serious efforts to meet military requirements, and Europe accepted U.S. political leadership most of the time.

The Bargain in a Changing World

With the end of the Cold War, NATO’s role changed step-by-step from an alliance in “being” to an alliance in “doing.” The task of NATO as a strategic actor was no longer only to protect its member states against a direct attack, but also to protect proactively the security of the allies and to shape the international environment in a positive way. The essence of the transatlantic bargain remained more or less unchanged in the first years after the Berlin Wall came down, as allies adjusted cautiously to the end of the Soviet empire. The more this Soviet threat faded, the more new threats and challenges were offered as a continuing basis for the transatlantic bargain—from crisis management to jihadi terrorism to energy security to cyberdefense. Yet in changing these basic orientations, the nature of the transatlantic bargain itself was affected as well.

It is certainly true that new security challenges can lead allies to continue to see common interests and pursue common action. At the same time, the fact that such challenges are not existential in nature means that commitments to dealing with them can vary. Specific allied perceptions and actions must always be newly defined by consensus, without the disciplining effect of the bygone Soviet menace.

Defining new challenges as common threats is increasingly difficult for three reasons. Politically, the fact that new threats are not existential and do not affect all allies the same way makes consensus for collective action highly difficult to achieve. Militarily, the different views in the Alliance on whether or not and how best to tackle new threats reveals underlying differences in military cultures—be it with respect to risk taking, military doctrine, equipment, or constitutional realities. And finally, institutionally, the new threats challenge the centrality of NATO as many of them are nonmilitary in nature and require a nonmilitary response.

NATO’s 2010 Strategic Concept had an important signaling effect, as it emphasized the relevance of the new threats the allies now face. But it did not succeed in establishing a strong political basis for determining NATO’s role in addressing such threats. Critics point to the fact that the new strategy did not lead to a prioritization of NATO’s future tasks or to an agreement on how to share the burden. Instead, it set out a long wish list of NATO activities without underpinning them with financial means and/or political will. The transatlantic

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allies could work together more to deal with external challenges, restructure their internal arrangements, or perhaps adopt a more modest set of expectations about what the transatlantic relationship can deliver. But the very diversity of views expressed underscores the difficulty in defining, among twenty-eight individual nations, a single concept of a “transatlantic bargain” to be used today.

Also standing in the way of any vision for the future of NATO is the unforgiving financial scarcity affecting both sides of the Atlantic. Whether due to the broader international economic crisis or the changing priorities of individual NATO members, the lack of resources is a major impediment to any new transatlantic bargain having meaning in practice. This is by no means a new phenomenon for NATO. Secretary Gates’s warnings about the lack of European military capabilities had been expressed by previous U.S. defense secretaries time and time again.

Yet the current situation is new in three respects. First, even the “big spenders” within the Alliance (the United Kingdom, France, and Germany) have reached their limits and are now making major cuts to their defense budgets. Second, the broader debt crisis in Europe is unlike anything seen since the creation of the Alliance, and it will drain the resources of big and small allies alike for years to come. And third, U.S. economic problems and a feeling of self-inflicted “overstretch” have sapped the U.S. willingness and ability to lead.

Financial problems create an imperative of making better use of scarce defense resources, including through multinationality and greater interoperability. Pooling and sharing of resources is good, efficient policy even in the best of times—and all the more so when budgets are tight. Increased collective efforts can mitigate the effect of cuts, and can have a positive effect on Alliance solidarity and cohesion. Yet there is no way around declining resources. In times of austerity, while NATO can become more significant as an enabler of common action, it may still not be compensated fully for the impact of defense cuts.

The 2011 Libya crisis encapsulated this duality in a very visible way. On the one hand, it displayed the difficulties in getting even major allies on board for common military action. Relatively few allies took part in the operation, some due to lack of finances, some to lack of relevant military capabilities, and some to lack of support for the military operation itself. These trends played out across the Alliance as a whole, ignoring any supposed “old Europe/new Europe” division. Libya also proved yet again that European NATO members—even the most militarily potent ones—are incapable of conducting a major military operation without substantial U.S. enabling support.

On the other hand, NATO was quickly able to reach political agreement on the limited mission of protecting civilians in Libya, despite its vagueness, complexity, and potential for failure. The United States and France, who for different reasons had each previously opposed NATO involvement in military operations in Libya,

eventually pressed hard to get the mission to execute United Nations Security Council Resolution 1973, which authorized the establishment of a no-fly zone and the protection of civilians, under NATO auspices.

The Libya operation also underlined another point: Europe's Common Security and Defense Policy is not and cannot be an alternative to NATO. Despite prior ambitious rhetoric and long-standing efforts to enable the European Union to conduct autonomous military operations, the fact that even France did not consider having the EU lead operations in Libya underscores the inherent limits in European-only (and thus EU) military action.

Strengthening the transatlantic bonds in the future will require new champions of NATO and renewed defense spending, on both sides of the Atlantic. It will likely entail doing less of what the United States wants beyond Europe, at least under a NATO flag. However, the United States still bears the mantle and cost of being the world's leading power. It needs the Alliance's treasures of political cohesion and military interoperability among twenty-eight members, thirty-five formal partners, and many informal ones. And the European allies need the United States to lead NATO.

A future transatlantic bargain may mean that Europe and North America agree to nurture each other's strategic peace of mind by sustaining a healthy, cohesive NATO. Such a bargain would allow the pursuit of national interests, such as rebuilding the global economy, as member states would be assured of a world mainly at peace and fully capable of responding to crises.

Observations on the Way Forward

While establishing a new and sustainable sense of a transatlantic bargain is exactly what is needed to define the future of NATO itself, the reality is that NATO's Chicago Summit is unlikely to tackle such a far-reaching question. Leaders are focused on survival as the domestic politics of financial crises relentlessly press down upon them. Budgets will be slashed on both sides of the Atlantic. NATO's operations are being driven downward, whether ending the operation in Libya, withdrawing from Afghanistan in 2014, or ending the NATO Training Mission in Iraq.

As a result, Chicago will be about the modest steps of the achievable, rather than the grand steps of transatlantic renewal. Even for this, NATO needs an agenda that is ambitious enough, yet at the same time, realistic.

What is most likely and achievable is an approach centered on furthering certain aspects of the 2010 Strategic Concept by means of more assertive implementation. NATO should make better use of existing decisions and

resources that have a basis in the Strategic Concept but have not been pressed to full advantage:

- **Focus on post-2014 Afghanistan.** At the moment, allies are focused on a timetable for handover of responsibilities to the Afghan leadership in 2014. Little time and attention has been given to the prospect that allies may need to stay longer if the Afghan security services are not ready to take full responsibility throughout the country. Even in the event of a full transfer of lead responsibility, the allies have not discussed what the nature of the continuing Alliance role in Afghanistan would be, and what level of resources would be required to guarantee success. NATO must thus turn its attention the post-2014 period in Afghanistan.
- **Make NATO the forum for allied security debate.** According to Article 4 of the Washington Treaty, member states must “consult together whenever . . . the territorial integrity, political independence or security of any of the Parties is threatened.” Much has changed positively over the last few years on this front. Even so, there remain abundant examples of allies finding it preferable to avoid discussion of security issues in the North Atlantic Council rather than choosing to use such debate to build a stronger transatlantic position. NATO must again serve as the key forum for transatlantic dialogue and political coordination on broad matters of security affecting the allies.
- **Coordinate with others in the international community.** NATO needs to be better connected to the international community, with respect to other international institutions as well as with respect to other non-NATO countries. This holds true for NATO-EU relations, which are perennially blocked due to the Cyprus dispute, but equally so for NATO-United Nations, NATO-African Union, and other institutional relationships. And NATO should work actively to promote cooperation with others, such as India, or dialogue with nations such as China. NATO should also continue to develop its relations with a community of like-minded democratic partners across the globe, including Australia, New Zealand, Japan, and South Korea.
- **Remain engaged with the Arab world.** NATO’s partnerships with the countries in the Arab world have gained particular relevance in the context of the political developments in the Middle East and North Africa. The Alliance has a unique chance to contribute to the democratic transformations in some countries by providing (if asked) expertise in security sector reform. Moreover, despite the relief many allies felt in declaring an end to Libya operations, NATO may again be called upon to carry out “hard” security tasks in the region, whether in Syria, Libya, or elsewhere. NATO should actively engage its partners in the region, as well as conduct quiet, prudent planning, given a wide range of potential developments in the broader Middle East.

- **Make the NATO Response Force a priority.** The NATO Response Force is the Alliance’s only means of deploying a highly capable military force on short notice for unseen contingencies. It ensures a long-term Alliance commitment to multinationality, operational excellence, and political risk sharing. The Response Force is the only formation that gives NATO decisionmakers a genuine collective military option from the outset of crises; it should therefore take priority in national resource decisions. Member states should renew their commitment to the maintenance of a high readiness NATO Response Force, with defined, fully resourced commitments by allies to provide trained, equipped, and deployable forces on a permanent basis.
- **Ensure that allies can deliver on their declared military capabilities.** As stressed in the NATO secretary-general’s Smart Defense Initiative, in times of austerity, allies must make better use of the synergies in military capabilities among nations. Yet pooling and sharing is not a panacea. In particular, in order for multinationality to work in practice, Alliance members must have full confidence in the swift availability of capabilities declared by other allies. Issues of readiness, political will, and parliamentary regulations need to be tackled in advance, in order to provide mutual trust that declared capabilities will indeed be delivered swiftly in case of need.
- **Address funding shortfalls.** While NATO standards say that each member state should spend a mere 2 percent of gross domestic product (GDP) on defense spending, very few allies actually meet that target, and the majority remain appallingly below it—some even under 1 percent. There is no way to force allies to spend more money, and the euro crisis makes it unlikely that any allies will increase defense spending in the near future. At the same time, there is no way to fund all the activities NATO has signed up for in the 2010 Strategic Concept with the budgets currently provided. NATO’s current Level of Ambition says that it should be able to handle simultaneously two major contingencies and six minor ones. The Alliance must lower that level in the near term while also reinforcing the commitment to 2 percent of GDP for the long term, when national budgets recover. There is nothing about shortcomings in NATO’s military capabilities that additional money from the nations could not fix.

Finally, we come back to the question of political will and decisionmaking. It is not enough for experts and technocrats to reach conclusions on the nature and future of the transatlantic alliance. It only matters if leaders at political levels believe in the importance of the transatlantic link and are willing to invest their own time and commitment to forge a fresh transatlantic bargain. At the moment, our leaders are absorbed by domestic politics and economic woes. Yet only those leaders—through an intensive effort at public discourse—can create

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an understanding of the new security challenges, of the necessity of a renewed Alliance, and of the sacrifices involved.

This kind of leadership is sorely lacking at the moment, but by no means out of reach. Let us hope that the challenges and opportunities of our time bring out the best in our elected leaders.

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