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NATO's 2 per cent fetish

Europe shouldn't listen to Trump: defence spending needs to be based on sound strategy, not on an arbitrary figure

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On 12 July 2018, Donald Trump fulfilled observers' expectations and fears at the NATO Summit. It hardly took a great leap of imagination to predict that the US president would paint certain NATO members, not least Germany, as freeloaders on account of their supposedly insufficient defence spending. And that's exactly what happened.

The point of contention is the target adopted by the NATO member states in 2014 and renewed at the latest summit, which requires them to spend at least 2 per cent of their gross domestic product on defence. In the lead-up to the summit, all of the governments in the alliance, the Secretary-General of NATO as well as many think tanks and commentators had obediently reiterated their commitment to the 2 per cent target in anticipation of the US president's criticism.

However, the planned increase is not based on any anaylsis of defence policy or military strategy, but was agreed upon more or less arbitrarily. It could just as easily have been 1.8 per cent, 2.5 per cent – or even 4 percent, the figure that Donald Trump now casually threw into the debate. The target was intended as a signal to the majority of NATO states, some of whose expenditure is well below the 2 per cent mark. They should increase their military budget without being overwhelmed by the demand to double their spending (from the current level of 1.2 per cent in Germany's case).

A rational defence strategy

Deciding on a defence budget requires a rational defence strategy and not a randomly selected figure based solely on economic power. It's more important to ask: What is the level of expenditure for the armed forces, what are the staffing requirements, what equipment is needed? However, questions like these are exactly what NATO is currently avoiding,

preferring instead to tell the defiant US president what he wants to hear.

In general, NATO's tasks include combating terrorism but without really determining what the armed forces can do against terrorists. NATO has discredited itself not only through its interventions in the Balkans, which are questionable under international law, but also a deployment in Afghanistan that has lasted almost two decades with no end in sight and a failed intervention in Libya. The strained relationship between NATO and Russia has to be attributed not only to Russia's military policy but also to NATO's eastern enlargement as well as its modernisation programmes, particularly in the US.

Linking military expenditure to economic power is a fundamentally flawed approach and one with which the German government should not engage.

In other words, without a critical and – above all – self-critical analysis of NATO's own role, its own strengths and weaknesses, the 2 per cent target will remain an economically oriented figure that naturally serves the interests of the armed forces and the arms industry.

The absurdity of such a target is illustrated by a comparison of the defence budgets of Greece and Germany. Taking the 2 per cent criterion, Greece finds itself in an extremely healthy position, as the dramatic contraction of its economy was not accompanied by a corresponding reduction in defence spending. By comparison, the ratio in Germany has stagnated at around 1.2 per cent for the past five years, even though the defence budget has risen significantly, keeping pace with the country's strong economic growth.

The equipment shortfalls currently affecting the German armed forces cannot be traced back to a lack of funding. It is rather due to a number of major projects that have been hampered by the industry's failure to deliver what it had promised – either it was not on time, not in the required quality or wasn't delivered at all. It is doubtful as to whether this failure on the part of the arms industry can be resolved by throwing more money at the problem.

Reject the fetish, take a chance

Linking military expenditure to economic power is a fundamentally flawed approach and one with which the German government should not engage. Instead of vowing to improve and arguing that Germany's substantial contributions to development aid also constitute a form of spending on defence and security, the '2 per cent fetish' as such should be

fundamentally rejected.

Otherwise, the German government is making it all too easy for its US counterpart to incite a dispute about freeloading and parasitism. Further, in comparing levels of military spending, the US government readily obscures the fact that its own, significantly larger budget is intended not only for NATO's benefit but also to serve America's global interests.

The opportunity presented by the US president's divisive, self-serving approach is that Europe can now finally formulate its own security and defence policy interests.

However provocative and pugilistic Trump's criticism and politics may be, it should now be viewed as an opportunity. Today, US foreign policy, security policy and even trade policy are geared solely towards its own superficial economic interests, with little regard for alliances and partnerships. Solidarity among allies appears to be a thing of the past. Trump pursues his policies as he sees fit. Anyone who fails to play by his rules is snubbed or threatened with blackmail or sanctions – take the USA's unilateral withdrawal from the nuclear deal with Iran, for example.

Donald Trump had already described NATO as obsolete even before taking office. Although his public statements have become a little more restrained in the meantime, it's clear that he sees this alliance as relatively unimportant – not to mention the fact that his government has already withdrawn from various multilateral forums. In case of doubt, the US government just bypasses NATO in pursuit of bilateral policies.

With Trump as US president, NATO is currently dysfunctional. In developing a rational defence strategy, then, the focus needs to be less on NATO and more on cooperation within Europe. In terms of military criteria such as troop levels, operational capability and budget, this is by no means as hopeless as many of those behind the 2 per cent target would have people believe. The 29 NATO member states account for around 60 per cent of global military spending. This means that the rest of the world, including Russia, China, the Middle East, India and so on, in total all spend considerably less. Last year, the military budgets of the United Kingdom, France, Germany and Italy alone accounted for 20 per cent of the global total budget.

The opportunity presented by the US president's divisive, self-serving approach is that Europe can now finally formulate its own security and defence policy interests and free itself from being beholden to the whims of US policy. It can also turn its back on national egotism within Europe

when it comes to military procurement – which may serve each nation's arms industry but fail to ensure adequate equipment for the armed forces. It can think and act with a self-confidently European mindset. The question of whether the military budget lies at, above or below the magical 2 per cent figure would then be the result of a sound concept and not merely an arbitrary figure selected on the basis of economic factors.



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