

Opinion: Does The U.S. Meet NATO's Defense Spending Guideline?

Aviation Week & Space Technology

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Wed, 2018-08-15 04:00

At the NATO summit four years ago, the heads of state and government gathered in Wales recommitted to increasing defense spending in real terms and meeting the NATO guideline to spend a minimum 2% of GDP on defense by 2024. In the buildup to the NATO summit in Brussels last month, U.S. President Donald Trump did much scolding of allies and finger pointing about this commitment, which fewer than half of NATO's 29 members currently have plans to achieve.

Though none of his counterparts gathered in Brussels pointed back, they might well have asked, "What about the U.S.? Does the U.S. spend at least 2% of national income on its commitment to European allies?"

Although I acknowledge that is a different question than the one suggested by the NATO guideline—which focuses on aggregate defense spending, not just to defend Europe—the answer is nonetheless instructive. At the very least, it can help put the unfortunate acrimony the president has chosen to stir over this particular metric in proper perspective.

According to the [Defense Department](#) Comptroller's National Defense Budget Estimates for 2019, the Pentagon is projected to spend 3.15% of GDP in the fiscal year ending Sept. 30. That is the ratio of the comptroller's roughly \$620 billion estimate of Defense Department outlays in 2018 compared to an estimate for GDP of a little over \$20 trillion. So, by the strict measure of the Wales commitment, the U.S. is a model ally, exceeding the 2% guideline by more than \$200 billion and achieving it well ahead of the 2024 deadline.

However, the U.S. spends such a large proportion of its national income on defense in no small part because of its geographic disposition on two great oceans and its national security strategy, which asserts expansive global interests and international engagement. No European nation holds anything approximating the geographic exposure and global ambitions of the U.S., so we should hardly be surprised that these countries generally dedicate a smaller portion of their national income to defense.



Still, it begs the question: How much of the U.S.' \$620 billion defense budget is committed to the defense of Europe? The practical answer is less amenable to calculation than it is to critical thinking. Because the forces and resources of the U.S. military are neither organized nor budgeted into geographic regions, parsing the Defense Department's \$620 billion into pieces such as "Europe," the "North Atlantic" or any other region is methodologically fraught.

Instead, consider the threshold of aggregate defense spending represented by the NATO guideline and whether it is reasonable to associate that proportion or dollar amount of U.S. defense spending with our commitment to NATO.

To set that threshold, consider that 2% of \$20 trillion is \$400 billion. Given the range and scope of U.S. national security interests across the globe, is it reasonable to determine that such a preponderance—two-thirds—of aggregate U.S. defense spending is committed only to the defense of Europe? Hardly. Conversely, would it be reasonable to expect that the U.S. military's posture toward all the remaining national interests—from the Korean Peninsula through South Asia and the Middle East and across the entire Southern Hemisphere—are financed by only one-third of the defense budget, or \$200 billion? Again, that could hardly be true.

So, while the exact proportion of the U.S. GDP we are spending on defending Europe is indeterminate, it is not 2% of national income. Indeed, by the measure of how much other NATO member states are spending on the defense of Europe, the U.S. most probably ranks in the middle of the pack, with about 1-1.5% of GDP (\$200-300 billion) attributable to defending U.S. national security strategy interests in Europe.

Scaled to the scope of their interests and overarching strategies, our NATO allies are generally committing about the same proportion of GDP to the defense of Europe as the U.S. Perhaps this perspective could give pause to American chest-beating over the burden-sharing question. Our alliance has far more important obligations to contest, after all.

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