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**BELFER CENTER**  
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# A New Transatlantic Bargain

## The Case for Building a Strong European Pillar

A Belfer Center Task Force Report

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CO-CHAIRS

Ivo Daalder



Camille Grand



Daniela Schwarzler

| BertelsmannStiftung



# Belfer Center Task Force on Building a European Pillar within the Transatlantic Relationship

## Co-Chairs

**Ivo Daalder**, CEO, Chicago Council on Global Affairs; former U.S. Ambassador to NATO

**Camille Grand**, Distinguished Policy Fellow, European Council on Foreign Relations; former NATO Assistant Secretary General for Defence Investment

**Daniela Schwarzer**, Senior Fellow, Belfer Center; Member of the Executive Board, Bertelsmann Stiftung; former Director and CEO, German Council on Foreign Relations

## Members

**Michal Baranowski** (Member until December 31, 2024), Undersecretary of State, Ministry of Economic Development and Technology, Poland; former Managing Director, GMF East, and Regional Director, Poland, German Marshall Fund

**Stephen Biegun**, Senior Vice President of Global Public Policy, Boeing; former U.S. Deputy Secretary of State

**Philippe Errera**, Executive Vice President, International and Public Affairs, Safran; former French ambassador to NATO

**Arancha González Laya**, Dean, Paris School of International Affairs at Sciences Po; former Spanish Minister of Foreign Affairs

**Julian King**, former European Commissioner for the Security Union and U.K. Ambassador to France and Ireland

**Christian Mölling**, Director Europe's Future Program, Bertelsmann Stiftung

**Victoria Nuland**, Shelby Cullom Davis Professor in the Practice of International Diplomacy and Director of the International Fellows Program, Columbia School of International and Public Affairs; former U.S. Under Secretary of State for Political Affairs

**Kajsa Ollongren**, former Deputy Prime Minister and Minister of Defense of the Netherlands

**Curtis Scaparrotti**, Senior Counselor, the Cohen Group; former NATO Supreme Allied Commander and Commander of U.S. European Command

**Radmila Shekerinska** (Member until December 1, 2024), Deputy Secretary General, NATO; former Vice President, Party of European Socialists; former Deputy Prime Minister for European Integration and Minister of Defense of North Macedonia

**Richard Shirreff**, Co-Founder and Managing Partner, Strategia Worldwide; former NATO Deputy Supreme Allied Commander

*Task Force members endorse the general policy thrust and judgments reached by the group, though not necessarily every finding and recommendation. They participate in the Task Force in their individual, not institutional, capacities.*

## Foreword

“The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.” So committed the United States, Canada, and ten European states in Article V of the North Atlantic Treaty, signed in Washington on April 4, 1949. Less than four years after the end of World War II, against the backdrop of growing Soviet threats to Europe, the treaty bound its signatories in collective defense. The United States, in its first peacetime alliance outside the Western Hemisphere, committed firmly to the security of Europe.

And so it has remained—through the Cold War and the collapse of the Soviet Union, as the North Atlantic Treaty Organization grew to 32 members, under presidents from Harry Truman to Donald Trump.

Today, President Trump is beginning his second term. The geopolitical landscape—in Europe and beyond—is more perilous than it has been at any time since the Cold War. Russia’s aggression in Ukraine has brought the largest war to Europe since 1945. Russia’s actions, along with Chinese assertiveness, questions around American leadership, instability in the Middle East, surging migration, climate change, political discontent throughout the West, and much else besides, have weakened the international order, perhaps fatally.

The transatlantic Alliance is hardly exempt from this tumult. President Trump has intensified long-running, bipartisan concerns in Washington that Europe remains too dependent on U.S. military capabilities and unable to ensure its own security. Many European leaders agree—and have increased their defense spending in recent years. Yet factors such as lagging economic growth and competitiveness, cultural and political differences, and the challenge of coordinating policy across the continent pose formidable obstacles to greater European strength. Meanwhile, European security is no longer the first preoccupation of Washington policymakers. For many, the Indo-Pacific, not the transatlantic, must now be the central concern.

Since 1973, the Belfer Center for Science and International Affairs, a research organization based at Harvard Kennedy School, has advanced scholarship on the most vital policy questions of the day. In this tradition, the Belfer Center last fall convened a task force of distinguished leaders from Europe and the United States to advance an urgent agenda for transatlantic security.

We undertook this effort before the result of the 2024 U.S. election was known. We understood, however, that a consequential moment was upon us either way. A new leader would be in the Oval Office. And new leaders would sit in many national capitals and at NATO and the European Union. Continued broad support for the traditional pillars of Western foreign policy—and for the transatlantic alliance itself—was, and is, not at all assured.

The task force, ably led by **Ivo Daalder, Camille Grand, and Daniela Schwarzer**, has produced a call for action and a set of ideas that meet the moment. Its fourteen members, drawing on high-level experience in countries from the United States and the United Kingdom to Poland and North Macedonia, argue for a rebalanced transatlantic partnership

with a robust European pillar. This, they argue, requires Europeans to boost their capabilities and shoulder more responsibility for defending their own continent. But this report is not a familiar call to build autonomous European defense capacity. It is, by contrast, an argument and a plan for a joint effort in which a greater European commitment to the continent's defense is supported by continued American investment to realize a robust and more balanced transatlantic security partnership.

As the task force writes, effectuating this new transatlantic bargain will require sustained effort. There is no quick fix. The alternatives, however, are far worse. An alliance that remains overly dependent on Washington faces the risk of rupture. A Europe that remains without adequate defense could dwindle into irrelevance, or suffer military defeat—dealing a blow to security and prosperity on both sides of the Atlantic. The task force illuminates urgent steps to avoid such fates.

The task force also offers clear-eyed analysis of critical strategic issues. These include the outcome of the war in Ukraine and the need for European support to that country; the imperative for alignment, rather than competition, among transatlantic institutions and arrangements; the future shape of transatlantic nuclear deterrence; the management of European and transatlantic defense industrial bases and platforms; and requirements for military enablers and mobility.

The result is an invaluable guide for policymakers, business leaders, and citizens alike. The document is all the more compelling as the consensus of a wide-ranging, senior group.

The Belfer Center is also publishing a companion report by **Richard Hooker**. That volume, which is not a product of the task force, complements the task force report by offering detailed analysis of European military capabilities and concerns in the transatlantic relationship, from troop readiness and interoperability to European strategy and the U.S. role. It, too, constitutes an important contribution to timely policy debates. In his work, Rich also provided significant inputs to the Task Force itself.

The Belfer Center is proud to have supported these efforts. They fulfill the Center's tradition of rigorous scholarship on the most vexing challenges of science and international affairs. Born amid the nuclear dangers of the Cold War, the Belfer Center today continues its mission to inform debate and train future leaders for an era that bears distinct echoes of—and differences from—that one.

I would like to thank the co-chairs and members of the Task Force, who devoted their time and extraordinary expertise to this effort. Ivo, Camille, and Daniela contributed not only their intellectual firepower, but also the leadership needed to forge such a strong and clear consensus. Their organizations—the **Chicago Council on Global Affairs**, the **European Council on Foreign Relations**, and the **Bertelsmann Stiftung**, respectively—also offered valuable support. In addition, I thank Rich Hooker for his knowledgeable and steadfast efforts, drawing on his own distinguished career and scholarship.

Hearty thanks are due as well to our team at the Belfer Center. **Charles Landow**, our Senior Research Manager, guided the project and made insightful contributions to both reports; without his vision and hard work, this task force would have not been realized.

Our communications team, comprising **Shannon Felton Spence, Sarrah Qureshi, and Hannah Wood**, shepherded the reports to publication and led a media strategy to ensure their robust impact on policy debates. **Chloe Holt and Rachel Little** provided vital administrative and research support. **Max Molot** served admirably as a student research assistant. And **Natalie Colbert**, the Belfer Center’s Executive Director, contributed her outstanding leadership, as in all that we do.

Throughout the transatlantic arena, uncertainty is the order of the day. As the task force writes, however, challenges must not lead to inaction. A new transatlantic bargain can be forged, one that offers Europe greater security and the United States the benefits of alliance at a more sustainable cost. At stake is whether the promise of collective security, enshrined in 1949 and central to the stability of past decades, will endure in a turbulent new age.



Meghan L. O’Sullivan  
Director, Belfer Center for Science and International Affairs  
Jeane Kirkpatrick Professor of the Practice of International Affairs  
Harvard Kennedy School  
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# Introduction

Europe and America are at a crossroads. Faced with an increasingly dangerous global security landscape, new leaders on both sides of the Atlantic are reassessing the terms of their seventy-five-year-old Alliance. In Europe, there is growing appreciation for the need to take on more of the burden and responsibility for the security and defense of the continent—and to contribute more to global security. In the United States, the Trump administration expects Europeans to take much more responsibility for their own security, in part to shift a more equal portion of the defense burden onto the Europeans and in part to reprioritize military and other resources to Asia and other parts of the world.

For Europe, the challenges could not be greater. Russia's war in Ukraine poses an existential threat to European security. Yet Europe today does not have the military resources necessary to support Kyiv alone without the continuation of significant American aid, which the Trump administration has not committed to continue. Nor does Europe possess adequate means to ensure its own territorial defense—a need that would grow even more acute should the Ukraine war end on terms favorable to Russia.

The imperative confronting Europe is clear: It must invest much more in defense than it currently plans and deploy a military able to operate at high readiness levels and with requisite technical, operational, and strategic agility to defeat the military threats it now faces. It can no longer depend on the United States to underwrite its security. Washington's willingness to do so is waning—a political reality not tied to any specific administration. A failure to invest sufficiently in defense and security now will leave Europe exposed to the rapaciousness of an expansionist Russia and to other threats—without any real guarantee of the United States coming to its rescue. Only a Europe that is willing and able to take on much of the burden and responsibility of defending itself and contributing far more to the collective defense of all NATO Allies has any hope of convincing Washington to remain fully committed to transatlantic security. Washington needs a true and more equal partnership on the continent and globally if it is to continue to see enduring value in its historic Alliances. At the same time, the seventy-five-year-old transatlantic Alliance system has paid essential benefits for U.S. security, including a core of globally reliable political and military partners, extended deterrence, and vital basing and power projection platforms—all assets that our adversaries lack. A Europe that contributes more to its own and global security will strengthen the case that NATO is a good deal for America too.

We recognize that calling for greater investment by Europe in its own defense—and calling for continued but calibrated American investment in the transatlantic Alliance—faces political and economic headwinds. In Washington, the new administration will reevaluate the place of Europe in a daunting global strategic landscape and will possibly differ with Europe on Ukraine, China, trade, climate, and many other issues. In many European countries, growth is slow, budgets are under strain, and their socioeconomic models and competitiveness need reform and modernization. The European Union needs to adapt to the new environment at a time when member states don't necessarily agree on all strategic questions.

These challenges, though real, must not lead to inaction. With new leaders in Washington, in many European capitals, and in Brussels, both at NATO and the European Union, now is the time to review the terms of the traditional transatlantic bargain by building a true and strong European pillar within the transatlantic relationship.

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Both sides of the Atlantic clearly want a relationship that is more balanced and equal. For Europe, the overriding interest is to be much more capable of handling its own security, both to enable it to defend itself and to convince the United States that the transatlantic security partnership with

Europe remains fair, balanced and in its interest. For the United States, the capacity and willingness to maintain the disproportionate burden of common defense are diminishing—and could end, sooner rather than later. Europe's reluctance to provide for its own defense threatens it with either strategic irrelevance or subjugation to superior military foes. Neither is acceptable. The time to avert this outcome is now. With focused effort, the United States and Europe can realize this new vision for rebalancing the transatlantic partnership.

## A World at War

Following decades of quiescence and no major military security threats, the strategic landscape in Europe and around the world has shifted dramatically and continues to evolve negatively. Europe is under attack. And the world is confronting multiple wars with regional and global implications. Europe and the United States must confront this new reality together.

- Russia's brutal invasion of **Ukraine** poses an existential danger to Europe's security with global implications. If Moscow succeeds in conquering extensive parts of Ukraine and subjugating its sovereignty and limiting its independence, not only will Russia have won and Ukraine have lost, but Europe and the United States will have failed to uphold the postwar security order by allowing the change of borders by force. Defeating Russia in Ukraine is therefore an essential requirement for ensuring European security—which remains a vital interest not only for Europeans but for North Americans as well.
- While **Russia** is conducting an overt war in Ukraine, it is also engaged in a covert war across Europe and against the United States. Russian intelligence, often with help of criminal networks and its foreign partners, has targeted Europeans and others, interfering in democratic elections; disrupting air traffic; spreading lies and disinformation; attempting to sabotage energy, telecommunications and other critical infrastructure; targeting arms manufacturing plants and prominent industrialists; and more.
- Beyond Europe, the world is growing increasingly dangerous, unstable, and unpredictable. The **Middle East and North Africa** have exploded into warfare that



stretches from Iran and Yemen in the west, through Syria, Lebanon, Israel, the West Bank, and Gaza, to Africa, with Sudan and the Sahel facing deepening conflict and instability. Israel has been attacked from all sides, including directly by Hamas, Hezbollah, Iran, and the Houthis, and responded to the largest and most brutal terrorist attack on its soil with a ferocious campaign that has cost tens of thousands of lives, and left millions displaced. The ceasefire in Lebanon at this writing remains fragile, and conflict could easily reignite. While the fall of Assad put an end to one of the most brutal regimes, Syria's future is highly uncertain, and poses risks and challenges including for European security. A weakened Iran is accelerating its nuclear program while facing considerable internal and external pressure. Sudan remains mired in a vicious civil war with grave humanitarian consequences, and regime instability throughout the Sahel offers terrorist movements opportunities to proliferate while Russian involvement further aggravates instability and risks. Real and lasting solutions to the region's many problems seem more distant than ever, suggesting long-term instability on Europe's southern flank.

- In Asia, **China's** growing ambitions and rapid military modernization are transforming the PRC into a strong military and security competitor in the Indo-Pacific and beyond, including in and around Europe. Beijing has embarked on a concerted effort to exert regional and global influence commensurate with its growing power—and is seeking to do so mainly at the expense of the United States while seeking nuclear and conventional parity with Washington. It is asserting its military, economic, and political muscle to gain control over its borders and adjoining seas, asserting sovereignty over areas well beyond those recognized internationally. And it is increasingly willing to use coercion and force to get its way. Beyond security, China's ambitions pose a serious economic challenge to both the United States and Europe. China controls inputs and supply chains in industries critical to economic security; its overcapacity and state subsidies puts at risk companies and millions of American and European jobs in key sectors, from energy to automaking.
- The continuing risks of terrorism, hybrid attacks, transnational criminal organizations, pandemics, and the consequences of climate change are further security problems that require urgent solutions. Even as these challenges multiply, the world is witnessing a greater degree of coordination and alignment among the most disruptive powers—notably China, Russia, Iran, and North Korea. Since Russia launched its war in Ukraine, military and economic cooperation among these powers has accelerated greatly. Russia has benefitted from industrial and material support for its fight in Ukraine from Iran and North Korea, including most recently the direct deployment of North Korean troops to Russia. China has provided capabilities that support the Russian war effort. In return, Russia has supplied Iran and North Korea with additional advanced technology and assistance, extending to their nuclear and ballistic missile programs, and supplied China with cheap oil and gas.

Europe is singularly unprepared to address this new, more dangerous security landscape. It has failed to invest enough in defense for decades and abandoned a strategic mindset that comprehends the threats we face and the determination to meet and defeat them. But Washington is also not as well positioned as it could be to deal with a far more dangerous

world. Its own military capabilities, fiscal constraints, slack industrial base, and stock of global goodwill are not at the levels best suited to address the multiple and diverse high-intensity and expansive military threats that now confront it and the world. Deep domestic polarization has often left the United States paralyzed and divided, creating anxiety among Allies and uncertainty about its resolve among its adversaries.

## **A Strategic Agenda for a New Transatlantic Bargain**

A dangerous world confronts Europe and the United States equally and neither can address the threats and challenges successfully on its own. In particular, the United States remains the world's strongest power, but as it seeks to compete successfully against the rising ambitions of China and others, it benefits greatly from capable partners who share its fundamental interests and values. A strong transatlantic relationship therefore remains as critical today as it has for the past seventy-five years.

But the way the transatlantic partners confront common challenges must change. For Europe—and for NATO—the territorial defense of the continent will be the top priority for years to come. However, as competition for U.S. attention and resources mounts because of growing security threats elsewhere, the burden of—and responsibility for—the security and defense of Europe must lie primarily with Europe. This requires a fundamental review of the nature of the relationship on both sides of the Atlantic. At the same time, Washington is already asking more of Europe to deter and confront security challenges emanating from China, Iran, and terrorist actors in the Middle East and North Africa—these challenges too require capability and resources.

The desire to build a stronger European defense pillar and greater burden-sharing is not new—it has been tried in one way or another during much of NATO's history, starting with the idea of creating a European Defense Community in the early 1950s. But these efforts all failed. Europeans frequently differed amongst themselves on what form the pillar should take or within which institutional structures it should be embedded. American leaders routinely warned about the need to avoid duplication, divisions, and discrimination, and have resisted any reduction in Washington's involvement or say. As a result, European countries developed a debilitating dependence on the American commitment to ensure their defense and security, and the United States developed a habit of exercising security dominance under the guise of leadership.

This unequal relationship is unsustainable. Eighty years after the end of World War II, Europe has the financial resources and the technological and military ingenuity to defend its own continent against an economically and conventionally much weaker military foe. The reelection of Donald Trump underscores that Americans are increasingly unwilling to continue underwriting Europe's security under the terms of the traditional bargain. Now is the time to move toward a genuine European strengthening of NATO to make the transatlantic Alliance more forceful and balanced, and accommodate both U.S. and European interests. A stronger European pillar is vital to sustaining the long-term future

of the transatlantic relationship. Building a European pillar capable of operating with the American pillar in a much more balanced relationship is therefore a must. And doing so will require major adjustments and commitments by both sides.

Under a new and sustainable transatlantic bargain:

- Europeans need to augment their defense capabilities and contributions significantly to take much greater responsibility for the defense of the continent.
- The United States needs to proactively help Europe build a strong and capable European pillar both by advocating better burden sharing and facilitating a shift in responsibilities to Europe, and reducing roadblocks to European defense investment and collaboration with U.S. defense industry.

Before detailing how to build the European pillar of the transatlantic Alliance, three additional issues need to be addressed.

- First, how Russia's war against Ukraine ends is a threshold issue for European security and transatlantic relations. An end that undermines Ukraine's sovereignty, independence and long-term security will reward Russian aggression, send a powerful signal to others that war can pay dividends, and would vastly increase the threat to European and global security. A stable future for Europe and transatlantic relations therefore requires that the end of the war in Ukraine ensure its sovereignty and guarantee the security of at least those areas that the parties agree will be controlled and administered by Ukraine against a resumption of Russian aggression. In the meantime, so long as the war continues, Europe must assume a greater share of the overall balance of effort to support Ukraine financially and militarily as well as ensuring a robust NATO presence on its eastern flank.
- Second, the European pillar should strengthen all transatlantic and European institutions and end the sterile debate about how to bolster one institution over another. A true European pillar requires greatly increasing Europe's share of the NATO burdens and defense responsibilities. It also requires the European Union together with the U.K. and other non-E.U. countries to enhance their role in defense, with an immediate focus on bolstering defense production and investment in critical capabilities and infrastructures. And it requires strengthening bilateral and multinational ad-hoc arrangements, within Europe and potentially across the Atlantic. The key is to ensure that the unique contributions these countries and institutions can make, as well as any complementary ad-hoc arrangements, are closely aligned and mutually reinforcing rather than duplicative or competing.
- Third, the nuclear dimension of NATO's deterrence strategy, an issue at the core of the transatlantic bargain, deserves special attention. We are entering a period of greater nuclear danger—manifested by the changes in Russia's nuclear posture and doctrine, the rapid modernization and expansion of China's nuclear forces, strains on the sixty-year-old nuclear arms control regime, and the growing interest of states to acquire their own nuclear capabilities. Yet, even as we must rethink the nature of the transatlantic bargain and bolster a wide range of European military capabilities,

the credibility of the U.S. extended nuclear deterrent remains critical to the deterrence and defense of Europe and NATO. For now, the United States remains fully committed to extending its nuclear deterrent to its Allies in Europe and Canada (and the Pacific). It has modernized the nuclear weapons deployed in support of NATO, and European Allies themselves are investing in the modernization of dual-capable delivery systems. However, we are likely to see a growing discussion—perhaps another “Great Debate”—over the contributions European Allies might make to nuclear deterrence in the current geopolitical era. We should not shy away from that debate but instead engage it as part of rebalancing transatlantic burdens and responsibilities.

## Building the European Pillar

To build a strong and enduring European pillar, Europe and the United States will have to make critical decisions and commitments. A strong European defense capability, as an integral part of the transatlantic partnership, will not be built overnight. It will take years of sustained effort and commitment. To ensure European freedom and global standing, and to maintain American leadership in an era of global uncertainty, both Europe and America must make difficult changes.

The following commitments will be critical to success and need to be prioritized without delay.

### For European national leaders and militaries, supported where applicable by the European Union:

- Bring the level of **European military spending** closer to the Cold War average to enable the fielding of a large, ready, advanced, and capable force and to make up for two decades of underspending. This is necessitated by both procurement and force structure requirements. It suggests a level of spending of 3 percent of GDP for most European countries, at least for the next three to five years. In the new security environment, the 2 percent threshold should—at the very least—be a floor rather than a ceiling.
- **Field between 70 and 80 percent** of the forces and of the enablers required to stand up the new **Allied Reaction Force (ARF)** and the new **NATO force model**. This requires rebuilding mass and readiness across all domains and all nations.
- As a first priority, **Europe should seek to replace the 20,000 troops the United States deployed at the onset of the Ukraine crisis**, as these will likely need to be redeployed in 2025.
- Significantly **increase overall readiness of large combat forces**, too often lacking across the continent. The new NATO force model aims to deploy 100,000 troops in ten days (tier 1), 300,000 within ten to thirty days (tier 2), and 500,000 more within

one to six months (tier 3). European militaries should be prepared to field 70 to 80 percent of these forces by the end of the decade.

- Commit to a sustained, multiyear effort to meet the above objective, including:
  - **Expand standing European armed forces, expanding reserve forces, and making greater use of reserve forces** to achieve the required levels of personnel. This might require reviewing recruitment practices.
  - **Conduct training** to achieve and maintain readiness of the steadily expanding force structure through more systematic large-scale exercising. The Trident Juncture NATO series has grown in pace and size and needs to be completed with much more live training by Allies.
- **Acquire and, when necessary, jointly develop strategic enablers, most notably aerial refueling, heavy lift, intelligence, surveillance and reconnaissance assets, electronic warfare, airborne surveillance, maritime patrolling, space-based capabilities, suppression of enemy air-defense, and air/missile defenses.** Critical enablers are the domain where the gap between U.S. and European forces is the greatest. As such, this domain presents the greatest barrier to Europe's efforts to reduce its reliance on U.S. military assets. While Europe does relatively better in fielding traditional major combat platforms (like tanks, infantry fighting vehicles, surface ships, and combat aircraft), its lack of critical enablers and long-range strike capabilities is dangerous, and their absence will severely constrain the ability of the Europeans to fight without significant U.S. support.
- **Build up a six-month inventory of ammunition, fuel, and spare parts** at high consumption rates, as defined by NATO (separate from the additional supplies of ammunition and military equipment sent to Ukraine). This inventory needs to include the right mix between high-tech ammunition (air defense or deep precision strike missiles) and cheaper solutions that proved critical in Ukraine such as FPV drones and artillery shells. While NATO does not have to prepare for the exact type of war Ukraine is waging, it needs to stand ready to sustain a conventional conflict for more than a few months, or to support a partner over time through a flow of acquisition. This is an integral part of a credible deterrence and defense. The new European Commissioner for Defense has expressed a willingness to support this effort, by assisting E.U. member states to achieve NATO capability targets.
- **Improve military mobility as a matter of priority, with an emphasis on standardized rail gauges, stronger bridges, and fewer bureaucratic obstacles to enable movement of troops, ammunition, explosives, and equipment across the continent.** This requires building on the E.U. support for the development of civilian infrastructures such as bridges, tunnels, ports, and railroads by adding specific military requirements. This complements multilateral arrangements, such as the Dutch-German-Polish agreement focused on facilitating movement of troops and equipment from Dutch ports to the Eastern flank, and will require much closer NATO-E.U. cooperation on requirements and priorities to exchange relevant data and requirements. The initial and modest effort undertaken by the European Union to

invest in military mobility requirements across the continent in the 2021–2027 long-term budget, the Multiannual Financial Framework, to meet defense needs should become a priority and be expanded tenfold, including by using E.U. cohesion funds.

- **Address Europe’s fragmented arms industry** to ensure available resources are spent wisely, including in the context of large-scale competition with American and Asian defense firms. This will require several important changes:
  - **Pool resources and reduce the overall number of platforms** in development and production, and ultimately in service, based on comparable requirements and NATO standards. This is essential to increase efficiency and avoid duplication of efforts. While there are clear benefits in preserving a degree of competition in the defense sector, Europeans develop multiple types of the same platforms while others buy from non-European suppliers when the U.S. forces rarely field more than one or two types. As an example, the Europeans operate seventeen different infantry fighting vehicles and currently produce four different types. In contrast, the United States fields only two types of these vehicles.
  - **Consolidate the continent’s defense industry.** Here, the E.U. can and must play an indispensable role by using the full toolbox of the European Commission and mobilizing significant resources. Among the responsibilities of the new European Commissioner for Defense and Space, the task of giving substance to the European Defense Industrial Strategy will be critical in this regard. The Commission’s effort to build a defense market through its financial tools supporting joint research and acquisition is still under development and needs to be appropriately funded to deliver. Lifting barriers to private investment in defense and simplifying defense acquisition procedures are additional lines of efforts where the Commission could play an important role. In this context, the European Commission is developing an ambitious strategy for strengthening the European defense industrial base. Some members of the task force believe this strategy should include a European preference for the development and production of defense equipment in Europe. Others believe such a European preference should also encourage close cooperation between E.U. and non-E.U. defense companies based on reciprocity and equal access to defense markets. As most of the imported European defense equipment is currently purchased from outside Europe, developing European defense production and acquisition is not just an economic or commercial objective, but a strategic imperative.
  - **Develop the next generation of military technologies.** Europe needs to increase its capacity to innovate and cannot absent itself from the defense technology race. That will require financing military innovation and the development of disruptive military and dual-use technologies.
- **Ensure that non-E.U. European industries (notably from Turkey and the U.K. as Norway is already largely included) can play a useful part** in boosting European defense capabilities. These countries are an integral part of the European defense

and technological industrial base. This involves revisiting the E.U. rules associated with third parties to facilitate cooperation with European countries ready to co-fund and jointly acquire weapon systems.

- **Increase cooperation across the European, North American, and Asian defense industries** to enhance R&D and production and ensure greater resilience and sustainability of supply chains. As the war in Ukraine demonstrated with the role of South Korean deliveries, an effort to jointly address challenges such as access to critical components and raw materials, and enabling joint development and production of military equipment, is very much needed.
- The consolidation of the European defense industry would have important benefits, including:
  - Enabling Europe to sustain the highly specialized skills and facilities required to provide its armed forces with the systems and equipment required to fulfill their missions. The very existence of such assets in Europe would enhance the credibility of Europe's armed forces and thus bolster their deterrent effect.
  - Maximizing the security of supply for European armed forces, since European suppliers would not be subject to the evolving foreign policy considerations of third states, whose permission is needed for any sale of military equipment to Europe. In times of crisis, heightened demand or disruption of international supply chains and the availability of sufficient European industrial capacity would allow the quick ramp-up of production, without undue dependence on the goodwill, capacity, or priorities of others.
  - Allowing European defense ministries and armed forces to have unambiguous, enduring, and unfettered access to, control over, and system-level understanding of the equipment of their armed forces. This would enable them to shape the designs to address specific requirements. It also ensures that Europeans can modify or upgrade key systems and incorporate domestically produced weapons, sensors, and other subsystems, without having to obtain permission from a third-country supplier or join a potentially lengthy upgrade queue.
  - Providing European armed forces with the freedom to operate their defense systems and equipment as needed and European governments with the freedom to export or transfer such capabilities, in full respect of applicable national and international law, to partners and Allies abroad in line with their interests and values. This contrasts with foreign-made products, which are often subject to operational and/or export restrictions by the producing country.

## For the United States:

- **Sustain transatlantic and European security as a core element** of U.S. national security policy by:
  - **Maintaining a military presence in Europe, including operationally significant troop levels and a range of land, air, and sea capabilities**, so long as the security environment requires it. As European capabilities and deployments increase, reassess the necessary mix and quantity of forward deployed forces.
  - **Reaffirm at the highest level the unconditional U.S. commitment to collective defense** under the NATO treaty, including the nuclear deterrent.
- **Review the U.S. approach to armament cooperation** (including export controls and access to the U.S. domestic market) to facilitate collaboration with European Allies and to strengthen European capabilities as part of a sustainable transatlantic Alliance. Enabling and deepening cooperation is a two-way street for the United States and its European and Asian Allies. This effort includes revisiting policies limiting access to the U.S. defense market (Buy American Act) and removing export control barriers and other bureaucratic obstacles that prevent the speedy delivery of defense products to European Allies.
- **Maintain adequate levels of defense spending** to preserve a U.S. military that is second-to-none around the world. This may require spending 4 to 5 percent of GDP.

## For the North Atlantic Treaty Organization and for Allies within NATO:

- **Improve interoperability through NATO standards and agreements, training, compatible secure voice/data communications systems, standardized equipment and ammunition types, and regular large-scale exercises.** This will require a significant effort by all Allies (including the United States) to implement NATO standards and cross-certify equipment and ammunition. The E.U. has expressed a welcome readiness to support this effort.
- **Bolster innovation** through joint efforts to develop, test, and implement novel technologies in Europe across the Alliance.
- **Build the capability to deploy brigade-sized combat forces in frontline regions on a permanent basis.** This will require a robust and sustained effort on the part of the framework nations, Canada, Germany, and the United Kingdom.
- Continue to **adapt and increase European leadership within the NATO command structure** to better address the threats and challenges in an evolving Alliance geography. This requires a revision of the current flag-to-posts arrangements, giving more responsibilities to European Allies with a focus on the “newest” Allies who deserve to see their growing contribution better acknowledged. To sustain U.S. military



engagement in Europe and the credibility of U.S. extended nuclear deterrence, SACEUR should remain a U.S. military officer.

- Actively **pursue and bolster cooperation between NATO and the E.U.** in a way that leverages each institution's strengths and achieves close coordination rather than competition. This must include:
  - **Incorporating nonmember nations wherever possible** in the planning, consultations, and execution of defense policy in both institutions.
  - **Implementing systematic cross-participation** in respective defense and security efforts.
  - **Supporting the participation of European non-E.U. Allies** (U.K., Turkey, Norway) to ensure that a more engaged E.U. develops ways to associate non-member states closely in its novel activities.
  - Develop flagship capability projects of mutual interest for both organizations.
- Welcome a **more engaged discussion about both the credibility of extended deterrence and the European contribution to making it credible.** In this debate, however, ensure that the centrality of the U.S. extended deterrent for European Allies does not come into doubt; any erosion would have far-reaching implications for transatlantic relations.
- To strengthen both conventional and nuclear deterrence in Europe, as part of a rebalanced transatlantic bargain, NATO Allies should also:
  - **Develop a new Deterrence and Defense Review Posture** to update NATO's strategy across all these dimensions and encourage efforts of the U.S. administration to rekindle nuclear arms control.
  - **Examine increased involvement of other nonnuclear European Allies** that currently do not participate in nuclear sharing arrangements in NATO's nuclear and supporting conventional roles.
  - **Enhance Franco-British nuclear cooperation** and encourage both countries to engage in deeper conversations with European Allies on how they might contribute to and participate in the nuclear dimensions of deterrence and defense.
  - Develop mechanisms within NATO to **allow France to participate in nuclear discussions and decision-making processes** while respecting France's independent nuclear decision-making—whether that is via French participation in the Nuclear Planning Group and High-Level Group or via an alternative framework.

## Conclusion

The urgent need to advance a new transatlantic bargain is clear. The alternatives are untenable. Neither propping up an unbalanced Alliance with a risk of a dangerous breach, nor losing the benefits of the transatlantic Alliance for our collective security are reasonable courses of action in an era of strategic competition with autocratic regimes.

Time is unlikely to ease the challenges facing the transatlantic Alliance. The moment for Europeans to invest more vigorously in their own defense is now. The moment for Americans, in their own strategic interest, to support this effort is now.

The volatile security environment and the unique combination of new leadership on both sides of the Atlantic and at the helm of NATO and the E.U. create an opportunity to start a new chapter in transatlantic relations. This effort needs to begin without delay. The future of European security depends on it.

Updating the transatlantic bargain requires challenging old habits and accepting new realities, including shifting more burden, responsibility and defense industrial autonomy to

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