

The Atlantic burden-sharing debate— widening or fragmenting?

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The Atlantic burden-sharing debates of the early twenty-first century are shaping up to be very different from those of NATO's first 50 years. With the end of the superpower confrontation in Europe, the military dimension has lost its previous dominance. Debates about which countries are pulling their weight internationally are now taking on board contributions to other international public goods—financing EU enlargement, aiding the Third World, reducing emissions of climate-damaging pollutants. The gradual strengthening of Europe's Common Foreign and Security Policy, moreover, means that the EU is becoming an actor in its own right in many international regimes.

In this increasingly multidimensional burden-sharing debate, it becomes apparent that states that contribute more to one regime often do less than most in another. Germany, for example, has recently been complaining about its excessive contributions to the costs of EU enlargement. But it spends considerably less than the EU average (and less than France, Italy and the UK in particular) on defence. European countries contribute three times as much as the US to Third World aid, and will soon pay almost twice as much into the UN budget. Yet they were dependent on the US to provide most of the military forces necessary to defeat Yugoslavia in the 1999 Kosovo crisis, and would be even more dependent in the event of a future Gulf war.

In principle, this broadening of the burden-sharing debate could offer opportunities for negotiating a new 'division of labour', in which states contribute to international security according to their own particular strengths. Yet such an outcome would depend on both the US and European states being willing to recognize the value of each other's efforts—an assumption that cannot always be made. Sometimes, burden-sharing debates simply reflect bargaining over how to share the costs of achieving common objectives. But they can also often reflect fundamental differences in purpose and priority. The evolution of Atlantic burden-sharing debates that is examined in this article is therefore of interest, in part, because of what it reveals about the health of the Atlantic relationship overall.

Burden-sharing regimes

All international organizations contain mechanisms for sharing the costs of their efforts among their member states. The UN and EU have scales of assessment, based primarily on GDP levels. NATO reviews national contributions to collective defence through its annual force planning exercise. The OECD's Development Assistance Committee (DAC) monitors developed states' efforts to meet internationally agreed targets for the level and quality of overseas aid. Most recently, negotiations on the Climate Change Convention have focused on how to share the burdens of reducing emissions of greenhouse gases among polluting states.

All these 'burden-sharing regimes' have a dual purpose. First, by ensuring that all each group's members make some contribution, however small, to a common effort, they help to embed international commitments in domestic politics, strengthen policy interdependence and institutionalize working-level cooperation. NATO's multinational 'layer cake' defence of West Germany during the Cold War, for example, was designed as much for this political purpose as for its military effectiveness. More recently, the participation of all NATO's member states (except unarmed Iceland) in its forces in Bosnia and Kosovo played an important role in maintaining alliance cohesion. The failure to obtain participation by the United States and other key NATO allies in the UNPROFOR force in the early 1990s, by contrast, was widely seen as a failure of burden-sharing, reflecting, and indeed reinforcing, serious differences in policy among the major NATO powers.

Second, burden-sharing regimes are designed to mobilize resources for common efforts, providing a focus for pressure on reluctant governments from other states and from interested domestic constituencies. Governments responsible to national electorates naturally tend to give higher priority to domestic concerns, hoping that other states may prove more ready to provide international public goods. Burden-sharing regimes seek to minimize such 'free-riding' through agreeing norms and targets, such as the OECD commitment to spend 0.7 per cent of GNP on development aid, and the EU's 'headline goals' for improving military forces. These burden-sharing targets in turn provide a means by which to persuade domestic political actors—not least finance ministries—to provide the necessary resources.

New dimensions

Transatlantic burden-sharing disputes during the Cold War were mono-dimensional, focusing primarily on national contributions to NATO's defences against the Soviet Union. Since the rearmament that followed the outbreak of the Korean War in 1950, moreover, the main defining element of these arguments was concern on the part of the United States that its allies in Europe and Japan were 'free-riding' on its military protection. European governments often

Table 1: Overseas development assistance compared, 2000

	ODA total (\$bn)	ODA as % GNP
EU combined	25.4	0.33
United States	9.6	0.10
Japan	13.1	0.27

Source: OECD.

responded by pointing out that much of the US spending included in NATO's published burden-sharing comparisons was on forces required for extra-European missions—such as the Vietnam War or defence of the Gulf—which were not authorized by NATO, and to which European states were often opposed. For many US politicians, on the other hand, such a response simply demonstrated Europe's unwillingness to share in the burdens of containing communism worldwide.

Since the end of the Cold War, Atlantic burden-sharing debates have developed a more complex and multidimensional character. The resources that NATO needs to devote to the direct defence of western Europe have fallen sharply. By contrast, the collapse of communism has opened up new opportunities for Western political and economic engagement with eastern Europe: a role in which the EU and its members have a greater comparative advantage and interest. Short of the emergence of a major new strategic threat to Europe, defence seems unlikely to regain the relative prominence (or level of resources) that it gained in the Cold War period.

The United States remains NATO's biggest spender on defence—prompting some academics, drawing on public goods theory, to talk of the 'exploitation of the great by the small'.¹ As former US Assistant Secretary for Defense Joseph Nye has argued: 'The United States has to recognize a basic proposition of public goods theory: if the largest beneficiary of a public good (such as international order) does not provide disproportionate resources towards its maintenance, the smaller beneficiaries are unlikely to do so.'²

Public goods theory has been used to explain why, immediately after the Second World War, the United States was the main innovator and leader in developing new international organizations and regimes. Marshall Plan aid to Europe in the 1940s, followed by US assistance to East Asia in the 1950s, played a key role in preparing the way for the subsequent economic success of these

¹ Mancur Olson, *The logic of collective action: public goods and the theory of groups* (Cambridge, MA: Harvard University Press, 1965), p. 29. For further discussion of conceptual approaches, see Malcolm Chalmers, *Sharing security: the political economy of burdensharing* (Basingstoke: Palgrave, 2000), esp. ch. 1, reviewed in this issue of *International Affairs*.

² Joseph Nye, 'Redefining the national interest', *Foreign Affairs* 78: 4, July/Aug. 1999, pp. 27–8.

two regions. During this period, the United States was the largest provider of both defence and overseas aid.³

Yet the public goods argument does not explain the United States's disproportionately modest contribution to civilian international public goods in the decades after 1970. This period has seen the United States fall behind European states (and Japan) in its willingness to contribute to overseas development assistance (ODA), which is often seen as complementing defence spending as an 'international public good'. By 1998/9 US aid was only a third of the level provided by EU member states.⁴ While US politicians in the 2000 elections competed to promise increased military spending, there seems little prospect of a comparable bonus in the depleted aid budget.

In addition to their higher levels of aid transfers to developing countries, the EU's richer member states make large net transfers, through the EU budget, to other, poorer, European countries in southern Europe; and, if enlargement proceeds, they will do the same in respect of new members in central and eastern Europe. EU member states have also been significantly more willing than the United States to make significant commitments to reducing their emissions of greenhouse gases under the Climate Change Convention—in many ways, a paradigmatic example of a regime designed to create an 'international public good'.⁵

In all of these burden-sharing regimes, as in NATO, there has been much political posturing and manoeuvring for advantage, often focused on apparently arcane arguments about counting rules. Should French subsidies to its Pacific dependencies count as ODA? Is spending on war veterans a contribution to NATO? Should the United States be able to offset planting of new forests against increased pollution from its power stations? But the survival of international regimes ultimately depends on the ability of member states to overcome their differences and forge 'burden-sharing bargains'. These bargains are typically hard fought, with each state seeking to ensure its own generosity is not 'exploited' by others. Yet there can also be strong incentives for cooperation. The greater the stake a country feels it has in a particular regime, the more it may ultimately be willing to contribute, compared with others, to sustain it. The more institutionalized the rules for sharing burdens, moreover, the greater the transaction costs involved in altering them, even if circumstances have changed. Throughout the 1960s and 1970s, for example, the United States and UK rejected persistent domestic pressure to revisit previous commitments to maintain troop levels in West Germany, fearing that a review of this particular 'burden-sharing bargain' might lead to unravelling rather than reallocation.

³ Mancur Olson, Jr and Richard Zeckhauser, 'An economic theory of alliances', *Review of Economics and Statistics* 48, 1966, pp. 266–79.

⁴ The commitment to development assistance varies among European governments, with leading donors Denmark (1.1%), Norway (0.8% of GNP), the Netherlands (0.8%) and Sweden (0.8%) greatly outspending laggards such as Italy (0.13%), Spain (0.24%) and Austria (0.25%). Yet none spends as little as the 0.1% of GNP devoted to ODA by the United States.

⁵ For detailed discussion, see the special issue of *International Affairs* 77: 2, April 2001.

Germany, by contrast, has found itself the main net contributor to the EU budget, both because of the greater intensity of its commitment to European integration and because of the cumulative effect of previous burden-sharing settlements. In response to the UN's continuing difficulties in persuading the US Congress to pay its assessed contributions, European states recently agreed to support a lowering of the 'single country ceiling'. As a result, the United States will be paying significantly less to the UN, as a proportion of its national income, than other OECD states.

In each of these cases, the state or states most committed to an international agreement or organization could have insisted on a more equitable distribution of effort. Yet, by doing so, they would have risked paralysis or collapse. Given their commitment to the goals of the organization in question, they were not prepared to do so.

A narrowing gap

Between 1950 and 1990, NATO's burden-sharing 'pecking order' remained remarkably stable. Throughout this period, the United States consistently spent more of its national income on defence than Britain and France, which in turn spent more than Germany, Italy and Spain. Public goods theorists typically explained this phenomenon in terms of the 'exploitation of the large by the small'. Yet such an explanation failed to explain the persistently low level of spending in Germany, NATO's second-largest economy. For a more rounded explanation, it is also necessary to understand the roots of the Cold War burden-sharing order in the post-1945 settlement, with its specific restraints on German and Italian military power. NATO's three leading military powers maintained spheres of influence outside Europe, acquired nuclear arsenals and had their great power status recognized by permanent membership of the UN Security Council. Germany and Italy, by contrast, were limited to subordinate roles in NATO force planning, abstained from deployment outside national territory and gave up the nuclear option (a choice enshrined in the Nuclear Non-Proliferation Treaty).

The United States gained many advantages from its hegemonic position in the Western alliance, using its dominant role in European and Asian security to secure a wider range of commercial and political advantages. In the long term, however, the economic costs were considerable. Many argue that the United States's relative economic decline during this period (compared with Japan and Germany) was due in part to its much higher level of defence spending.⁶ Such arguments were also made in the UK, especially in the 1950s and 1960s, but

⁶ Paul Kennedy, *The rise and fall of the great powers* (London: Random House, 1987), pp. 532–5; also Bruce Russett, *What price vigilance? The burdens of national defence* (New Haven, CT: Yale University Press, 1970); Alex Mintz and China Huang, 'Guns versus butter: the indirect link', *American Journal of Political Science* 35, 1991, p. 1291; Jacques Fontanel, 'The economics of disarmament: a survey', *Defence and Peace Economics* 5: 2, 1994, pp. 87–120; Steve Chan, 'Grasping the peace dividend: some propositions on the conversion of swords into plowshares', *Mershon International Studies Review* 39: 1, April 1995, pp. 53–96.

Table 2: Defence spending as % of GDP, major NATO member states

Country	1985–9	2000
United States	6.0	3.0
France	3.8	2.7
UK	4.5	2.4
Italy	2.3	1.9
Germany	3.0	1.5
Spain	2.1	1.3
European average (five largest states)	3.1	2.0

Source: NATO.

resurfacing again as concern grew in the 1980s at the effects of defence R&D in ‘crowding out’ civilian industries.⁷

Such complaints are less common today. All NATO’s largest member states have cut their defence budgets significantly (as a proportion of GDP) since the late 1980s. But the reduction has been particularly sharp in the United States and Britain, the two biggest Cold War spenders. As a result of these two trends, there has been a significant narrowing of the defence ‘burden-sharing gap’. Whereas the United States spent 3 per cent more of its GDP on defence than the major European powers in the late 1980s, the gap had narrowed to 1 per cent by 2000 (see Table 2). The narrowing of the gap with Japan, which spent 1 per cent of its GDP on defence throughout the period, was even more dramatic. This marked narrowing may have contributed to the remarkable economic success of the United States during the 1990s, and perhaps also to that of the UK. The ‘peace dividend’ certainly helped transform the budgetary situation of both countries, releasing scarce economic resources for other uses to an extent not found in other OECD states.⁸ While Germany also made steep reductions, it did so from a lower base. It was also handicapped by the massive subsidies provided to the former East Germany after unification, equivalent to between 3 per cent and 4 per cent of its GDP.

Being there

The ‘burden-sharing gap’ measured in terms of spending has narrowed. Yet, as both the 1991 Gulf War and subsequent Balkan conflicts have demonstrated, the gap in usable military capability has widened. In part, this reflects the legacy of decades of accumulated investment: after all, much of past defence spending

⁷ Malcolm Chalmers, ‘Military spending and economic decline’, in David Coates and John Hillard, eds, *UK economic decline: key texts* (Hemel Hempstead: Prentice Hall/Harvester Wheatsheaf, 1995), pp. 287–91.

⁸ Michael D. Ward and David R. Davis, ‘Sizing up the peace dividend: economic growth and military spending in the United States, 1948–1996’, *American Political Science Review* 86: 3, Sept. 1992.

was investment, not consumption. As NATO priorities have shifted from territorial defence to expeditionary warfare, therefore, the United States' Cold War investments in power projection capabilities (necessary because of its distance from potential war zones) have borne fruit. Although the United States' procurement budget fell sharply during the 1990s, these inherited capabilities have allowed it to continue to outmatch today's weaker opponents.

France and the UK also inherited significant capabilities for expeditionary warfare, proportional to their size, from their efforts to sustain extra-European roles. Their armed forces are significantly better equipped than other European powers for military operations outside home territory. As of mid-2000, 17 per cent of the UK's armed forces, and 12 per cent of French, were based overseas: roughly comparable to 16 per cent for the United States.⁹ Europe's two leading military powers spend more on defence than their European partners, and a significantly higher proportion of their budget on new equipment. Both countries have also been willing to restructure their armed forces radically in order to meet new requirements. France was the first of the major continental powers to abandon conscription, reversing centuries of history. While the UK has cut its defence budget sharply, reductions were concentrated on capabilities (such as armoured forces in Germany) made redundant by the collapse of the Iron Curtain.

The UK and France are the exceptions to the European norm. The Balkan wars have resulted in a new willingness on the part of the three other major EU member states (Germany, Italy and Spain) to carry out limited foreign deployments. Yet their armed forces are still designed primarily for territorial defence, and are still based almost entirely on home soil. Although planned reforms are now under way, all three countries still maintain large conscript armies, squeezing the resources available for investment. In response to new NATO missions in Bosnia and Kosovo, historic inhibitions against overseas deployment have been progressively lifted over the last decade. Even in 2000, however, Italy still had only 3.3 per cent of its armed forces based on foreign soil, while Germany (2.4 per cent) and Spain (1.5 per cent) deployed even less.¹⁰ While the EU's armed forces total 1.9 million (compared with the United States's 1.4 million), they remain much less capable of large-scale military operations outside their home territory.

This disparity in usable military power was demonstrated most clearly in European contributions to NATO's bombing campaign against Yugoslavia in 1999. The United States paid for around 80 per cent of the cost of the Kosovo air campaign, with US aircraft performing 70 per cent of all strike missions and a much higher proportion of (more effective, but relatively expensive) attacks with precision-guided munitions.

⁹ Once account is also taken of forces preparing for deployment, together with home-based naval personnel on extended overseas tours, the proportion of available forces devoted to expeditionary missions is considerably higher than these figures suggest.

¹⁰ International Institute for Strategic Studies, *The Military Balance 2000–2001* (Oxford: Oxford University Press/IISS, 2000).

Yet the burden-sharing balance in the Balkans has swung sharply back towards European predominance since the bombing ended. European armed forces (excluding Russia) now contribute 43,000 troops to NATO forces in Bosnia and Kosovo (72 per cent of the total), compared with the United States' 11,000.¹¹ Strikingly, Italy alone had more forces in Kosovo (6,450) than the United States (5,950). The balance is likely to swing even further in this direction under the new Republican administration in Washington. Some senior officials are reported to be pressing for all US troops to be removed within four years, arguing for a new 'division of labour', in which peacekeeping missions in Europe should be a European responsibility. Other NATO militaries already complain that the US focus on 'force protection'—i.e. limiting casualty risks—limits their effectiveness on the ground, obliging European forces to take up the slack. EU leaders also point out that they now provide most of the funds for economic reconstruction and the development of civilian institutions.

The respective sizes of US and European contributions in the Balkans are therefore increasingly being determined, not by their relative weights within the Atlantic alliance, but by the greater stake that EU countries have in the region. Europe suffers much more than the United States from the spillover from Balkan instability—organized crime, refugee flows—and would benefit more from the region's integration into a wider European security community. With its membership due to include several neighbouring countries in the near future, moreover, the EU's commitment to the region is likely to strengthen further. At the same time, all European governments know that it is strongly in their interests for American troops to remain in the Balkans, both as a deterrent against future major conflict and as a demonstration of NATO solidarity. Precipitate US withdrawal could encourage local warlords to test other allies' commitment to peace enforcement operations, and re-establishing NATO's credibility in these circumstances could be costly and painful. Yet, although European governments do not like to say so for fear of providing encouragement, a US withdrawal would be unlikely to lead to a European pull-out. In a region in which it has already invested so much, the EU's commitment to a common foreign and security policy could not survive such a humiliation. Whatever the cost, Europe would have to stay. For Europe, there can be no 'exit strategy' from the Balkans.

The EU and defence burden-sharing

Continuing uncertainty about US intentions in former Yugoslavia, in the context of demonstrated inadequacy in European capabilities, has transformed the debate on the EU's own military role during the last three years. The process started with the shift in policy by the newly elected Blair government in the UK, which opened the way for the joint Anglo-French St Malo declaration

¹¹ Ibid.

of December 1998. Since then, there has been rapid progress in defining and building the structures necessary to support the EU's new role. A small EU military staff has been established in Brussels, and the EU is planning to be able by 2003 to deploy a 60,000-strong force within 60 days, and sustain it for a year. The possibility of conducting limited military operations without direct US participation is now increasingly seen as a welcome additional option for operations in which the United States has decided not to become directly involved. The experience of the Balkans in the 1990s, combined with continuing uncertainty over the United States' long-term commitment to Europe, has reinforced the perception that the 'US cavalry' should not always be relied upon to compensate for Europe's inadequacies.

The EU 'headline goals', designed to support the 2003 commitment, could have real added value as a burden-sharing regime, over and above NATO's own force planning process. Europe's most reluctant and low-spending military powers (especially Germany and Italy) also tend (for the same historical reasons) to be more committed to the process of European integration. By discussing force goals in the context of EU solidarity rather than NATO burden-sharing, therefore, the European Security and Defence Policy (ESDP) may turn out to be more effective in persuading these countries to do more.

Yet there will be limits. As long as the threat of major war in Europe is remote, there is likely to be little appetite for significant real-terms increases in defence spending. Defence ministries have to compete with powerful domestic demands for both tax reductions and more spending on education and welfare. Precisely because of these pressures, EU member states have been careful to define their 'headline goals' in terms of defence outputs rather than (financial) inputs. Finance ministries, in particular, have argued that the costs of improved expeditionary capabilities must be met from further reductions in lower-priority activities, such as territorial defence.

Andréani et al. recently suggested that European governments 'could undertake not to cut the percentage of GDP that they spend on defence, and those which currently spend less than 2 per cent of their GDP ... could attempt to reach that level'.¹² While the commitment to ESDP may win some extra resources for defence ministries, however, increases of this magnitude are unlikely. It is more realistic to expect that, after a long period of slow decline, European defence budgets will roughly maintain their current level in real terms.

Burden-sharing and NATO enlargement

Although defence establishments bemoan their diminishing claims on national resources, they should not protest too much. Today's low defence budgets are a symptom of success, not failure. Europe is more demilitarized now than it has

¹² Gilles Andréani, Christoph Bertram and Charles Grant, *Europe's military revolution* (London: Centre for European Reform, March 2001), p. 64.

ever been, and this success is due in large measure to the security and prosperity that the EU and NATO have helped make possible. Low Cold War levels of defence spending in Germany and Italy were in large part a result of the success of multilateral institutions in establishing a framework for denationalization of their security policies. The post-1990 'peace dividend', shared by both western and eastern Europe, was a testament to the success of Western governments and institutions in ensuring that new conflicts (with the horrible exception of Yugoslavia) did not replace the confrontation of the two blocs. Most recently, tentative signs that Greece and Turkey may be ready to cut their arms budgets as part of mutual confidence-building, if they bear fruit, will be widely welcomed as a testament to the peacemaking role that NATO and EU membership, and the prospect thereof, can play.¹³

These broader objectives need to be kept in mind when applying defence burden-sharing principles to new and aspiring NATO member states. Defence budgets in NATO's three new members are, in any case, roughly in line with the west European average (2.0 per cent), with the Czech Republic spending 2.3 per cent of GDP in 2000, Poland 2.0 per cent and Hungary 1.7 per cent.¹⁴ Spending in aspirant member states is similar, with Bulgaria, Romania, Slovakia and Slovenia all devoting between 1.6 per cent and 3.3 per cent of their GDP to defence in 1999.¹⁵ It is a sign of growing confidence in NATO's success in achieving the main goal of enlargement—'extending the zone of stability and security further east'—that defence budgets in these states are converging on a low, west European, norm.¹⁶

Like their allies in western Europe, new and aspiring NATO members will have to implement radical restructuring of their armed forces if they are to contribute effectively to common peacekeeping and other missions. But this restructuring need not, in most cases, require large spending increases. For new members, as for existing ones, one of the main purposes of NATO is to provide security collectively, and thereby to allow fewer resources to be used for military purposes than would otherwise have been the case. To the extent that NATO, together with the EU, is successful in providing this security, therefore, the proportion of GDP that the countries of central and eastern Europe spend on defence could fall further over the next decade.

Burden-sharing, the EU budget and conflict prevention

One effect of the EU's developing defence role is likely to be closer linkage with the EU's broader conflict prevention purposes. The EU and its previous incarnation, the EC, have played a key role in conflict prevention since its

¹³ Greece spent 4.9% of its GDP on defence in 2000, and Turkey spent 6.0%. See 'Financial and economic data relating to NATO defence', NATO press release M-DPC-2 (2000) 107, 5 Dec. 2000.

¹⁴ Ibid.

¹⁵ IISS, *The Military Balance 200–2001*, p. 298.

¹⁶ Ivo H. Daalder and James Goldgeier, 'Putting Europe first', *Survival* 43: 1, Spring 2001, p. 81.

formation in 1958. It has held out the possibility of integration into a Union based on shared political norms and access to a large common market, and has been willing to assist this process through substantial financial transfers, most recently to Spain, Portugal, Greece and Ireland. Germany has been prepared to bankroll most of these costs, spending around 0.6 per cent of its GNP annually on net transfers to the EU budget during the late 1990s.¹⁷ Due in no small part to this process, the economic prospects of these states have been transformed over the last two decades, and their position as stable democracies has been consolidated.

With a new wave of eastern enlargement due shortly, the EU now faces new costs, with all their associated burden-sharing challenges. Enlargement offers an opportunity for extending the west European security community, with all the benefits this would imply for the security and prosperity of existing EU member states. Yet it will also require far-reaching changes in how the Union works, and where it spends its money. Once Poland, Hungary and the Baltic republics become members, moreover, the pressure for further expansion will increase, as new members in turn seek to ensure stability on their own eastern and southern borders. Even if states such as Serbia and Ukraine are unable to qualify for EU membership for at least a decade, therefore, new member states will argue that a significant part of the EU budget should be used to support reform in these states.

Eastern enlargement will challenge the nature of longstanding burden-sharing arrangements within the EU, just as southern enlargement did in the 1980s. As the EU's largest net contributor by a considerable margin, the German government is concerned that it may also be called upon to provide the lion's share of the additional funds that enlargement will require. In response, it has become a strong supporter of fundamental changes in the funding of the Common Agricultural Policy, despite the problems in its relationship with France that this may create. It is likely to press for a reorientation of structural aid programmes away from today's major net beneficiaries (Greece, Portugal and Spain), in order to release resources for the next generation of new member states. It may also question the justification for the UK's special budget rebate, which ensures, on current rules, that it will be refunded two-thirds of any increase in its assessed contributions as a result of enlargement.¹⁸

Yet one of the consequences of the EU's new defence remit could be to encourage the UK and France to argue that their greater contributions to common defence efforts should be taken into account when Germany seeks a more equitable sharing of EU contributions. Among the most important recent gains for the credibility of European security policy has been Germany's willingness to contribute troops on the ground to common efforts. But it is

¹⁷ Average annual net contribution for 1995–7. By comparison, the UK's net contribution to the EU budget was 0.17% of GNP, France's was 0.12% and Italy's was 0.11%. Spain received net benefits equivalent to 1.4% of its GNP. See Chalmers, *Sharing security*, pp. 80–114.

¹⁸ Evidence by the Foreign and Commonwealth Office, House of Commons Foreign Affairs Committee, *European Union enlargement*, HC86 (1998/99), March 1999, appendix 15, para. 15. See also Chalmers, *Sharing security*, pp. 99–110.

unrealistic to expect Germany to push through large real increases in defence spending in current circumstances. It is important to the cohesion of the Union's foreign and security policy that all member states contribute to each of its dimensions. Yet some flexibility within this framework—with some states doing more in some areas than in others—can help to ensure that the EU's strategic objectives are not derailed by burden-sharing disputes.

Internationalism and multilateralism

Despite (but also perhaps because of) its considerable power, the United States often appears more worried than any other Western state about perceived 'globalist' threats to its sovereignty. By contrast, Europe's internationalism is more closely linked to multilateralism. Its own experience over the last half-century (especially in NATO and the EU) means that its governments are more willing to promote cooperative responses to international problems, and more willing to accept the sharing of sovereignty, and the compromises, that such responses can involve.

As a consequence of this long-standing commitment to multilateralism, European states have responded with some enthusiasm to opportunities, many of them opened up by the end of the Cold War, for the development of new multilateralist institutions and norms. In 1998 EU members were united in their support for an International Criminal Court, despite opposition from the United States, China, Israel and Iraq.¹⁹ European governments have also become more willing to assert themselves in the field of arms control, an area in which the United States has traditionally led the way. EU states were among the first to ratify the Comprehensive Test Ban Treaty and the 1999 Land Mines Convention. Their support for the ABM Treaty is also based, most of all, on a commitment to the sense of security that a rule-based international order provides. They fear that the Bush administration has little time for this, or any other, international regime that does not suit its own immediate national interest.

Transatlantic differences in approaches to multilateralism are reflected in differences over how to share the costs of global institutions and agreements—for example in disputes over funding the United Nations and the failed negotiations over the setting of national targets for reducing emissions of greenhouse gases. In both cases Europe was willing to contribute proportionately more than the United States in order to keep the latter engaged with a global regime—much as Germany has been willing to pay a disproportionate share of EU costs in order to keep the European show on the road. If Europe picks up the tab, it is hoped, the United States may be more willing to stay at the table.

Such an approach can sometimes work. Multilateral institutions continue to have strong support in a significant part of the US government and Congress.

¹⁹ In one of President Clinton's last acts, the United States signed the treaty on 31 Dec. 2000; it now has 139 signatories (including Russia, Israel and Iran). US ratification remains unlikely.

Many are concerned that the United States's troubled relations with the UN are limiting its influence in what remains the most important international setting for setting global norms. There is also widespread acknowledgement that the new administration's withdrawal from climate change negotiations, announced in March 2001, was disastrously handled, and has caused considerable damage to transatlantic relations. Given this ambivalence within the United States, therefore, a European willingness to accept more asymmetrical burden-sharing arrangements may prevent US defection. If the United States pulls out of a regime, European leadership can help to sustain it until the United States is persuaded to return. If the United States fundamentally disagrees with the objectives of a regime, asymmetrical burden-sharing will not be enough. But transatlantic differences are rarely so clear-cut.

UN blues

The United States is unique among OECD states in its frequent failure to meet its assessed budget contributions for the UN, despite the substantial economic benefits that it receives from hosting the UN headquarters in New York. Indeed, it has been substantially in arrears in its regular budget contributions since 1985. Considerable problems have also been encountered in gaining congressional approval for financing the Washington-based IMF and World Bank.

The December 2000 burden-sharing agreement between the United States and the UN was thus an important step forward. The single-country ceiling (and thus the maximum US contribution) for regular budget assessment was cut from 25 per cent to 22 per cent, and the United States peacekeeping assessment was cut to 26.5 per cent. In return, assisted by a \$34 million contribution from Ted Turner, the United States will pay its arrears in full. The deal did not achieve all the objectives set by Congress, and was reached under the stewardship of the outgoing Democratic administration—a combination of factors that might in the past have made congressional ratification highly problematic. Yet it was warmly welcomed by the Senate Foreign Relations chairman, Republican Jesse Helms, despite his frequently expressed hostility to the organization in the past.²⁰ As a result, the incoming Bush administration started its term of office with a longstanding source of tension between the US government and the UN—and between the administration and Congress—removed.

European states will bear the main responsibility for financing the reduction in the United States's contribution, at a cost of around \$150 million a year (including budgets for peacekeeping and specialized agencies). Because of its recent economic difficulties, Japan's budget contribution is also set to fall significantly, with European states again called upon to make up the difference. As a result of these two trends, European countries are likely to be meeting

²⁰ Eric Schmitt, 'Senator Helms's journey: from clenched-fist UN opponent to fan', *New York Times*, 23 Dec. 2000.

Table 3: Emissions of greenhouse gases (1998, per capita)

Country	Gg CO ₂ equivalent
United States	24.6
EU	10.9
Japan	10.5

Note: Figures include estimated emissions of CO₂, CH₄, N₂O, HFCs, PFCs and SF₆.

Source: UN Framework Convention on Climate Change, FCCI/SBI/2000/ING.13, 2000.

almost half of the UN's total costs by 2005, compared with only a third in 1993.²¹ After a decade of more rapid economic growth, the United States' GNP now matches that of all EU member states combined.²² Yet EU member states will soon be contributing twice as much as the United States to the assessed budgets of the UN and its specialized agencies.

Despite this asymmetry, the settlement was a good deal for the UN and for Europe. In accepting it, EU governments recognized that strict equity can be only one of the criteria for determining levels of contribution to international organizations. Account also needs to be taken of domestic constraints that limit the ability of different countries to pay. By applying the same principle to the UN, at a cost of only 0.1 per cent of their annual combined defence budgets, European governments hoped to remove one of the most serious obstacles to a more general strengthening of the organization. It will not remove all the problems in US–UN relations, as demonstrated by the United States' failure in May to retain its seat on the UN Human Rights Commission.²³ But it does increase the chances that the United States will remain engaged with the UN, to their mutual benefit.

A healthy atmosphere

Perhaps the most important of the new post-Cold War international regimes, and certainly the one with the greatest burden-sharing implications, is the Climate Change Convention. The United States is the world's biggest producer of greenhouse gases, with per capita carbon dioxide emissions now at 2.3 times the average west European level (see Table 3) and eight times the level of China. In the long term, no international response to the problem can work if it

²¹ Chalmers, *Sharing security*, p. 147.

²² World Bank, *World development indicators database* (Washington DC: World Bank, 2000).

²³ Barbara Crossette, 'US is voted off rights panel of the UN for the first time', *New York Times*, 4 May 2001.

does not include dramatic reductions in US pollution levels, with all that this will mean for the fossil-fuel-intensive technologies on which US society is currently based. Progress is gradually being made at the corporate level, symbolized most recently by Ford Motor Company's acceptance of the need for action. But the chances of concerted international action were dealt a major blow in late March 2001 when the United States rejected the 1997 Kyoto Protocol, which set specific targets for national reductions in emissions of greenhouse gases.

If sustained, the US decision will deal a serious blow to the transatlantic relationship. Even Europe's most Atlanticist governments, such as the UK, are firmly convinced that combating global warming should be given a central place in environmental policy. The United States' refusal to accept that it has any responsibility for tackling this problem, therefore, is seen as a direct challenge to a key European policy commitment. In the negotiations leading to the Kyoto agreement, European governments had already accepted the use of a 1990 baseline for emission reduction quotas that would institutionalize the United States' right to per capita pollution levels well beyond those of any other major country. Some were also prepared to make further concessions, allowing the United States to offset their emissions with carbon 'sinks' (such as new forests).²⁴ Even with such an asymmetric cost-sharing deal on offer, however, there appears to be little chance of an early agreement.

Policing in pairs?

For Europeans, therefore, the burden-sharing debate is increasingly multi-dimensional. For the United States, by contrast, the burden-sharing issue is still seen in predominantly military terms. In particular, Americans complain that Europe is unwilling to contribute to the United States' global military commitments. No European forces are committed to the defence of the United States' allies in East Asia, a region that is now replacing Europe as the main focus of US defence planning. Only the UK continues to contribute to the US forces patrolling the skies over Iraq, with most EU states suspicious of, or even openly hostile, to the US approach. The United States is left to carry the burden, and risks, of being the world's 'policeman', but gains little credit from doing so.

Recent developments in the EU and its member states may make European forces more willing in principle to deploy outside Europe. In the 1991 Gulf War, Germany responded to accusations of 'free-riding' by offering financial support, but no military forces, to the Western powers deployed against Iraq. By contrast, the precedent set by Bosnia and Kosovo means that in any future UN-sanctioned military operation it is more likely to provide troops instead.

²⁴ For detailed analysis of recent developments in the climate change debate, see the special issue of *International Affairs* 77: 2, April 2001.

Yet Europe is not about to join the United States as a second world policeman. The ESDP, if successful, may increase the EU's ability to deploy additional military resources in response to humanitarian emergencies outside its immediate neighbourhood (for example, in East Timor and Sierra Leone). Given the limited increases in defence spending that can be expected, however, such commitments are likely to remain limited in scale. Measured in terms of capabilities for large-scale long-distance warfighting, the United States will remain the world's only military superpower.

European governments will also insist that they can be expected to make military contributions to US-led missions only if they are also involved in shaping the strategic framework that underpins them. The development of the ESDP may improve Europe's ability to contribute to a transatlantic strategic dialogue, for example through enhancing the EU's autonomous intelligence-gathering and policy-planning capabilities. But the development of European capability, by itself, will not necessarily lead to a greater likelihood of Atlantic cooperation in times of crisis. That will depend on how far the strategic perspectives of the two partners converge, and on the extent to which they are prepared to compromise those perspectives in the interests of unity. European governments currently give less emphasis than US leaders to the need to deter aggression by 'rogue states', and more to the need for political and economic engagement. Moreover, they tend to be less willing than the United States to spend more against the possibility of threats (including weapons of mass destruction and missiles) that may emerge from 'rogue' states such as Libya, Iraq and Iran. Further afield, European governments are also concerned that the United States may be moving towards a more confrontational stance *vis-à-vis* China. The refusal of Germany and the Netherlands to provide the designs necessary for the United States to fulfil its promise to provide diesel submarines to Taiwan illustrates the dangers involved in conducting Asian diplomacy without adequate consultation with European allies.²⁵ If the United States wants the EU to share the burden of managing relations with China, it will also have to be prepared to take its views seriously.

Convergence and leadership

The widening of the burden-sharing debate thus contains both dangers and opportunities. It could lead to a fragmentation of the Atlantic dialogue, with each side talking past the other. While the United States complains about European free-riding on its military protection, Europeans become increasingly exasperated over the United States' apparent decision to absolve itself of responsibility for combating global warming. While the Pentagon worries about its overstretched military, Europeans have made clear that a complete US

²⁵ John Pomfret and Steven Mufson, 'US says it can find way to build subs for Taiwan', *Washington Post*, 25 April 2001.

withdrawal from the Balkans would do severe damage to NATO. While the Bush administration gives an overriding priority to developing missile defences as quickly as possible, European governments express concern that precipitate destruction of the ABM Treaty could be followed by a collapse of the entire architecture of nuclear arms control.

Any one of these differences, by itself, could perhaps be managed within the context of an overall relationship to which both sides are strongly committed, and in which both have a considerable interest. If all these developments were to take place at the same time, however, they would confirm Europe's worst fear: that the new US administration is intent on a general repudiation of multilateralism as a useful instrument of policy. In these circumstances, a systemic crisis in Atlantic relations would be almost inevitable. None of the international institutions that are now part of the accepted 'furniture' of international society—including the UN, the WTO and NATO—would be immune from the unravelling effects of such a crisis.

An intelligent approach to burden-sharing can perhaps help to prevent such a dangerous chain of events. The United States and Europe should maintain the principle that all must make a contribution to efforts to tackle common problems, whether this be through troop contributions in Kosovo or commitments to reduce greenhouse gas emissions. Beyond this minimum requirement, however, there can be some flexibility in defining who does how much; and sometimes the preparedness of some countries to lead, by doing more, can ensure that the resources are in place to make international cooperation work.