

ISSUE BRIEF

NATO's Value to the United States: By the Numbers

APRIL 2018 HANS BINNENDIJK AND MAGNUS NORDENMAN

Introduction

The United States' relationship with its friends and allies is not a one-way street, where the United States makes, and the allies take. NATO members, and NATO as an institution, all make important contributions to US national security, even as the United States rightly encourages them to do more for their own defense and to advance global security. Sometimes these contributions are very direct and visible; at other times, they do not make the headlines. The United States derives many quantifiable benefits from being a leading member of the transatlantic alliance.

The NATO commitment of 2 percent of gross domestic product (GDP) for defense spending is the most visible metric used to measure allied political commitment to burden-sharing across the alliance. However, that metric does not measure the output and quality of allied defense contributions. It says even less about how NATO relates to broader US security and economic interests. This issue brief provides additional measurements and metrics to assess the broad value of the transatlantic alliance to the United States as Washington considers its future leadership of NATO and its other alliance commitments.

NATO's Strategic Value

Historically, the United States has expended immense blood and treasure responding to aggression overseas. This was especially true in the conflicts that dominated the twentieth century. Through deterrence, NATO and other US alliances have served important roles in preventing these bloody and resource-draining conflicts from reoccurring. The deterrent value of the alliance has increased in the past few years, in light of Russia's newly aggressive posture.

- One crude measure of the value of effective deterrence might be the number of lives lost in the past two world wars. An estimated **19.7**

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million people died in World War I, including about 9.7 million military deaths.¹ For World War II, **about seventy million died**, of which about seventeen million were military.²

- Another crude measure might be the percentage of US GDP spent on major wars during the peak year of each. Those figures are as follows: WWI (14.1 percent), WWII (37.5 percent), Korea (13.2 percent), Vietnam (9.5 percent).³ **Overall, the direct cost to the United States of World War II is estimated at \$4.1 trillion (in 2011 dollars).**⁴ Based on those defense-spending levels in times of past major conflict—given US 2016 GDP at about \$18.6 trillion, and using the Korean War as a median figure—**one might envision defense spending during a protracted, major conventional war to reach upward of \$2.5 trillion annually in a peak year.**

NATO has helped advance freedom and democracy in key regions of interest to the United States, thereby also advancing a key US strategic interest: promoting US values among friends, allies, and potential adversaries. NATO nations represent a bastion of freedom that protects and promotes democracy and the rule of law. Given global trends, it is needed as much as ever.

- Using the 2018 “Freedom in the World” index, **twenty-six of NATO’s twenty-nine members were rated as “free.”** In contrast, only 39 percent of the world’s population lives in countries rated as “free.” Russia and China were included in this “not free” category, with ratings of twenty and fourteen, respectively. Therefore, **NATO is indeed an alliance of free countries banded together to protect themselves against threats from nations that are “not free.”**⁵

“NATO has helped advance freedom and democracy in key regions of interest to the United States, thereby also advancing a key US strategic interest: promoting US values among friends, allies, and potential adversaries.”

- Trends in global freedom are moving in the wrong direction. Freedom House notes that 2017 marked the twelfth consecutive year of decline in “global freedom.” Institutions like NATO are needed to stem this negative tide.⁶

NATO has also served to attract former adversaries into communities of like-minded democratic nations that are led, or influenced, by the United States. This was an especially important goal in the early years after the Cold War, as the post-communist space was fragile, turbulent, and threatening to generate instability.

- After the Cold War ended, seven members of the former Warsaw Pact and the three Baltic States all became NATO members. This constitutes a geostrategic shift of historic proportions. To put a value on the economic impact of this shift, **the annual GDP of the former Warsaw Pact states now in NATO is \$1.7 trillion.**
- Removing East Germany from the equation, US exports to these countries grew from \$0.9 billion (1989) to \$9.4 billion (2016), while imports grew from \$1.3 billion (1989) to \$21.6 billion (2016).⁷

1 Nadège Mougel, “World War I Casualties,” trans. Julie Gratz, Reperes, 2011, <http://www.centre-robot-schuman.org/userfiles/files/REPERES%20%E2%80%93%20module%201-1-1%20-%20explanatory%20notes%20%E2%80%93%20World%20War%20I%20casualties%20%E2%80%93%20EN.pdf>.

2 “Counting the Cost,” *Economist*, June 9, 2012, <https://www.economist.com/node/21556542>.

3 Ibid.

4 Stephan Daggett, *Costs of Major US Wars* (Washington, DC: Congressional Research Service, 2010), p. 2, <https://fas.org/sgp/crs/natsec/RS22926.pdf>. These costs would be much higher if nuclear war cannot be avoided.

5 Freedom House, “Freedom in the World 2018,” <https://freedomhouse.org/report/freedom-world/freedom-world-2018>.

6 Ibid. A total of seventy-one countries suffered net declines in political rights and civil liberties in 2017, compared with thirty-five that registered gains.

7 United Nations, “UNCOMTRADE Database.”



Members of the Allied Air Command Ballistic Missile Defence Operations Centre were in charge during exercise Formidable Shield 17 for collating and coordinating Integrated Air and Missile Defence data at Ramstein. *Source:* NATO/NATO/Sébastien Raffin, Allied Air Command Public Affairs Office

Europe makes a critical strategic contribution to overall alliance security, by contributing significantly to both nuclear deterrence and defense against nuclear-tipped missiles. This is an increasingly important contribution as Russia pursues its policy of “escalating to de-escalate,” and as Iran continues to develop its ballistic-missile capabilities.

■ **Combined, France and the UK contribute about 30 percent of the total ballistic-missile-submarine (SSBN) deterrent fleet held by NATO members.**⁸ In addition, France has two squadrons of nuclear-capable aircraft.⁹ As strategic arms limitations reduce the number of US warheads, the UK and French deter-

rent forces—which are not covered by these reductions—become relatively more important.

- **NATO countries also host sites for US B-61 nuclear gravity bombs, and maintain dual-capable aircraft for nuclear delivery, which further enhance deterrence.** NATO’s Nuclear Planning Group coordinates allied efforts at nuclear deterrence.
- NATO has agreed to an alliance ballistic-missile-defense (BMD) system for threats emanating from the Middle East, primarily Iran. The first phases of this program are designed to protect Europe. **European contributions include hosting elements of the BMD system, investing in NATO’s BMD command-and-control system, and protecting US assets.** Turkey hosts radar, Romania hosts Aegis Ashore, Poland hosts Aegis Ashore in 2018, Germany hosts a command-and-control center, Spain hosts four US Aegis ships with BMD capability, the Netherlands and Denmark upgrade frigates with early-warning radar, the UK develops

8 SSBMs are the most secure strategic nuclear deterrent. France and the UK each have four SSBNs. The United States holds eighteen Ohio Class SSBNs.
 9 International Institute for Strategic Studies, *Military Balance 2017* (London: IISS, 2017), pp. 111-170, <https://www.iiss.org/en/publications/military%20balance/issues/the-military-balance-2017-b47b>.

ground-based BMD radar, and many nations provide interceptors assigned to protect US Aegis ships.¹⁰

The United States relies on timely intelligence collection and accurate analysis to support the full range of national security missions, from counterterrorism to dealing with nuclear-armed adversaries. Many NATO members maintain robust intelligence agencies, which closely cooperate with their US counterparts on a daily basis.

- At least three European nations (the UK, France, and Germany) have significant intelligence-gathering capabilities that complement US intelligence efforts.¹¹ **Together, the various intelligence services of these three allied nations employ more than forty thousand personnel.¹²**

European Conventional Military Contributions

After decades of decline, European defense spending is once again on the rise. The United States has encouraged this development across several administrations.

- Non-US NATO defense spending was about \$300 billion in 2017 (using constant 2010 dollars), or about 1.45 percent of GDP. Non-US NATO defense spending has increased by \$28 billion since the low point in 2014.¹³ Total European NATO defense spending is still less than half of US defense-spending levels, but the negative trend has turned.¹⁴ Unlike Europe's, the US defense budget is designed for global defense,

and is distributed across at least three theaters of operation.

- Europeans have committed to increasing their defense budgets to 2 percent of GDP by 2024. That process has already started, especially in the East. **Non-US NATO defense spending increased by 3.08 percent in 2016 and 4.87 percent in 2017.¹⁵ About half of the NATO nations now have plans to meet the 2 percent of GDP defense-spending goal by 2024. If the overall pledge of 2 percent of GDP is maintained, European and Canadian defense spending should increase in the range of \$89–\$99 billion annually by 2024 (depending upon the base-year calculations used).¹⁶** Continued vigilance will be needed, because key countries, like Germany, have not yet developed internal plans to meet this goal by 2024.

“At least three European nations (the UK, France, and Germany) have significant intelligence-gathering capabilities that complement US intelligence efforts.”

- **Those annual increases above the 2014–16 levels would place the total non-US NATO defense budget near the \$400 billion range by 2024.** This is not unprecedented. Between 1970 and 1980, European defense spending rose by about \$80 billion (in constant 2011 dollars).¹⁷

10 North Atlantic Treaty Organization, “NATO Ballistic Missile Defense,” July 2016, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_07/20160630_1607-factsheet-bmd-en.pdf.

11 Ewen MacAskill, “Would Brexit Damage British Intelligence?” *Guardian*, March 24, 2016, <https://www.theguardian.com/politics/2016/mar/24/brussels-brexit-really-undermine-the-uks-intelligence-capabilities>.

12 Steven Aftergood, “Deliberating the Intelligence Budget in France,” *Security News* (blog), Federation of American Scientists, December 14, 2007, https://fas.org/blogs/secrecy/2007/12/deliberating_the_intelligence/.

13 NATO, “The Secretary General’s 2017 Annual Report,” p. 106, https://www.nato.int/cps/en/natohq/opinions_152797.htm, using constant 2010 US dollars. The report uses current dollars for comparative purposes. Non-US NATO defense spending is \$271 billion using current dollars.

14 North Atlantic Treaty Organization, press release, “Defence Expenditure of NATO Countries (2010–2017),” June 29, 2017, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_06/20170629_170629-pr2017-111-en.pdf. Updated in NATO, “The Secretary General’s 2017 Annual Report,” p.106. These figures use 2010 dollars as a basis for comparison.

15 Ryan Browne, “NATO Members to Increase Defense Spending,” *CNN*, June 29, 2017, <https://www.cnn.com/2017/06/29/politics/nato-members-increase-defense-spending/index.html>. See also NATO, “The Secretary General’s 2017 Annual Report,” p. 33.

16 RAND calculation by Nathan Chandler, based on data from Stockholm International Peace Institute (SIPRI), the World Bank, and NATO. Other estimates are as high as \$114 billion additional by 2024.

17 Hans Binnendijk, *Friends, Foes, and Future Directions: U.S. Partnerships in a Turbulent World* (Santa Monica, Calif.: RAND, 2016), p. 85, https://www.rand.org/pubs/research_reports/RR1210.html.



Bundeswehr soldiers maneuver their Leopard 2A6 tank through the Precision Driving lane during the Strong Europe Tank Challenge at the 7th Army Training Command's Grafenwoehr Training Area, Germany, May 08, 2017. *Source: US Army/Gertrud Zach*

■ NATO is making headway on its goal of spending 20 percent of each national defense budget on equipment and research. **Thirteen members are projected to hit this 20-percent goal soon, with four more at 19 percent.** Only seven members met this target in 2014.¹⁸

In addition to rising defense spending, it is important to note the considerable military power that European allies can bring to bear in concert with the United States. (See chart on last page.)

■ Non-US NATO countries have an estimated 1,857,000 active-duty military personnel and 1,232,290 reserve personnel.¹⁹ **The seven European NATO members with the largest active-duty forces, combined, have a force of about 1.3 million personnel—roughly equal to the size of the US active-duty force.**²⁰

■ Together, these non-US NATO countries hold about 6,983 main battle tanks (MBTs) and more than thirty-four thousand other armored vehicles. Air assets include about 2,612 combat-capable aircraft and 382 attack helicopters. Approximately 252 major naval craft, including submarines, exist within the non-US NATO force structure, in addition to 1,583 patrol and surface combatants. France and the UK both operate aircraft carriers.²¹

■ European forces are working toward the following NATO deployability and sustainability goals: 50 percent and 10 percent for land forces, 40 percent and 8 percent for air forces, and 80 percent and 27 percent for maritime forces.²² The current state of alliance military readiness is not ideal, but the United States is suggesting readiness initiatives that would improve that situation.

18 Browne, "NATO Members to Increase Defense Spending."

19 NATO, "The Secretary General's 2017 Annual Report," p. 112.

20 Turkey, France, Germany, Italy, the UK, Greece, and Spain. See International Institute for Strategic Studies, *Military Balance 2017*. Calculation based on "Chapter Three: North America" and "Chapter Four: Europe."

21 Ibid. Calculated by Mary Kate Adgie.

22 Hans Binnendijk, Daniel S. Hamilton, and Charles L. Barry, *Alliance Revitalized: NATO for a New Era* (Washington, DC: Center for Transatlantic Relations, 2016), p. 13, <http://transatlanticrelations.org/publication/alliance-revitalized-2016/>.

“Europe’s thirty-eight-thousand-troop contribution in 2011 ... saved the United States billions of dollars in 2011 alone. The number of Europeans killed serving in the US-led Afghanistan operation totaled more than one thousand.”

NATO and its member-nation forces are not sitting idly by. During the recent past, NATO has had a number of out-of-area operations underway, with several either initiated by the United States or in direct support of US security interests.

- NATO currently conducts five active missions, with more than eighteen thousand troops deployed.²³ Since the end of the Cold War it has successfully terminated another thirteen operations.²⁴ **Two terminated missions were on US territory (Hurricane Katrina relief and early-warning AWACS flights after 9/11).**
- **In 2011, for example, US NATO allies contributed more than thirty-eight thousand troops to International Security Assistance Force (ISAF) operations in Afghanistan.**²⁵ That was nearly half the number of troops committed at that time by the United States.

23 See North Atlantic Treaty Organization, “Operations and Missions: Past and Present,” December 21, 2016, https://www.nato.int/cps/en/natohq/topics_52060.htm. Current operations include: Resolute Support, Kosovo, Sea Guardian, Support for the African Union, and Air Policing.

24 Operation Ocean Shield, Operation Active Endeavor, International Security Assistance Force, training for Iraqi Army, Operation Unified Protector, assisting the African Union in Darfur, Pakistani earthquake relief, Hurricane Katrina relief, protecting public events, the second Gulf conflict, stabilizing former Yugoslav Republic of Macedonia, Operational Eagle Assist, and peace enforcement in Bosnia and Herzegovina.

25 *Guardian Datablog*, June 2011.

Europe has stood by the United States in the ISAF operation for a decade and a half, contributing roughly the same proportion of troops. Given that ISAF originated with an Article 5 commitment initiated on the United States’ behalf, this has been a major European commitment over that period of time. The Center for Strategic and Budgetary Assessments (CSBA) has estimated that it costs the United States about \$1.3 million to keep a US service member in Afghanistan for a year.²⁶

Europe’s thirty-eight-thousand-troop contribution in 2011, therefore, saved the United States billions of dollars in 2011 alone. The number of Europeans killed serving in the US-led Afghanistan operation totaled more than one thousand.²⁷

- A 2015 RAND report on Unified Protector (NATO’s operation in Libya) stated: “By the first week or so of Operation Unified Protector (OUP), the combined commitments of the various non-U.S. allied air forces grew to approximately 120 to 130 fighter, 13 air refueling, and 20–25 support aircraft. By that time, U.S. air units were conducting air patrol and strike sorties only on an exceptional basis. Most deployed USAFE units were returning or preparing to return to their home fields. The NATO fact sheet reports 260 aircraft were involved in OUP. In that case, **the non-U.S. commitment to OUP would have been about 60 percent of the general effort and much more than that of the fighter effort.**”²⁸
- Operation Ocean Shield (2009–2015) was a NATO counter-piracy operation conducted together with the European Union (EU), the United States, and other nations. **Operation Ocean Shield was commanded by the**

26 Mike Krumboltz, “It Costs \$21. Million Per Year for Each Soldier Deployed in Afghanistan: Report,” *Yahoo News*, October 25, 2013, <https://www.yahoo.com/news/it-costs--2-1-million-per-year-for-each-soldier-deployed-in-afghanistan-report-133150602.html>. The cost went up to \$2.1 million per soldier in 2013.

27 Statista, “Number of Fatalities Among Western Coalition Soldiers Involved in the Execution of Operation Enduring Freedom from 2001 to 2017,” <https://www.statista.com/statistics/262894/western-coalition-soldiers-killed-in-afghanistan/>.

28 Karl P. Mueller (ed.), *Precision and Purpose: Airpower in the Libyan Civil War* (Santa Monica, Calif: RAND, 2015), p. 94, https://www.rand.org/content/dam/rand/pubs/research_reports/RR600/RR676/RAND_RR676.pdf. In Operation Unified Protector (Libya), the following NATO nations (in addition to the United States) provided naval forces: Belgium, Bulgaria, Canada, France, Greece, Italy, the Netherlands, Romania, Spain, Turkey, and the UK. The following NATO nations provided combat airpower: Belgium, Canada, Denmark, France, Greece, Italy, NATO AWACS, the Netherlands, Norway, Spain, and the UK.



A French F-2 Rafale aircraft flies over Iraq in support of Operation Inherent Resolve, Jan. 8, 2016. *Source:* US Air Force/Tech. Sgt. Nathan Lipscomb

following European nationalities: Denmark and Spain (2014), Norway and Italy (2013), the Netherlands and Turkey (2012), Italy and the Netherlands (2011), Denmark and the UK (2010), and Portugal and the UK (2009).²⁹

- All NATO nations, and now the alliance itself, are part of Operation Inherent Resolve, the US-led coalition against the Islamic State of Iraq and al-Sham (ISIS).³⁰ They have provided strike missions, training, logistics support, some ISR (intelligence, surveillance, and reconnaissance), and special-operations forces (SOF). **Non-US coalition partners have flown about one-third of all airstrikes against ISIS targets.** Countries that have flown strike missions with the United States include: France, the UK, Belgium,

Denmark, the Netherlands, and Turkey. Germany, Italy, and Poland fly reconnaissance missions. NATO AWACS also provided ISR for the operation.³¹

- **Non-US NATO members are currently conducting sixteen missions or operations under EU auspices.** Another eighteen have been completed. These are missions that the United States' European partners can conduct without US participation, and which relieve the United States of those burdens.³²

Meanwhile, the alliance itself is adapting to new realities. It is taking steps to enhance its conventional deterrence, and to deal with Russian hybrid warfare.

29 North Atlantic Treaty Organization, "Counter-piracy Operations (Archived)," December 19, 2016, https://www.nato.int/cps/en/natohq/topics_48815.htm.

30 US Department of State, "The Global Coalition to defeat ISIS," September 10, 2014, <https://www.state.gov/s/seci/>.

31 Kathleen J. McInnis, *Coalition Contributions to Countering the Islamic State* (Washington, DC: Congressional Research Service, 2016), <https://fas.org/sgp/crs/natsec/R44135.pdf>.

32 European Union External Action, "Military and Civilian Missions and Operations," March 5, 2016, https://eeas.europa.eu/headquarters/headquarters-homepage/430/military-and-civilian-missions-and-operations_en.



NATO Secretary General Jens Stoltenberg at the official inauguration event of the European Centre of Excellence for hybrid warfare in Helsinki. *Source: NATO*

- During the past three years, NATO has adapted to meet new Russian threats by creating the Very High Ready Joint Task Force (VJTF), enlarging and readying the NATO Response Force (NRF), creating NATO Force Integration Units (NFIUs) to integrate forward-deploying forces, and forward deploying four NATO multinational battle groups.
- NATO has continued to adapt to the changing strategic climate, in part, by creating twenty-four Centers of Excellence over time. These centers focus on new and difficult challenges such as: cyber defense; strategic communications; chemical, biological, radiation, and nuclear (CBRN) defense; defense against terrorism; countering improvised explosive devices (IED); and energy security.³³ In September 2017, a

³³ These centers are generally sponsored by one European country and have contributions from many others. NATO and the United States both benefit from the innovation they promote.

new NATO-EU Center of Excellence for hybrid warfare was created in Helsinki.

The United States' NATO membership and deep bilateral relationship with European allies also provide the United States access to forward bases close to global hotspots. This ameliorates one enduring US strategic challenge: the time it takes to respond to a crisis from the continental United States.

- **In 2016, the United States had twenty-eight main operating bases in EUCOM (sixteen army, eight air force, four navy).** In particular, bases in Germany are important to deter Russia, bases in Turkey are important for Middle East operations like those countering ISIS, and bases in Italy and Spain serve a similar function for North Africa.³⁴

³⁴ From Nathan Chandler, RAND.

- The costs of US overseas presence in general are small, relative to the cost of maintaining the overall force. For example, the costs of maintaining the US Air Force's current global "force structures and installations *overseas rather than in the United States* are roughly \$3.4 billion, which amounts to about 2 percent of the Air Force's total obligation authority. **From a grand strategic perspective, a U.S. Air Force of a given size and capability will cost essentially the same regardless of where in the world it is based.**³⁵
- European nations offset some costs of these bases. For example, **in 2009 Germany contributed \$830.6 million to offset costs and improve US bases in Germany.**³⁶
- "Under the current cost-sharing formula, **the United States covers just over 22 percent of the total NATO Security Investment Program requirement.**"³⁷

NATO and US Economic Interests

Looking beyond the purely military or security advantages of NATO, it is important to note that the alliance consists of nations that are some of the most important US trading partners.

- **The United States had \$699 billion in total bilateral trade with the European Union in 2015.** That trade can occur only if the key ports and airfields supporting it are secure. NATO contributes significantly to that security.³⁸

"Looking beyond the purely military or security advantages of NATO, it is important to note that the alliance consists of nations that are some of the most important US trading partners."

- **US foreign direct investment in Europe was \$2.89 trillion, while foreign direct investment from Europe in the United States totaled approximately \$2.49 trillion.**³⁹
- Every day, between two thousand and three thousand airline flights cross the North Atlantic.⁴⁰ Again, NATO contributes to the security on which those flights rely.
- At least seven European countries are planning to purchase the US F-35 fifth-generation aircraft.⁴¹ Together, European purchases of the F-35 could reach as many as five hundred aircraft.⁴² This will give Europe a significant fifth-generation fighter capability, which will allow Europe to play a much larger role in efforts to deal with Russia's anti-access/area-denial (A2AD) threat, a capability designed to limit NATO's ability of operate in key areas, such as the Baltic Sea region.

35 Patrick Mills, Adam Grissom, Jennifer Kavanagh, Leila Mahnad, and Stephen M. Worman, *A Cost Analysis of the U.S. Air Force Overseas Posture: Informing Strategic Choices* (Santa Monica, Calif.: RAND, 2016).

36 Michael J. Lostumbo, Michael J. McNerney, et al., *Overseas Basing of U.S. Military Forces: An Assessment of Relative Costs and Strategic Benefits* (Santa Monica, Calif.: RAND, 2013), p. 412, https://www.rand.org/content/dam/rand/pubs/research_reports/RR200/RR201/RAND_RR201.pdf.

37 Ibid., p. 161. NSIP is NATO's long-term investment program. Much of this program funds base improvement and benefits the United States. The US gross requirement averaged \$257 million annually from 2008–2012, with outlays averaging \$219 million; other NATO allies' NSIP requirements averaged about \$895 million in aggregate.

38 Office of the US Trade Representative, "European Union," <https://ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

39 Calculated using US Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data," <https://www.bea.gov/international/diifdibal.htm>.

40 Jim Brunton, "North Atlantic Skies—The Gateway to Europe," *NATS*, June 26, 2014, <https://nats.aero/blog/2014/06/north-atlantic-skies-gateway-europe/>.

41 Rich Smith, "Look Who's Buying Lockheed Martin's F-35 Now!" *Motley Fool*, May 7, 2017, <https://www.fool.com/investing/2017/05/07/look-whos-buying-lockheed-martins-f-35-now.aspx>. Those countries include Canada, Denmark, Italy, the Netherlands, Norway, Turkey, and the UK. Belgium is considering purchasing the F-35.

42 The per-unit cost varies from about \$94.6 million to \$122 billion, depending on the model and production run.

COMPARING US AND EUROPEAN FORCE STRUCTURES

	Non-US NATO Partners	USA
Active Personnel	1,854,900	1,347,300
Reserve Personnel	1,232,290	865,050
Aircraft (combat capable)	2,612	3,628
Main Battle Tanks	6,983	2,831
Other Armored Vehicles	34,487	29,576
Major Naval Craft	252	186
Attack Helicopters	382	760
Patrol and Coastal Combatants	1583	222

Prepared by Mary Kate Adgie of the RAND Corporation.

A United States divorced from NATO would also suffer direct economic consequences.

- Trade losses from a hypothetical 50-percent retrenchment in global US overseas commitments are estimated to reduce US GDP by \$490 billion per year. While this reduced presence would also create substantial savings, the net impact of this retrenchment is still estimated to reduce US GDP by \$350 billion per annum.⁴³
- RAND analysis indicates the hypothetical retrenchment in Europe (again, 50 percent of all security-treaty relationships and personnel commitments in Western and Eastern Europe) accounts for approximately \$170 billion of the losses in GDP associated with reduced trade (this is 35 percent of the \$490 billion total).

Growing Support for the Alliance

For many of the reasons indicated in this paper, support for the alliance that the United States leads has recently grown across the transatlantic space.

- A recent Pew Research Center survey indicates that public support for the NATO alliance remains strong in most large member countries. The percent of those polled indicating a favorable opinion of NATO in May 2017 are as follows: Poland (79 percent), the Netherlands (79 percent), Germany (67 percent), Canada (66 percent), the United States (62 percent), the UK (62 percent), France (60 percent), and Spain (45 percent). **In the past year, support for NATO has increased in Poland, the Netherlands, Germany, Canada, the United States, and France.**⁴⁴

Hans Binnendijk is former director of the Institute for National Strategic Studies and Senior Director for Defense Policy at the National Security Council. He is currently a senior fellow at the RAND Corporation and at the SAIS Center for Transatlantic Relations.

Magnus Nordenman is the director of the Transatlantic Security Initiative and deputy director of the Scowcroft Center for Strategy and Security at the Atlantic Council.

43 Daniel Egel, Adam Grissom, John P. Godges, Jennifer Kavanaugh, and Howard J. Shatz, *Economic Benefits of U.S. Overseas Security Commitments Could Far Outweigh Costs* (Santa Monica, Calif.: RAND, 2016), https://www.rand.org/pubs/research_briefs/RB9912.html.

44 Bruce Stokes, "NATO's Image Improves on Both Sides of Atlantic," *Pew Research Center*, May 23, 2017, <http://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/>.

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Atlantic Council

1030 15th Street, NW, 12th Floor,
Washington, DC 20005

(202) 463-7226, www.AtlanticCouncil.org