

REVITALIZING TRANSATLANTIC DEFENSE: LESSONS FROM CENTRAL EUROPE'S SECURITY INNOVATION

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Europe's post-Cold War demilitarization has led to critical defense dependencies on the United States, a vulnerability exposed by Russia's invasion of Ukraine and growing signals of potential U.S. retrenchment. These developments have prompted a strategic reassessment among European NATO members, who now acknowledge the urgent need to increase defense investments to uphold collective security. The recent Hague Summit represents a pivotal moment, as allies begin to view burden-sharing not as a concession to American pressure but as an existential imperative. This issue brief explores the emerging opportunity to restructure transatlantic defense relations on more sustainable and balanced terms. It argues that European states must convert political will into tangible military capabilities while the current momentum endures, especially as the U.S. increasingly prioritizes the Indo-Pacific in response to China's rise. Ensuring Europe's self-reliance in continental defense is now both a strategic necessity and a test of allied resolve.

The European Disease: Chronic Defense Neglect

Europe's post-Cold War demilitarization created critical defense dependencies on Washington. But, Russia's Ukraine invasion and credible U.S. withdrawal threats have forced a strategic recalculation. The European NATO members now understand that they must rapidly scale-up defense investments to ensure collective security. The Hague

Summit marks a turning point as allies finally recognize burden-sharing not as a concession to American pressure but as an existential imperative. This shift creates an unprecedented opportunity to rebalance transatlantic defense relationships on sustainable terms. The challenge for European states is translating political commitment into operational

capability before the current momentum dissipates.

The Trump administration and its intellectual elite view the European countries and other NATO partners as a freeriders.¹ This attitude is not new. Since NATO's inception, every American president has complained that Europeans were pouring money into welfare programs instead of their security while at the same time the same European countries expected U.S. defense commitments. For example, this year Belgium² is spending 1.3 percent on defense and Spain³ 1.24 percent. This imbalance has harmed the deepening of the U.S.-EU defense partnership and relations in general.

To address the chronic defense spending imbalances, the Trump 2.0 administration has forcefully raised NATO's burden-sharing problem in a way that previous presidents may have wanted to but were bound by more conventional politics and diplomacy.

Trump's NATO policy reflects longstanding American frustration. While the U.S. spends 3.5 percent of GDP on defense, most European allies fail to meet the 2 percent NATO target. As Vice President J. D. Vance⁴ emphasized at the Munich Security Conference, Europe cannot defend Ukraine adequately, struggles with ammunition production, and relies heavily on American security guarantees while underfunding their own militaries. Germany, for instance, only reached 2 percent defense spending after years of pressure, while France's defense industrial base remains insufficient for sustained conflict.

Guns vs. Butter: Europe's Center-West Divide

The Trump 2.0 administration has successfully pressured European allies to increase defense spending over the past six months, a feat that a line of post-Cold War Presidents failed to achieve through dialogue and diplomacy. Central European states including Hungary, Poland, and Romania have led this effort⁵ since Russia's 2014 aggression,⁶ recognizing the return of great power competition.

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Poland now spends 4 percent of GDP⁷ on defense, while Romania targets 2.5 percent.⁸ Western European nations lag: Spain⁹ allocates only 1.3 percent of GDP to defense. Germany signals potential change,¹⁰ with Chancellor Friedrich Merz pledging to meet NATO's 2 percent target. This east-west divide reflects different threat perceptions, undoubtedly a result of proximity to Russia.

Why did Central European leaders commit themselves to speeding up their defense spending? Historically, this region was the most affected by wars, totalitarian dictatorships,¹¹ and social upheaval. The lesson of history is if you want to create a 'common good' society, then national defense is paramount. All three countries share the understanding that existential crises came from external threats like Russia. In contrast, in the post WWII period, Western Europe, not to mention the Iberian region, saw a constant improvement in living standards and safety from hardship. Their welfare systems were metaphorically subsidized by the American military presence that shielded them from the growing threat of great power politics, the necessity of a homegrown defense industry, and a changing international order that required more realist thinking about existing and forthcoming challenges. In this setting, Western Europe rapidly decreased¹² their military capabilities and are now facing the reality of a renewed need for militarization. Spain is a prime example of a country

which is still trying to find ways out of its NATO responsibilities and openly searching ways to court¹³ China and doing business¹⁴ with Russia.

The Warsaw-Budapest-Bucharest Defense Model?

In the last decade, Hungary, Poland, and Romania serve as a prime example of how a NATO member-state effectively serves the alliance's main objectives.

For example, Poland spends nearly 5 percent of its GDP¹⁵ on defense and is constantly find new sources of weaponry to boost its defense capability. Warsaw invited U.S. troops to station in its territory. Poland also tied itself in terms of energy with the U.S. by becoming an American energy hub¹⁶ for the region. Polish governments are focused on maintaining this strategic alliance; the bipartisan push for maintaining the U.S. alliance has benefited a divided Poland.

Just as Poland recognized the importance of defense, Hungary, as early as 2016,¹⁷ also saw the urgent need for a common European self-defense force integrated into NATO, with the addition of a unified European military-industry complex. This would allow R&D to support the growth of the European economy. Today, with the ReARM Europe initiative and various national-level defense projects, Hungary's defense policy objectives can increasingly align with broader European efforts. New military industrial projects are already on the horizon.¹⁸

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As a landlocked country with limited strategic depth, Hungary has always been a strong supporter of NATO. The Trump administration has provided a significant boost to reinforcing Hungary's defense capabilities. The momentum remains viable, as representatives of the Trump administration have signaled¹⁹ their willingness to support Hungary in achieving these goals.

The geographically strategic country of Romania, located close to the Donbas warzone, has become a key security hub for NATO missions. The Romanian political elite strongly supports NATO's objectives, and U.S. airfields and naval bases in the country serve as cornerstone²⁰ defense facilities for the Alliance. Romania continues to buy more American-made weaponry, such as the Patriot missile systems,²¹ demonstrating its commitment to strengthening defense capabilities. Bucharest fully understands the significance of today's security challenges. The incoming U.S. ambassador to Romania has been tasked by President Trump²² to deepen military cooperation between the two countries.

German-Central European Defense Integration

German rearmament²³ offers dual benefits. First, enhanced European defense capabilities and economic growth through defense manufacturing. Coordinating German military modernization with high-spending Central European states and Nordic partners would create an EU defense-industrial hub. This alignment serves both continental security needs and Trump administration objectives for greater European self-reliance. A German-Polish-Nordic defense triangle could anchor European strategic autonomy while maintaining transatlantic ties.

Second, central European defense integration builds on existing industrial partnerships. Rheinmetall operates production facilities in Hungary²⁴ and Romania,²⁵ while Polish firms²⁶ are seeking German joint ventures. Geographic proximity enables supply chain efficiency and technology transfer. A German-Central European defense corridor that links Berlin,

Warsaw, Budapest, and Bucharest would strengthen NATO's eastern flank through shared production, maintenance, and logistics capabilities. U.S. policy should incentivize this regional defense cluster through technology sharing agreements, joint procurement programs, and coordinated military exercises to maximize allied capabilities against common threats.

As the U.S. necessarily shifts resources to counter China in the Indo-Pacific, Western and Central European allies must assume primary responsibility for continental defense. This can be realized through three immediate actions.

First, establish a European Defense Production Act modeled on the U.S. Defense Production Act, pooling EU and national funds to rapidly scale ammunition and weapons manufacturing. Second, create regional defense hubs such as a German-Polish-Baltic corridor and Romanian-Bulgarian Black Sea partnership with the U.S. providing initial technology transfers and training cadre. Third, implement burden-shifting timelines. For example, European allies assume 75 percent of NATO's eastern flank costs by 2027, freeing U.S. assets for Indo-Pacific deployment. In exchange, the U.S. maintains the nuclear umbrella, intelligence sharing, and a smaller but stable rotational force presence. Congress should authorize multi-year technology transfer agreements and establish matching funds for European defense investments that are stable, sustained but also paid for. This transition preserves alliance cohesion while enabling America's Indo-Pacific strategy. European strategic autonomy serves U.S. interests as strong regional allies deter Russia while America focuses on the increasing challenge of China.

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