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NATO and post-Cold War burden-sharing

Canada "the laggard?"

NATO was taken by surprise by the events surrounding the fall of the Berlin wall in 1989. No official anticipated the speed with which the peaceful turmoil in central and eastern Europe took place. At the same time, while NATO discussed how to respond to those events, a major ethnic conflict exploded in the Balkans. Initial attempts were undertaken by the international community to contain the violence, first by the United Nations and later by NATO. In 1992, the UN security council authorized the deployment of a UN peacekeeping force, the so-called protection force (UNPROFOR). This was a 38,599-strong multinational force under chapter VI of the UN charter. The force was mandated to ensure the demilitarization of the three protected areas in Croatia as well as to provide safety for all persons in those zones. While NATO as an international organization was

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not part of UNPROFOR directly, most of its constituent states were and made troops and equipment available. The top three were France, 4493; the United Kingdom, 3405; and Canada, 2091. When UNPROFOR was unsuccessful in containing the violence in 1994, NATO took over that responsibility and assembled a considerable force to enforce peace in the Balkans.¹ This mandate was in NATO's interest as the Balkan peninsula was in close proximity to NATO territory and thus posed a spillover threat. It also spoke to the new role of the alliance as a crisis manager in international security affairs post-1989. This is a role that NATO gave itself at the Rome summit in 1991.

While NATO's peacekeeping and peace-enforcement operations in Bosnia, Croatia, the former Yugoslav Republic of Macedonia, and Kosovo are well documented in the literature, the question of how the internal burden of NATO activities was shared post-1990 has not attracted much scholarship.2 This is a significant oversight for at least three reasons: first, the issue of NATO burden-sharing in the post-Cold War era remains controversial as larger member-states such as the US and the UK downsized their armed forces by up to 40 percent (see table I below) and put pressure on smaller states to increase their commitments to collective defence. Second, after 1989, geopolitical changes in the international security environment called into question the raison d'être of NATO as a defence alliance. These forces of transformation also affected the perception of international threats, the meaning of security and power, and the role and functions of armed services.³ Historically, the amount of military equipment, the size of the armed forces, and the level of defence spending in relation to a country's GDP have been used as the primary indicators for measuring allied contributions to collective defence in the Cold War. However, these

¹ Tariq Ali, Masters of the Universe? Nato's Balkan Crusade (London and New York: Verso, 2000); Andrew Hammond, The Balkans and the West: Constructing the European Other, 1945-2003 (Aldershot, UK & Burlington, VT: Ashgate, 2004); and Diane Johnstone, Fools' Crusade: Yugoslavia, NATO and Western Delusions (London: Pluto Press, 2002).

² For a more detailed discussion, see, for example, Charles A. Cooper and Benjamin Zycher, *Perceptions of NATO Burden-Sharing* (Santa Monica, CA: RAND, 1989), Peter Kent Forster and Stephen J. Cimbala, *The US, NATO and Military Burden-Sharing* (London & New York: Frank Cass, 2005), and James R. Golden, *NATO Burden-Sharing: Risks and Opportunities* (New York: Praeger, 1983).

³ See, for example, Charles C. Moskos, John Allen Williams, and David R. Segal, *The Postmodern Military: Armed Forces after the Cold War* (New York: Oxford University Press, 2000).

determinants, one might contend, have become outdated in the post-Cold War era. In addition, using these old indicators and applying them in a post-Cold War security environment may not adequately reflect the level of burden-sharing of the alliance's smaller member-states. Canada is one of those countries and has been criticized for not doing enough for the alliance. And finally, an analysis of the share of burdens and commitments to the alliance in the 1990s by each member-state can be seen as vital to full comprehension of the extent of NATO's current role in and pledges to Afghanistan. In other words, an examination of the 1990s gives one a better understanding of member-states' commitments to the current mission in Afghanistan.

Against this backdrop, this article asks the following questions: what was the distribution of the Atlantic burden between 1989 and 2001?⁴ More specifically, what was the level of burden that Canada—as a medium-sized NATO country—shouldered in NATO in the 1990s?

In the Canadian foreign policy literature, it has been suggested that in the 1990s Canada became the "slacker of transatlantica," especially after the government decided to close its two forward-operating bases in Germany in 1994.⁵ Some analysts have even gone so far as to accuse Canada of having become an "Atlantic free-rider"—referring to a country that enjoys the benefits of collective defence without contributing much to it.⁶

4 These historical dates were chosen because 1989 marked the end of the Cold War and the events in 2001 are seen to have ushered in a new era in international relations. Michael Cox and others have argued that the era from 1989 and 2001 can be understood as the "interregnum," a period that requires more analysis. See Michael Cox, Ken Booth, and Timothy Dunne, *The Interregnum: Controversies in World Politics* 1989-1999 (Cambridge: Cambridge University Press, 1999).

5 See for example Andrew Cohen, While Canada Slept: How We Lost Our Place in the World (Toronto: McClelland & Stewart, 2004); "A nation at risk: The decline of the Canadian forces," Conference of Defence Associations Institute, Ottawa, 2002; J. L. Granatstein, Who Killed the Canadian Military?, second ed. (Toronto: HarperPerennialCanada, 2004); and Denis Stairs, "Canada in the 1990s: Speak loudly and carry a bent twig," Policy Options (January-February 2001): 43-49.

6 This is referred to as the "exploitation hypothesis," which anticipates that larger countries shoulder a disproportionate burden over smaller countries. For a detailed discussion see Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965); Mancur Olson and Richard Zeckhauser, "An economic theory of alliances," *Review of Economics and Statistics* 48, no. 3 (1966); and Todd Sandler, *Collective Action: Theory and Applications* (Ann Arbor: University of Michigan Press, 1992).

This article challenges this accepted wisdom. Instead, it argues that Canadian burden-sharing in NATO in the 1990s was consistent with its relative capabilities to contribute to the alliance. Specifically, it argues that Canada was not the laggard of the transatlantic alliance. In some instances, Canada even overperformed in comparison with its NATO allies and made more resources available than it was given credit for. In that sense, this article provides a revisionist analysis of Canada's performance in NATO and a more nuanced picture of Canada's role in the world in the 1990s.

The article has three objectives: first, to determine the scope of Canada's responsibilities and the level of commitment to collective defence post-1990; second, to challenge the traditional burden-sharing indicators that were accepted as reliable indicators in the Cold War; and third, to reexamine the notion that smaller NATO member states such as Canada are free-riders in the alliance.

The article starts with a definition of allied burden-sharing. It then moves on to discuss the new security environment in the post-Cold War era. In the third part it proposes new determinants for measuring post-Cold War NATO burden-sharing, such as active military duty personnel, peacekeepers deployed to non-UN-financed missions, NATO common funded budgets, the contribution of member-states to NATO's rapid reaction force, defence spending devoted to improving common infrastructure, and foreign assistance.

WHAT IS BURDEN-SHARING?

Burden-sharing can be defined as the "distribution of costs and risks among members of a group in the process of accomplishing a common goal."⁷ The debate about finding the fair distribution of allied burdens for the collective defence of NATO has existed since NATO's creation in 1949.⁸ Yet it was not until the mid-1960s that defence economists focused on economic models

7 Forster and Cimbala, The US, NATO and Military Burden-Sharing, 1.

8 For a more detailed account of why NATO was born, see, for example, John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin Press, 2005); and Tony Judt, *Postwar: A History of Europe since 1945* (New York: Penguin Press, 2005). For an early discussion on the issue of burden-sharing, see Dean Acheson, *Present at the Creation: My Years in the State Department* (New York: Norton, 1969), 285. For a brief history on NATO burden-sharing, see John R. Oneal and Mark A. Elrod, "NATO burden sharing and the forces of change," *International Studies Quarterly* 33, no. 435-56 (1989).

of burden-sharing.⁹ The economic models of the day assumed that in an alliance great powers contribute more to collective defence than do smaller powers, because a failure of the alliance would pose greater risks to them. "This is particularly true of the smaller members, who get smaller shares of the total benefits accruing from the good, and who find that they have little or no incentive to provide additional amounts of the collective good once the larger members have provided the amounts they want for themselves, with the result that the burdens are shared in a disproportionate way."¹⁰

In turn, this condition has created free-riding among allies, which occurs when countries receive a benefit that is greater than their relative contributions to the alliance. Canada is one of those smaller NATO allies and has recently been depicted as a free-rider rather than a net contributor. The contentious issue of free-riding and unequal distribution of costs and responsibilities within the alliance has become even more controversial with the end of the Cold War as the new post-1989 world order has questioned the *raison d'être* and threat perceptions of NATO as well as the indicators with which allied burdens were calculated.

During the Cold War, the accepted indicator of evaluating the share of burden was the level of defence spending in relation to a country's economic performance measured as its gross domestic product.¹¹ The following list of NATO members ranks their defence expenditures as a percent of their total GDP. It is apparent that Greece (4.6 percent), Turkey (4.4 percent), and the US (3.7 percent) are leading net contributors to NATO as measured on average from 1990 and 2001. Canada, with 1.4 percent, is one of the least performing middle powers and lags behind other likeminded powers, such as Belgium (1.6 percent, rank 12), Denmark (1.7 percent, rank 10), and the Netherlands (1.9 percent, rank 9). Only Spain with 1.4 percent on average (rank 14) and Luxembourg (ranked 15) with 0.8 percent of GDP spending follow Canada.¹²

⁹ Olson, *The Logic of Collective Action*; Olson and Zeckhauser, "An economic theory of alliances."

¹⁰ Ibid., 278.

¹¹ See for example, Simon Lunn, *Burden-Sharing in NATO* (London & Boston: Routledge & Keegan Paul, 1983); and Christopher S. Raj, *American Military in Europe: Controversy over NATO Burden Sharing* (New Delhi: ABC Publishing House, 1983).

¹² Official NATO data set, 2003. Calculations on average from 1990-2001 were completed by the author.

This gauge, however, is not always universally accepted and has become the object of much controversy, particularly in Europe. Germany, for example, has long pointed out that the cost of hosting American troops on German soil and providing security for their military installations was not adequately reflected in that index. Thus, so the argument goes, Germany is spending proportionally more on allied security than is officially recognized.¹³

THE NEW SECURITY ENVIRONMENT

Following the events of 1989, NATO reached out to central and eastern Europe. It engaged its former adversaries politically and militarily through a combination of new institutions and programs, such as NATO's North Atlantic Cooperation Council and the Partnership for Peace. These programs were implemented in response to a perceived security vacuum in central and eastern Europe, as well as a desire to foster democratic movements in the region. These measures were based on the mutually reinforcing pillars of dialogue, cooperation, and collective defence.¹⁴

NATO also undertook internal reforms. It developed a new strategic document in 1991 that prepared the alliance for a larger role in peacekeeping, peace-enforcement, and stabilization operations, particularly in the Balkans.¹⁵ NATO foreign ministers recognized the necessity of flexible, rapidly mobile, and capable NATO forces for a new pan-European security environment. They argued that "NATO will field smaller and restructured active forces. These forces will be highly mobile and versatile so that allied leaders will

13 For introductory reading, see, for example, Hubert Zimmermann, "Occupation costs, stationing costs, offset payments: The conflict over the burdens of the Cold War," in Detlef Junker, ed., *The United States and Germany in the Era of the Cold War, 1945-1990* (Cambridge: Cambridge University Press and German Historical Institute, Washington, DC, 2004); and Hubert Zimmermann, "...They have got to put something in the family pot! The burden-sharing problem in German-American relations 1960-1967," *German History* 14, no. 3 (1996).

14 As one aide to the secretary-general noted, Manfred Woerner convinced NATO leaders that the window of opportunity to help shape the new democracies of central and eastern Europe was very small. Interview with Jamie Shea, NATO headquarters, 18 May 2007. For a detailed account of an evolving NATO in the 1990s see, for example, Sean Kay, *NATO and the Future of European Security* (Lanham: Rowman & Littlefield, 1998).

15 "The alliance's new strategic concept," agreed to by the heads of state and governments participating in the meeting of the North Atlantic Council in Rome, 7-8 November 1991, preface.

have maximum flexibility in deciding how to respond to a crisis. NATO would rely increasingly on multinational corps made up of national units."¹⁶ In turn, these new multinational operations as well as the new security landscape have introduced unique burdens for the alliance. They changed the nature and context of the allied burden-sharing debate. They also transformed the roles and functions of NATO forces and increased the demands for peacekeepers, particularly in the Balkans.

Both the UN's and NATO's Balkan missions took place at a time when NATO's collective defence budgets had shrunk significantly, which implied that the "new" forces had to shoulder additional tasks with fewer resources available to them. American troops, for example, serving in operation *Desert Storm* in the Gulf War in 1991 did not return to their bases in Europe and moved back to the US.¹⁷ In more general terms, NATO's level of defence spending measured as a percentage of GDP fell sharply. Across NATO, the most significant cuts in national defence spending were made by the US, from 5.2 percent on average between 1980-84 to 3.7 percent between 1990-95.¹⁸ France, another major NATO ally (measured in terms of its GDP), cut its level of defence spending from four percent on average between 1980-85 to 3.4 percent between 1990-95.¹⁹ Similar reductions were made by the United Kingdom, from 5.6 percent on average between 1980-85 to 4.7 percent between 1990-85.

The external changes in the international security environment also affected NATO's internal organization. In the 1990s, NATO transformed itself from a defensive military alliance into more of a political one. Moreover, NATO asked its forces to transform and to become more flexible, more mobile, and more adaptable for both a highly uncertain new pan-European

16 "London declaration on a transformed North Atlantic Alliance," issued by the heads of state and government participating in the meeting of the North Atlantic Council, paragraph 14 (1).

17 The literature on the Gulf war and the composition of operation *Desert Storm* is vast. However, a succinct overview is provided by John M. Collins, "*Desert Shield* and *Desert Storm*: Implications for future US requirements," Congressional Research Service, Washington, 19 April 1991. On US forces returning not to Germany but to the US, see Kurt M. Campbell and Celeste Johnson Ward, "New battle stations?" *Foreign Affairs* (September-October 2003).

18 See, for example, John J. Lis and Zachary A. Selden, *NATO Burdensharing after Enlargement* (New York: Novinka Books, 2003), 3.; and "North Atlantic Treaty Organization," NATO, 2003.

19 Ibid.

security environment and a new world order of failed and failing states.20 The importance of this new conflict management role and demands for multinational rapid reaction force capabilities exceeded the relevance of large conventional Cold War militaries.21 This emphasis on expeditionary forces can be traced in the levels of NATO active duty personnel in table I below. The significance of this table is twofold. First, virtually all NATO allies downsized their armed forces by 30 to 50 percent. This underlines the point that NATO member-states, such as Canada, did not unilaterally reduce their forces, but that this downsizing took place across NATO and was common practice. This is an important point with regard to Canada, which was accused by analysts in 1994 of having abandoned NATO when the government closed Canada's two bases in Germany.22 Second, among other middle or second-tier powers—Canada, the Netherlands, Norway, Spain— Canada was the country with the fewest cuts.²³ Thus, looking at Canadian reductions from a comparative perspective shows that Ottawa did not "underperform" and does not deserve the label "laggard." Put differently, Canada reduced its collective NATO commitments, but not more than other comparable allies.

20 See, for example, Gunther Hauser and Franz Kernic, *European Security in Transition* (Aldershot & Burlington: Ashgate, 2006); and Stephen Mariano, "Untangling NATO transformation," Martell papers 32, Centre for International Relations, Queen's University, 2007.

- 21 "Cooperative security: A new security policy for Canada," Government of Canada, 5 April 1991, 12.
- 22 Douglas L. Bland and Sean Maloney, Campaigns for International Security: Canada's Defence Policy at the Turn of the Century (Montreal & Kingston: McGill-Queen's University Press, 2004), 165; Tom Keating, Canada and World Order: The Multilateralist Tradition in Canadian Foreign Policy (Oxford: Oxford University Press, 2001), 158. According to the International Institute of Security Studies, Canada's mechanized brigade consisted of 4400 troops in addition to a 2600-strong air division. See The Military Balance 1991-92 (London: Institute for Strategic Studies and Oxford University Press, 1992), 53.
- 23 The concept of Canada as a "middle" power is highly debated in the literature on Canadian foreign policy. For an excellent summary of the argument, see Kim Richard Nossal (forthcoming), "'Middlepowerhood' and 'middlepowermanship' in Canadian foreign policy," in Nikola Hynek and David Bosold, eds., *Canada's New Foreign and Security Policy Strategies: Re-examining Soft and Hard Dimensions of Middlepowerhood* (Oxford: Oxford University Press, 2009).

Thus, it seems that a more accurate measurement for determining the full extent of allied burden-sharing is the level of active-duty military personnel as a percentage of the total labour force. This indicator is more precise than the GDP index because it calculates the military work force as a percentage of the total available workforce of a particular country and thus excludes groups of the total population that are not actively working, such as children and retirees.

TABLE 1: NATO ACTIVE DUTY PERSONNEL

										% Change
NATO Allies	1990	1995	1997	1998	1999	2000	2001	Average	Rank	90-01
Belgium	106.3	46.6	45.1	43.2	42.1	41.6	41.2	52.3	13	-61.2
Canada	87.1	69.7	61.3	60.3	59.6	58.8	59.4	65.2	11	-31.8
Czech Republic	n/a	n/a	n/a	n/a	54.4	51.8	48.7	22.1	16	n/a
Denmark	31.0	27.1	25.3	25.1	27.3	24.4	25.1	26.5	15	-19.0
France	549.6	503.8	475.1	449.3	420.8	394.6	367.0	451.5	3	-33.2
Germany	545.4	351.6	334.5	332.5	331.1	318.8	306.5	360.1	5	-43.8
Greece	201.4	213.3	205.6	202.0	203.8	205.0	210.8	206.0	7	4.7
Hungary	n/a	n/a	n/a	n/a	50.9	50.0	49.5	21.5	17	n/a
Italy	493.1	435.4	419.4	402.2	390.9	381.3	373.7	413.7	4	-24.2
Luxembourg	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	18	7.7
Netherlands	103.7	67.3	57.0	55.3	53.6	51.9	51.6	62.9	12	-50.2
Norway	50.6	38.3	33.5	32.8	32.6	32.0	31.4	35.9	14	-37.9
Poland	n/a	n/a	n/a	n/a	187.5	191.0	178.3	79.5	9	n/a
Portugal	87.5	77.7	71.9	71.4	70.5	67.7	70.4	73.9	10	-19.5
Spain	262.7	209.7	196.6	189.1	155.2	144.0	134.0	184.5	8	-49.0
Turkey	768.9	804.6	828.1	787.6	789.0	792.9	794.8	795.1	2	3.4
United Kingdom	308.3	233.3	218.2	217.5	217.6	218.1	219.2	233.2	6	-28.9
United States	2181.0	1620.0	1539.0	1505.0	1486.0	1483.0	1482.0	1613.7	1	-32.0
Subtotal (non-U.S. NATO)	3596.9	3079.7	2972.9	2869.6	3088.5	3025.4	2962.8	3085.1	n/a	-17.6
Subtotal (NATO)	5777.9	4699.7	4511.9	4374.6	4574.5	4508.4	4444.8	4698.8	n/a	-23.1

Source: "Report on allied contributions to the common defence," US Department of Defense, 2002, calculations of last column by author.

What is noteworthy about this table with regard to Canada is that, relatively speaking, between 1990 and 2001 Ottawa's cuts were consistent with those of its major allies, despite the fact that Canada cut its active military personnel by more than 30 percent. Specifically, Canada reduced its armed forces to the same degree as, for example, France, the UK, and the US, all of which have a higher power status than Canada does. In fact, the data indicate that all those states cut their armed forces to a degree that was consistent with

the NATO average.²⁴ Put differently, the relevance of this index is that it disproves the assertions of the declinist school and shows that Canada was not the laggard of NATO. Canada was only one of many NATO allies that downsized its armed forces, and others followed suit. Thus, Canada's actions were consistent and comparable with those of its allies. This cannot be interpreted as an abandonment of allied responsibilities. On the contrary, Canadian cuts were far less than those of comparable NATO middle powers such as Belgium, the Netherlands, or Spain. These countries cut down the size of their armed forces even more than Canada did. The point here is that the slashes of Canada's armed forces were in line with the extent of cuts of NATO's major powers. They were also less than those of comparable middle-ranking allies.

While during the Cold War the numbers of troops, equipment, and levels of defence spending as a percentage of GDP were interpreted as an indicator of a state's collective commitment to NATO, these parameters have become outmoded in the post-Cold War era. The size and capabilities of armed forces no longer necessarily translate into international influence, due to the changed European security environment. The end of the Soviet threat meant that NATO was simply less in need of large numbers of conventional troops and heavy platforms. Also, the concept of the so-called "revolution in military affairs," whose tenets are that the application of technology changes the organization and conduct of modern warfare, has affected NATO forces. This is so because more modern technology is available and thus fewer troops are needed on the battlefield.²⁵ Taken together, modern technology and the new security landscape in Europe have rewritten traditional equations of manpower and military capabilities.

24 Between 1989 and 1993, Canada closed 15 bases in total, including the two bases in Germany. Twelve hundred Canadian troops returned home by 1992. The rationale of the government was purely economic. With the events in 1989, Canadian taxpayers could save nearly \$1.2 billion per year, excluding training costs, by bringing the troops home. Moreover, the decision was made at a time of large public debts. See, for example, Roy Rempel, "Canada's troop deployments in Germany: Twilight of a forty-year presence?" in David G. Haglund and Olaf Mager, eds., Homeward Bound? Allied Forces in the New Germany (Boulder: Westview Press, 1992), 232.

25 Martin van Creveld, *Technology and War: From 2000 BC to the Present* (New York & London: Free Press & Collier Macmillan, 1989). See also Richard L. Kluger, *Strategic Assessment 1999: Priorities for a Turbulent World* (Washington, DC: National Defense University, 1999); Andrew F. Krepinevich, "Cavalry to computer: The pattern of military revolutions," *National Interest* 37 (fall 1994).

POST-COLD WAR BURDEN-SHARING DETERMINANTS

Jaap de Hoop Scheffer, NATO's 11th secretary-general, argued that the debate on NATO burden-sharing should not be reduced to measuring and comparing levels of defence spending, because "they tell only part of the story." ²⁶ It is suggested below that by examining the indexes of the level of peacekeepers deployed to non-UN-financed missions, NATO's common budgets, national contributions to NATO's rapid reaction forces, infrastructure investments, the level of contribution to peacekeeping, and the level of foreign assistance and aid for central and eastern Europe all provide a more accurate and comprehensive indication of NATO real burdens and each member-state's share thereof.

NATO and non-UN peacekeeping

In the 1990s, NATO became increasingly involved in peacekeeping and peace-support operations and in deploying forces beyond NATO territory on behalf of the international community. After the failures of UNPROFOR in 1994 there was growing recognition among members of the UN security council that the UN was too weak to execute those missions successfully.²⁷ Because of this weakness, a tacit diplomatic understanding evolved under which the UN would "contract out" some of its peacekeeping operations to NATO, because the alliance had more sophisticated capabilities as well as the political willingness to enforce the peace in the Balkans.²⁸

Even though NATO at the time was an evolving international security actor, it still lacked experience with peacekeeping operations. The experience with those types of missions rested with the member-states. It was against this backdrop that NATO's peacekeeping operations took place in Bosnia and Herzegovina, Croatia, Kosovo, and the former Yugoslav Republic of Macedonia.

In more general terms, NATO's commitments to international peacekeeping missions speak to the trend that the growing number of

26 Jaap de Hoop Scheffer, "The truth about NATO burden-sharing," Project Syndicate, 27 June 2008, www.project-syndicate.org.

27 "Report of the secretary-general pursuant to general assembly resolution 53/35," New York, November 1999. Also see Ramesh Thakur, *The United Nations, Peace and Security: From Collective Security to the Responsibility to Protect* (Cambridge: Cambridge University Press, 2006), 40-41.

28 Michele Griffin, "Blue helmet blues: Assessing the trend towards 'subcontracting' UN peace operations," *Security Dialogue* 30, no.1 (March 1999): 43-60.

intrastate conflicts increased the demand and the need for peacekeeping forces. While, for example, the UN peacekeeping budget in 1980 was US\$190 million, it increased to \$3.5 billion in 1994.29 In addition to those UN-led peacekeeping operations, non-UN-led missions consumed significant financial resources and NATO shouldered a great share of those responsibilities. For example, NATO assisted UNPROFOR in the summer of 1992 when intense violence caused a deterioration of the humanitarian situation and when Bosnian Serbs engaged in ethnic cleansing. The UN security council authorized a no-fly zone (operation Deny Flight) under the authority of chapter VII of the UN charter after a missile shot down an Italian aircraft loaded with humanitarian aid.30 NATO responded, flying precisionguided air strikes against Bosnian Serb communication facilities in the summer of 1995 and thus forcing a peace agreement. The Dayton peace accords of 14 December 1995 replaced UNPROFOR with NATO's implementation force (IFOR). The NATO force lasted for nine years (1995-2004) and was succeeded by the European Union.

As table 2 shows, the number of peacekeepers from NATO countries deployed to non-UN missions increased in 1995, the year the Dayton peace accords were signed. More specifically, between 1995 and 1996 the number of NATO peacekeepers increased by 427 percent, which underlines NATO's commitment to international crisis management.

²⁹ Todd Sandler and Hirofumi Shimizu, "Peacekeeping and burden-sharing, 1994-2000," *Journal of Peace Research* 39, no. 6 (2002): 651.

³⁰ Operation *Deny Flight* lasted from 1993-96. The NATO contingent mostly consisted of NATO's airborne warning and control system, which controlled and policed the nofly zone. "Past Canadian commitments to United Nations and other peace support operations," Department of National Defence, 9 October 1992, www.dnd.ca.

TABLE 2

Peacekeepers deployed to non-UN-financed missions, 1994-2000									
NATO country	1994	1995	1996	1997	1998	1999	2000	Ø 94-2000	Rank
US	6710	5960	28420	18490	15149	14668	16858	15179.3	1
UK	1273	8200	11410	6523	6260	15390	7654	8101.4	2
France	3560	337	7837	4833	3487	7287	8467	5115.4	3
Italy	82	82	2282	4878	2581	6180	8117	3457.4	4
Germany	0	0	4000	2603	2600	7138	7669	3430.0	5
Netherlands	382	360	2360	1214	1375	1775	2872	1476.9	6
Spain	0	280	1680	2168	1600	1600	2500	1404.0	7
Turkey	0	170	1470	2392	1300	1800	2250	1340.3	8
Canada	27	28	1052	1018	988	2410	2178	1100.1	9
Norway	3	4	754	597	704	805	1330	599.6	10
Denmark	98	0	807	722	600	630	1325	597.4	11
Poland	0	0	660	396	450	1200	1053	537.0	12
Greece	0	0	1000	818	250	800	680	506.9	13
Czech	0	0	850	643	567	567	727	479.1	14
Belgium	0	0	420	205	550	550	1450	453.6	15
Portugal	0	0	900	319	350	335	675	368.4	16
Hungary						355	680	147.9	17
Luxembourg	0	0	0	22	25	23	23	13.3	18
Slovakia	0	0	0	0	0	0	40	5.7	19
Iceland	0	0	0	0	0	0	0	0.0	20
Total	12135	15421	65902	47841	38836	63513	66548	44313.7	20

Source: Todd Sandler and Shimizu Hirofumi, "Peacekeeping and burden-sharing, 1994-2000" *Journal of Peace Research* 39, no. 6 (2002), www-rcf.usc.edu.

This table shows that in the 1990s the largest NATO countries, measured in terms of the size of their GDP and population, carried the largest burden for non-UN-funded peacekeeping in the Balkans. In terms of population, the United States ranks first, followed by Germany, Turkey, the United Kingdom, France, Italy, Spain, Poland, Canada, the Netherlands, Greece, Czech Republic, Belgium, Portugal, Denmark, Norway, Hungary, Luxembourg, and Iceland.

However, the top six countries in table 3 are the United States, Germany, France, the United Kingdom, Italy, Canada, and Spain. Specifically, the US and the UK shouldered the heaviest weight, followed by Germany and France. Canada, which represents one of the middle powers, ranks in the middle in terms of its contributions to NATO peacekeeping (rank nine). This then, cannot be interpreted as an underperformance as claimed by the "declinist school." Furthermore, the table above needs to be examined in relation to the size of the population of a country. It is difficult for a government, despite its

relative wealth (in terms of GDP), to send its armed services abroad when the size of those forces is shrinking as a result of demographic changes of the total population. Put differently, if the population is too small to provide replacements for aging soldiers, the government is constrained in its deployment of forces abroad. In the Canadian case it can be argued that contributions to non-UN-financed peacekeeping operations were consistent with the size of the Canadian population. In both cases, Canada scored ninth out of 19. This is an indication that the commitments of military personnel that Canada made to non-UN-financed missions were consistent with the relative size of the Canadian population.

NATO common budget

The comparison of allied common budgets is one of the proposed new indicators of Atlantic burden-sharing. NATO's common budget is responsible for mutually beneficial projects of the entire alliance. It is one of the alliance's oldest and truest but largely overlooked tools to ensure responsible and equitable sharing. A summary of NATO's total common funds between 1997-2003 is listed below in table 3. Since the signing of the Washington treaty 60 years ago in 1949, the alliance has provided and financed common infrastructure, such as the headquarters in Brussels. Each NATO member is required to contribute to this fund, and no exceptions are allowed.³¹ It therefore presents a solid and reliable indicator for measuring allied burdens and one that is often times overlooked in other scholarly analysis.

The common budget is, for example, used for crisis management activities and provides the infrastructure to facilitate political consultation among NATO allies and partners, including secure and reliable communications. It is also used for Partnership for Peace activities, as well as workshops, seminars, training, and communication for joint activities. NATO funding, however, cannot be used to pay for procurement programs or expenses related to the forces of individual member-states. This remains the sole responsibility of the member states. NATO does not own armed forces and thus does not pay for the maintenance, training, or equipment of

³¹ For example, NATO's security and investment program funded 250 projects in 2006. See the International Board of Auditors' "Annual activities report 2007," IBA-M, 2008, 1. Historically, this fund was initially created to build fixed facilities, such as the headquarters and command headquarters.

national armed forces. One exception is NATO's airborne early warning and control force, which is commonly owned by the alliance. NATO also finances investments that are related to collective air defence, or command and control systems. Specifically, NATO's common budget consists of three single budgets: the military budget, the security and investment program, and the civil budget. The military budget pays for the operating and maintenance costs of NATO's military headquarters, programs, and agencies. Those costs include personnel costs, operating costs, mission operating expenses, and capital expenditures. The military budget is also used to defray all expenses related to NATO's military committee, the international military staff, military agencies, NATO's two strategic commands, and command and control systems.

The second common budget is NATO's security and investment program. It was formerly known as NATO's infrastructure fund and is administered by the infrastructure committee. The name was changed in 1993 along with the functions of the program. Since then, the program has become more flexible and mobile. These funds provide collective financing for NATO's support functions, such as command and control infrastructure, communications, logistics, the maintenance of training installations, and storage facilities for equipment, fuel, and ammunitions. The program has, for example, contributed to the financing of American storage facilities in Europe.³²

The third and by far the largest budget is NATO's civilian budget, which funds NATO's common infrastructure projects such as NATO headquarters in Brussels and NATO's joint military headquarters. The civilian budget was worth US\$161 million in 1999 and has been relatively constant since 1955. The salaries and benefits of the international civil servants at the headquarters (the international staff) and the supporting staff are also paid from this account, including the office of the secretary general and his staff. In short, the civilian budget pays for the salaries of the NATO civil servants, their benefits, travel, communication, utilities, and overall supply and support of the administration. Personnel costs account for more than 60 percent of the total civilian budget; 26 percent are allocated for information activities and the NATO science program; and the remaining 13 percent are used for other operating and capital costs.³³

³² Carl W. Ek, "NATO common funds burden-sharing: Background and current issues," Rl30150, Congressional Research Service, 2006.

³³ NATO Handbook (Brussels: NATO, 2002), 205.

TABLE 3: NATO'S COMMON FUNDED BUDGETS, IN TOTAL, 1997-2003 (IN MILLIONS)34

NATO Country	1997	1998	1999	2000	2001	2002	2003	97-2003	Rank	Defence spending/GDP
Belgium	61.2	50.6	41	40.7	44.4	48.9	64.7	50.2	8	12
Canada	100.8	83.6	53.7	53	51.2	64.9	102	72.7	6	13
Czech Republic	n/a	n/a	5.4	8.8	11.3	13.6	15.2	7.8	16	n/a
Denmark	42.3	34.4	28.5	28.7	31.3	34.8	44.4	34.9	10	10
France	88.5	77.6	88.3	77.3	74.8	111.8	124.7	91.9	5	4
Germany	362.9	300.9	218.5	223.8	242.7	268.6	385.1	286.1	2	11
Greece	10.4	9.2	6.9	7.8	8.3	10	12.5	9.3	14	1
Hungary	n/a	n/a	3.8	6.4	8.2	9.8	11	7.8	15	n/a
Iceland	0.4	0.4	0.3	0.3	0.3	0.3	0.4	0.3	19	16
Italy	120.1	101	78.3	83.4	88.4	103.6	136.7	101.6	4	5
Luxembourg	2.4	1.6	1.5	1.6	1.7	1.9	2.5	1.9	18	15
Netherlands	65.4	54.1	44.9	43.2	47.2	52.1	69.2	53.7	7	9
Norway	33.1	26.2	21.4	23	25.3	27.8	35.1	27.4	11	7
Poland	n/a	n/a	14.8	24.2	31.2	37.4	14.9	24.5	12	n/a
Portugal	8.7	8.2	6	5.9	6.4	7.4	10.5	7.6	17	8
Spain	12.1	13.2	31.6	36	44	51.3	68.6	36.7	9	14
Turkey	23.4	22.2	16	15.9	16.9	19.6	27.2	20.2	13	2
United Kingdom	222.3	193.7	172.8	164	173.3	200.2	226.9	193.3	3	6
United States	472.9	453.2	281.1	281	299	340.9	510.7	377.0	1	3
Total	1626.6	1430.1	1114.8	1125.1	1205.9	1404.9	1862.3	1395.7	19	16

Source: Report on allied contributions 1997-2003, calculations by author.

Table 3 shows that smaller NATO countries, such as Canada, Denmark, Belgium, and Spain are average contributors to NATO collective funding. Canada is the sixth largest contributor to NATO's total budget (including the civilian, military, and security and investment budget). This is consistent with its GDP performance. However, compared with Canada's level of defence spending in relation to its GDP (last column in table 3), Canada performs above its relative capabilities. Put differently, Canada shoulders a heavier financial burden of NATO's common budgets than it should according to the share of defence spending as part of its total GDP. The table above also underlines the inadequacy of using the level of defence spending according to the GDP as an indicator for measuring the distribution of allied burdens. In sum, contrary to accepted wisdom in the Canadian foreign policy literature, Canadian funding for NATO's common budgets did not decline disproportionately in the post-Cold War era.

34 This table begins with 1997 because the data between 1989 and 1996 are not yet publicly available.

Contribution to rapid reaction forces

Another indicator for a post-Cold War assessment of allied burdens is the contribution member states make to NATO's rapid reaction forces. NATO employs three types of forces: immediate and rapid reaction forces, main defence forces, and augmentation forces. The rapid reaction corps was initiated by the NATO defence planning committee in May 1991 to provide the supreme allied commander with a multinational and flexible force based in Bielefeld, Germany. This was the land component of the Allied Command Europe. For over a decade, the rapid reaction corps was NATO's only highreadiness land formation of choice. In addition, NATO also maintains three maritime components that are part of the rapid reaction corps. The Prague summit of 2002 created the NATO response force, a joint force of land, sea, and air elements that can be tailored to individual missions. NATO response forces maintain a high level of readiness. Thus the contributions to this force can be counted as an important indicator as it is the primary force designated to carry out NATO's new strategy of crisis management and out-of-area missions.35 NATO's response force includes multinational command structures and formations such as the Allied Command Europe mobile land force, the rapid reaction corps for ground forces, and the immediate and rapid reaction forces for the air.³⁶ In total, 14 NATO member states make 5000 troops available. Canada earmarks an infantry battalion group to Allied Command Europe. In addition to the land forces, NATO maintains standing naval units, for example, such as the standing naval forces Atlantic, which consists of six to 10 destroyers and frigates. Canada, Germany, the Netherlands, the UK, and the US all send one ship on a permanent basis.

Canada ranked among the top six out of 16 contributors to the response force in 1998. The US comes first, followed by Germany, France, the UK, and Italy. Thus, Canada is the "top" contributor among other NATO middle powers: Spain (rank seven), the Netherlands (rank eight), Belgium (rank nine) and Denmark (rank II) all fall behind Canada. However, when focusing the analysis exclusively on the numerical contribution to NATO's rapid

35 See, for example, John R. Deni, "The NATO rapid deployment corps: Alliance doctrine and force structure," *Contemporary Security Policy* 25 (December 2004); Michael Mihalka, "NATO response force: Rapid? Responsive? A Force?" *Connections* 4 (summer 2005).

36 For introductory reading, see John Borawski and Thomas Durell Young, *NATO after 2000: The Future of the Euro-Atlantic Alliance* (Westport: Praeger, 2001); Andrew Vallance, "A radically new command structure for NATO," *NATO Review* 3 (autumn 2003).

reaction forces, one gets quite a different picture. Here, Canada ranks 13 out of 15, followed only by Portugal (rank 14), Luxembourg (rank 15), and Iceland (rank 16). It should, however, be noted that seeing the total number of member-states' contributions and their associated rank in isolation is misleading in the sense that commitments of the allies cannot be examined without taking into account their overall economic performance measured as their GDP. Put differently, making x-number of national rapid reaction forces available to NATO is meaningless, relatively speaking, if those contributions are not seen in relation to NATO's total GDP—that is, the GDP of all member states combined. As a result, the GDP indicator, not the defence spending/GDP index, tells us more about the economic performance and thus the financial preconditions of governments to make forces available. If, for example, a small country deploys a large number of troops outside the country, this contribution can be seen as more significant than those of larger countries. Great powers, by contrast, have a larger economic base from which to finance the armed forces. As a result, the ranking of contributions in terms of the total rank/GDP differ from those of the pure numerical ranking. This explains, for example, why the UK contributes more troops in all categories but is ranked slightly behind France, which contributes slightly fewer troops. By linking the pure numerical numbers with the total share of NATO GDP, one finds that Canadians are the sixth-largest force-contributing country out of the total of 16 states.

After the enlargement of NATO in 1999, Canadian contributions increased and ranked eighth of the then-19 NATO allies.³⁷ From its contribution to the response force, one could argue that Canada demonstrated continued commitment to the alliance and that it took NATO's new conflict management functions seriously. It was partly able to make those forces available because Ottawa had decided in the 1994 defence white paper to retain expeditionary forces. Back then, these forces were used, among other things, for Canada's missions in the Balkans.³⁸

Infrastructure investments

In general, this index of the percentage of total defence spending devoted to improving NATO's common infrastructure shows that investments in this

37 NATO enlarged in 1999 and thus the size of the armed forces increased. For detailed accounts see, "Report on allied contributions to the common defense: A report to the US congress," US Department of Defense, March 2000, III-14.

38 1994 defence white paper, Ministry of Defence, 1994.

area increased with the end of the Cold War and the process of reaching out to central and eastern Europe. One factor that significantly influenced the numbers in the table below is the enlargement of the alliance in 1999 and the new requirements this process imposed to bring the new member-states up to NATO standards. Questions of military standards, communication, and security had to be addressed. The process of enlargement, which was endorsed at the Brussels summit in 1994, required new resources and funding for the new member-states. However, what is notable about the data set is that on average between 1990 to 2001 smaller member-states such as Luxembourg (6.8 percent), Norway (6.4 percent), Canada (4.1 percent), and the Netherlands (4.4 percent) contributed a higher percentage of their national defence spending to the improvement of NATO's infrastructure than larger member-states such as the US (1.8 percent), UK (3.9 percent), or France (3.2 percent). Specifically, Canada spent 4.1 percent of its total defence budget (on average) between 1990-2001 and much more than the US (1.8 percent). It also spent more than comparable middle powers such as Denmark (2.4 percent), Spain (1.5 percent), or Portugal (1.4 percent). Based on this data, Canada was the sixth-largest contributor to keeping NATO operational in central and eastern Europe. One might extend the argument by saying that Canada placed more emphasis on nonmilitary expenses and investments than the bigger states.

Moreover, Canada contributed to NATO's infrastructure more than the NATO 10-year average of 3.6 percent. By comparing these figures on a historical scale, one can see that Canadian contributions to NATO infrastructure actually increased after 1985. The investments averaged 2.8 percent from 1985-89 but increased to 3.2 percent on average from 1990-94, at a time when Canada was financially constrained at home, faced a possible separation of the province of Québec, and was forced to close its bases in Germany. Ottawa's commitment continued well into the late-1990s, when NATO enlarged in 1999 by inviting Poland, the Czech Republic, and Hungary as new members to the alliance. By 2000, Canada shouldered 5.3 percent of the expenses of NATO's infrastructure. Taken together, Canadian contributions cannot be counted as a sign of reluctance or retreat as the declinist school asserts. This is especially the case when Canadian performances are compared to Germany or Italy, both of which are larger countries than Canada but reduced their shares devoted to infrastructure, whereas Canada increased its share by 1.3 percent.

Foreign assistance and aid for central and eastern Europe

Foreign assistance has been an important tool for NATO allies to promote stability and governance structures in central and eastern Europe. NATO as an international organization itself does not distribute foreign aid but its member-states do so on a bilateral basis. Thus, the level of foreign assistance can be seen as an indicator. Looking at the total level of foreign assistance distributed by all NATO member states globally—including net distributions of the official development assistance and official foreign aid to developing countries such as in central and eastern Europe—one sees that Canada cut its global assistance by 17 percent between 1990 and 2000. That ranks Canada 14th but only slightly after Germany (rank 13), and the US (rank 12).

However, when we focus on the level of aid specifically given to central and eastern Europe, such as development assistance and loans, the distribution of commitments looks quite different.³⁹ Here, smaller member states such as Canada, Denmark, and Norway outperform, relatively speaking, NATO giants such as the US, the UK, Germany, and France.

³⁹ For a detailed study on the effectiveness of foreign aid and assistance see, for example, Congressional Budget Office, *The Role of Foreign Aid in Development*, May 1997.

TABLE 4

NATO	membei	rs' econ	omic ai	d to ce	ntral and	eastern Eu	ıropear	1 Count	ries		
	per n	nillion \$	of thei	r GDP	in select	ed years, 1	991-97	**			
			1997			1991-97					
	ODA	Loans	Total	%	Rank	ODA	Loans	Total	%	Rank	
Belgium	44.1	0	44.1	1.7%	12	159.8	58	217.8	5.2%	9	
Canada	248.3	0	248.3	9.4%	3	251	0	251	5.9%	4	
Denmark	486.4	85.1	571.5	21.6%	1	490.3	108.6	599	14.2%	2	
France	217.8	3.3	221.1	8.4%	4	213.4	5.6	219	5.2%	8	
Germany	184.6	23.6	208.2	7.9%	5	1.078.1	51.5	1.129.5	26.7%	1	
Greece	0	0	0	0.0%	17	0	0	0	0.0%	16	
Iceland	n/a	n/a	n/a	n/a	18	n/a	n/a	n/a	n/a	n/a	
Italy	22.3	11.9	34.2	1.3%	13	98.4	11.1	109.5	2.6%	12	
Luxembourg	200	0	200	7.6%	6	194.7	0	194.7	4.6%	11	
Netherlands	92	0	92	3.5%	11	184.1	33.2	217.4	5.1%	10	
Norway	419	0	419.9	15.9%	2	416	16	432	10.2%	3	
Portugal	2.5	0	2.5	0.1%	15	1.3	0	1.3	0.0%	15	
Spain	5.4	-0.6	4.8	0.2%	14	3.4	4.3	7.7	0.2%	14	
Turkey	0	0	0	0.0%	16	0	0	0	0.0%	17	
United Kingdom	122.7	0	122.7	4.6%	10	106.5	0	106.5	2.5%	13	
United States	166	6.9	173	6.5%	7	225.4	19.2	244.6	5.8%	7	
NATO - Europe	138.3	9.5	147.8	5.6%	9	226.6	22.2	248.8	5.9%	5	
NATO - Average	147.5	8.7	156.2	5.9%	8	228.2	20.5	248.7	5.9%	6	
NATO Total	2496.9	148.4	2646.3	100%	17	3877.2	350.2	4227.5	100.00%	17	

^{**} Raw data sources: United States Congressional Budget Office, 2001;percentage and overall rank calculated individually

It can be seen as an indication of those countries placing relatively greater importance on NATO's new role as a political organization as well as supporting its new mandate of conflict management. These middle powers assisted central and eastern Europe more than other allies in the peaceful transition from authoritarian-controlled to democratically elected economies and political systems. It was accepted wisdom in Brussels that one of the most pressing concerns for NATO in the early 1990s was the security vacuum left behind by the Soviet Union. NATO's responses to those threats

and fear of instability were a combination of military and civilian measures, specifically military and civilian aid. The civilian commitment included investments to promote, among other things, the rule of law, democracy, and governance structures. Thus, foreign aid given to central and eastern Europe can be seen as a vital contribution to NATO's enlargement process and to managing central and eastern Europe's economic stress. From 1991-97, Canada ranked fourth in terms of NATO economic aid to the region. Only Germany (26.7 percent), Denmark (14.2 percent), and Norway (10.2 percent) gave more money. NATO's biggest states, such as the US (5.8 percent), lagged behind. This was especially true of the UK (2.5 percent), France (5.2 percent), and Italy (2.6 percent), who gave less than half of what Canada made available. Canadian contributions were thus consistent with the NATO average of 5.9 percent and far from falling behind.

CONCLUSION

By studying the Canadian share of burden in the alliance, this article has challenged the commonly held belief in the literature of Canadian foreign policy that the country's role in the world has declined. Even though the declinist school does not explicitly examine Canada-NATO relations in particular, its arguments extend indirectly to Europe and NATO. In that sense, it is generalizing about Canada's relative standing in the world as well as in NATO.

This article has made its case by taking a close look at the Canada-NATO relationship. The "declinist school" of Canadian foreign policy was used as the intellectual construct from which to advance the argument. The "Canada in decline" proposition does not stand up to the empirical evidence presented in this article. In addition, the article introduces new measures of allied burden-sharing that go beyond the "traditional" indexes, such as the level of defence spending measured as the extent of a country's defence spending in relation to a country's total GDP, as was the practice during the Cold War. The justification for using these new indicators as benchmarks for calculating allied burdens is twofold: first, the traditional level of defence spending/GDP indicator does not take into account the situational environment in which NATO operates at a given time, such as the transformations of the European security environment at the end of the Cold War. Second, because the new security environment affected NATO's roles, functions, and thus its responsibilities in Europe and beyond, it gave new meanings to what allied security meant and what allied forces should be used for. These transformative forces, however, are not reflected in the defence spending/GDP index.

The article argues that new indicators of allied burden-sharing are needed. Five new indicators were proposed to enable a more precise assessment of the distribution of NATO's collective responsibilities: the number of active duty personnel, the number of peacekeepers deployed on non-UN financed missions, NATO's common budgets, the contributions of member states towards NATO's rapid reaction forces, the level of spending devoted to infrastructure improvements, and the level of foreign assistance. These new indexes provide a different perspective on relative Atlantic burdensharing. Specifically it reveals that, contrary to claims of its being a laggard, Canada actually contributed to NATO's collective responsibility at a level that was consistent with its relative economic performance and the size of its population.⁴⁰

40 Although it is beyond the scope of this article, it is interesting to note that in some instances the numbers of Canada and the US are nearly identical. Take, for example, table 2. Both countries cut their armed forces by about the same degree (Canada by 31.7 percent, the US by 32 percent). This is an interesting correlation given the unequal size of their armed forces and military might. Further investigation is required to see whether this correlation challenges the accepted wisdom in the Canada-US relations literature that after the Cold War Canada was a free-rider in the bilateral relationship, as Bland and Maloney have posited.

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