Abstract

This thesis addresses the military capabilities gap between the US and European member states of NATO. It seeks to answer the question, why does the US-European capabilities gap persist despite apparent agreement between Allies on strategic capabilities objectives and cooperative solutions? The paper first establishes the need for a strong, independent European Security and Defense Identity within the Alliance, particularly since NATO’s operations in Libya. It then defines and explicates the military capabilities gap within the Alliance, including its scope, history, and attempts to find cooperative solutions. This analysis demonstrates that there is broad agreement both on what the Alliance requires for military capabilities and for how best to obtain them (cooperatively), yet the gap has persisted and grown for two decades.

In an attempt to solve this empirical puzzle, the paper employs a two-level games framework to analyze the NATO defense planning process, which links supranational capabilities planning for the Alliance to national-level execution, dependent upon funding from state parliaments. Faced with the general answer that fiscal constraints preclude states from following through on their commitments, the paper delves deeper to determine factors that may influence differences in defense spending between Allies. Using Latvia and Estonia as a comparative case, the paper evaluates the influence on defense spending by three factors: the ideological bent of the political coalition in power, the prevalence of military security issues in the public consciousness, and the nature of a state’s defense industry. The latter two factors, based on the case study in this paper, may correlate to relatively higher defense spending. In particular, the prevalence of military security issues in the public consciousness may be a factor that influences defense spending in NATO states and thus contributes to perpetuating the capabilities gap.