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U.S. Arms Transfers as a Geoeconomic Vector: Evidence from Transatlantic Defense Cooperation[2]

This article argues that U.S. foreign and security policy is increasingly intertwined with the promotion of U.S. arms transfers (sales), thereby reflecting an enhanced geoeconomic orientation. Yet how effectively has the United States pursued this strategy among EU countries? Has this geoeconomic dimension been systematically incorporated in transatlantic security cooperation? To answer these questions, the study analyzes EU member states' post-2000 procurement patterns in terms of the relative weight of U.S.-sourced heavy weapons in their orders. The analysis provides preliminary but systematic and consistent evidence showing a positive association between U.S. geoeconomic orientation and a higher share of European acquisitions of U.S. arms – an association that is stronger within the EU–NATO subset. To the author's knowledge, this is the first study to examine such a geoeconomic linkage in the transatlantic context.

Keywords
Geoeconomics, arms transfers, the United States, EU member states

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Introduction

Already under the first Trump administration, observers witnessed firsthand a markedly transactional approach by the United States. Security and defense policy was hardly an exception. Branded as "America First" and "Buy American," this stance prioritized U.S. economic interests even over foreign- and security-policy considerations (Levantovscaia, 2024). Given that economic interests constitute a structuring force of national defense industrial sectors, the transatlantic relationship is an interesting setting in which to examine these dynamics through the lens of arms sales.[3] Based on anecdotal evidence, in fact, tensions inherent in prioritizing the economic dimension within the transatlantic partnership quickly became public under Trump's first presidency. Disagreements between the United States and Europe, for instance, erupted into the public sphere and drew scrutiny as EU-level procurement initiatives exposed tensions over the issue of sourcing military equipment from EU suppliers rather than the United States (Sorgi, Barigazzi and Faggionato, 2025; Sullivan, 2025).

The dynamics between arms sales and alliance commitments, both indispensable aspects of alliance ties, including transatlantic security cooperation, constitute a relatively novel research topic. Yet they already appear more complex than previously assumed. Research in International Relations (IR) has long emphasized two mechanisms available to a powerful state (the "patron"): arms transfers to allies (the "client") or alliance commitments that enhance partners' security. These mechanisms are frequently viewed as either "complementary or straightforward substitutes for one another" (Haynes, 2024, 983). However, it has recently been argued that arms sales have also the potential to render the patron's commitment to extended deterrence "noncredible" (Haynes, 2024). This is because the client's increased military capabilities through arms acquisitions reduce the patron's incentives to engage in conflict, even within a formal military alliance, as the patron's "ability to tip the balance of power by entering a conflict" has diminished (Haynes, 2024, 984), even if only relatively.

Against this logic of material calculation, transatlantic defense cooperation stands out as an interesting, yet underexplored case, one that may add an extra layer of complexity to the dynamics in question. This study argues that U.S. foreign and security policy has become

[3] See Haynes (2024) on the interchangeable use of "arms transfers" and "arms sales."

increasingly intertwined with the promotion of U.S. arms sales, thereby reflecting a geoeconomic orientation. The growing prominence of U.S. industrial and economic motives, which are inherent in arms transfers but are often considered secondary to core defense imperatives, has injected a stronger economic rationale into U.S. security and defense policy, potentially reinforcing the country's geoeconomic dimension in its alliance politics. Although arms transfers inevitably combine security and economic objectives (Evans, 2002; Johnson, 2020; Yousif, 2023), a relative shift in that balance, where economic imperatives risk recasting allies as clients, may contribute to undermining alliance cohesion and overall effectiveness.

Thus, the following question arises: how effectively has the United States pursued this strategy among EU countries? Has transatlantic defense cooperation systematically incorporated this geoeconomic dimension, thereby suggesting an increasingly transactional relationship? To answer these questions, the study analyzes EU member states' post-2000 procurement patterns in terms of the relative weight of U.S.- sourced heavy weapons in their orders. The analysis provides preliminary yet systematic and consistent evidence of a positive association between U.S. geoeconomic orientation and a higher share of European acquisitions of U.S. arms – an association that is stronger within the EU–NATO subset. This suggests that the economic considerations of the United States linked to the arms sales promotion may play a systematic and effective role in transatlantic defense ties. To the best of the author's knowledge, this is the first study to examine such a geoeconomic linkage in the transatlantic context. More broadly, it contributes to the literature exploring the connection between a patron's arms transfers and its alliance commitments. The dynamics of this relationship have potential implications beyond academic research as arms sales and security commitments may not always be mutually reinforcing. In some cases, arms transfer policies could even weaken extended deterrence.

The paper is structured as follows. The first section provides an overview of the literature on the relationship between arms sales and alliance commitments. The second section focuses on the growing prominence of arms transfers in U.S. political rhetoric and policy strategy. The third section details the empirical strategy and data. The fourth section discusses the statistical findings. Finally, the conclusion outlines the limitations of the analysis and identifies directions for future research.

1. Literature Review

In IR scholarship, a considerable body of work has focused on the strategies of smaller nations (the "client"), emphasizing how they seek to ensure their security, that is, either by joining alliances or by building up their military capabilities (Morrow, 1993; Van Staden, 1995; Lebow, 1997; Gärtner, 2001; Holst, 2021). From the perspective of a more powerful state (the "patron"), however, the interplay between defense commitments and arms transfers has until recently lacked nuance. Generally, the IR literature tends to treat politico-strategic alignment and arms transfers as either complementary or substitute strategies,[4] employed by powerful states to enhance the security of their allies or partners. In other words, a given powerful state would use either the first or the second strategy interchangeably, as if it were merely a matter of convenience or political preference (see, e.g., McManus, 2018). Thrall and Dorminey (2018, p. 10), for instance, illustrate this by enumerating the reasons why "[a]rms sales remain attractive to [U.S.] presidents," including their flexibility (e.g., small vs. large and powerful arms; ad hoc transfers vs. systematic provision of arms).

However, treating arms transfers and alliance commitments as interchangeable and mutually reinforcing creates an analytical gap as it overlooks the patron's risk of becoming entangled in the client's conflicts. In other words, different strategies can be related to different outcomes. Addressing this gap, Haynes (2024) argues that the relationship between transfers and commitments is more conditional and complex than commonly assumed.

The relationship between alliance commitments and arms sales remains a relatively novel research agenda (see, e.g., Yarhi-Milo, Lanoszka and Cooper, 2016), even though prior work has to some extent examined how transfers can either entangle patrons in clients' conflicts (Thrall and Dorminey, 2018) or help them avoid involvement (Morrow, 1993). According to Haynes (2024, p. 983), a key gap remains in our understanding of "how arms suppliers navigate [the relevant] trade-offs." The author argues that contextual factors, such as reputational costs and the public nature of transfers, are crucial. Generally, Haynes (2024) confirms the notion that arms transfers are likely to positively affect a powerful state's commitment to defend its less powerful allies,

[4] For instance, Thrall and Dorminey (2018, pp. 6-7) refer to Nixon who expanded U.S. arms sales "tenfold" in the 1970s as these shipments avoided the United States to send its troops instead.

that is, by reinforcing such a commitment. However, she contends that arms sales may *also* render the patron's commitment to extended deterrence "noncredible" (Haynes, 2024, p. 984). Specifically, as the client's military capabilities, through arms acquisitions, tend to increase, the patron's incentives to engage in conflict diminish, even within a military alliance framework, because the patron's capacity to influence the balance of power by entering the conflict has declined relatively (Haynes, 2024; see also Thrall and Dorminey, 2018).

The link between arms sales and alliance commitment has not yet been thoroughly investigated in the context of transatlantic defense ties, which, within this study, refers more broadly to defense cooperation between the United States and EU countries. Transatlantic cooperation thus presents an interesting and largely underexplored empirical setting, potentially adding further complexity to the dynamics of interest. Indeed, Haynes's (2024, p. 983) argument appears relevant to contexts of lesser historical depth, such as U.S. military aid to Ukraine in its fight against Russia or the U.S. deterrence strategy toward China regarding Taiwan. Yet, transatlantic defense cooperation stands out as a special case, notably because of NATO, which most prominently embodies transatlantic ties due its status as "the most […] successful alliance in history" (Skaluba, Dickinson and Kaminskas, 2024).[5] Put differently, both NATO's credibility and, more broadly, transatlantic defense ties remain largely unquestioned.

However, even during the first Trump presidency, a wider set of possible scenarios, including discussions about Europe being ready to defend itself without U.S. support (The Economist, 2024; see also Spindel, 2023; Veebel, 2025), emerged. Conceptually, this situates transatlantic cooperation alongside other military alliance relationships (Leeds et al., 2002), where material calculations by the patron may carry greater weight than previously assumed. The study thus adopts Haynes's (2024) broader claim that material incentives may shape the patron's decisions regarding alliance commitments, arms transfers, or their combination.

The focus on the security and defense aspects of a more powerful state's decision-making in relation to its alliance ties has left other competing priorities largely unexamined. Notably, arms sales possess an inherent economic dimension (Johnson, 2017, 2020),

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[5] The empirical analysis also draws particular attention to the subset of EU–NATO member states, which constitute the large majority of the primary sample of EU countries.

which implies that nonstrategic considerations (Yarhi-Milo, Lanoszka and Cooper, 2016; Martins and Mawdsley, 2021) can equally interact with defense-related ones, with potential implications for the patron's geopolitical stance in terms of its commitment to extended deterrence. An increasing focus on economic considerations has the potential to undermine the politico-strategic alignment in the pursuit of foreign policy and security objectives as the relationship between allies risks being perceived through the lens of a patron-client dynamic.[6] In other words, only "deserving" clients can be expected to enjoy credible extended deterrence from the patron.

Johnson (2020, p. 851) puts it succinctly: "the arms trade is a trade." According to the author, even when geostrategic stakes were high – as during the Cold war –, arms transfers retained a fundamentally transactional character. Johnson (2020) approaches transfers from an economic perspective, arguing that exporters seek to maximize commercial returns, and that this logic has become more salient in the post-Cold war period. Although, as Akerman and Seim (2014, p. 535) note, "the Warsaw Pact was more strongly centralized around the USSR than NATO around the UK, the US and France" in arms trading, these patterns have gradually decentralized over time, with intensified global competition, driven in part by emerging suppliers such as China. These pressures also shaped the transatlantic space as efforts to promote defense-industrial consolidation have become increasingly evident in Europe. In fact, Belin et al. (2017, p. 4) even suggest that "the establishment of a European defence industrial policy," grounded in closer European cooperation, may ultimately depend on the strength of transatlantic bilateral cooperation, meaning that the United States remains deeply interested in maintaining its dominance in the European market. Finally, the arms trade is not governed by the principle of comparative advantages, and any major arms supplier, likely to produce a full spectrum of weaponry, inevitably faces high costs. Thus, for a national defense-industrial complex to be economically viable, "export is necessary" (Johnson, 2017, p. 274).

Based on the notion that the arms market is "increasingly competitive […] with exporters seeking to maximize their share" (Johnson, 2020, p. 854), this article advances the argument that economic considerations have come to play a more significant role in shaping

[6] This assertion should be understood in relative terms, as the arms market remains significantly constrained by overarching security concerns (see Johnson, 2020, p. 852).

the geostrategic posture of the United States, including in relation to EU countries and, more specifically, EU–NATO allies. Arms transfers within transatlantic defense cooperation may, therefore, reflect an enhanced geoeconomic logic, where economic considerations tied to arms sales tend to foster a more transactional patron-client dynamic, potentially undermining genuine strategic alignment.

Specifically, this study examines whether, since 2000, a stronger geoeconomic orientation in U.S. security policy is associated with a relatively higher share of American-produced heavy weapons in EU countries' defense spending on military equipment (purchased either from the United States or from other EU allies).

2. The Role of Arms Transfers in U.S. Foreign and Security Policy

Compared, for example, with France, the United States has maintained a more nuanced and seemingly less consistent relationship between its arms transfer policies and broader foreign and security policy goals, especially in the context of transatlantic security cooperation.[7] However, the first Trump presidency revealed this relationship to be far more overt and much stronger, reflecting an enhanced geoeconomic orientation.

This is not to say that, in the past, the United States neglected opportunities to promote exports of its defense-industrial products and services to further the country's economic interests. Evans (2002) highlights a telling case demonstrating the United States' willingness to compete even with its allies and strategic partners in the global defense export market. In 2002, the "Congress authorized the Department of Defense (DOD) to offer Poland a loan of up to $3.8 billion on 15-year repayment terms" (Evans, 2002, p. 539). The loan was intended to finance Poland's purchase of "a package of 48 new multi-role [Lockheed-Martin F-16] combat aircraft missiles and associated equipment" (Evans, 2002, p. 539). It was assessed that U.S. financing was needed for Washington to successfully compete with the offers by the United Kingdom and Sweden, on the one hand, and a French offer on the Mirage 2000 (Evans, 2002), on the other hand. Poland's decision to award the contract to the

[7] Regarding the case of France, see, e.g., Kuokštytė (2022).

American side underscores the substantial influence the United States is capable of wielding in the realm of arms transfers.

While the United States, like other major arms exporters, can be expected to promote defense-industrial exports, its stance has varied over time. By contrast, for example, France is widely seen as one of the most assertive champions of arms sales. One could even argue that the French government places a premium on expanding its global share, including within the EU, occasionally at the expense of longer-term politico-strategic considerations (Kuokštytė, 2022). The U.S. approach has been more restrained and, importantly, less consistent, particularly regarding transatlantic security cooperation. For instance, in the context of NATO's enlargement, U.S. representatives of the defense industry as well as the DOD acknowledged that limited financial support from the government contributed to a series of lost contracts to European competitors (Evans, 2002).

Moreover, beyond the Polish case noted above, the broader pattern remains uneven. This holds even though the U.S. DOD and State Department have traditionally opposed multilateral rules that would constrain financial assistance for military exports.[8] For example, loans as an instrument of such financial assistance have been generally uncommon since the end of the Cold war (Evans, 2002). As a case in point, the last loan issued by the U.S. administration prior to the one extended to Warsaw, as reported by Evans (2002), dated to 1998 and amounted to merely $100 million. Furthermore, much of U.S. military financial assistance has historically been focused on very few allies, such as Israel or Türkiye, which is consistent with a logic driven primarily by security or, more generally, politico-strategic concerns rather than the economic ones. However, it is worth reiterating the notion that "export financing may combine security and economic considerations" (Evans, 2002, p. 540; Johnson, 2020; Yousif, 2023). This reminder is important because it shifts the discussion toward *how* security and economic considerations are weighed against each other, meaning that their relative policy significance matters.[9] When broader support for military exports, including political and institutional backing, places increasing emphasis on economic gains, it can constitute a factor

[8] In 1993, e.g., Sweden proposed an initiative of extending multilateral rules aimed to introduce discipline in national support for military equipment (Evans, 2002).

[9] In a sense, the study can be regarded as a step forward relative to Johnson's (2020, p. 852) insight that "the relative importance of these [security and economic] interests is generally unknown."

potentially contributing to undermining the credibility of extended deterrence, as argued above.

During the first Trump administration, particularly with the president's criticism of European NATO allies, the economic dimension of U.S. defense-industrial interests became more prominent. In 2018, the U.S. ambassador to NATO publicly expressed a concern over EU defense initiatives, notably Permanent Structured Cooperation (PESCO), arguing that such EU "protectionism […] could ice American firms out of sales in Europe" (Mehta, 2018). There were even indications that the Trump administration considered "measures that would limit European companies' opportunities to participate in the U.S. defense market" (Harper, 2019). Alongside PESCO, the European Defence Fund (EDF) also drew attention of the U.S. presidency as the American side worried it could "undermine the U.S. industry" (Harper, 2019). Such a policy stance was consistent with the Trump administration's broader protectionist orientation (e.g., withdrawal from the Trans-Pacific Partnership and NAFTA renegotiation) and general isolationism (e.g., withdrawal from international organizations and treaties, including the Arms Trade Treaty, ATT), compared with the previous administrations (see Lind, 2019). Moreover, in the case of Russia's war in Ukraine and U.S. military assistance to Ukraine, U.S. representatives, including those appointed by the Biden administration, were careful to link this assistance closely to national defense- industrial interests. It has, for instance, been stressed that a large portion of military aid to Ukraine effectively serves as an investment in domestic defense industries (Hoffman et al., 2024). During Trump's second term, the administration reportedly sought to "make Ukraine pay for [U.S.] military aid" (Doornbos, 2025), including assistance previously provided under President Biden.

Political rhetoric frequently mirrors institutional choices, which increasingly embed economic logics in U.S. foreign and security policy. It has been indeed argued that President Trump "reoriented the U.S. approach to arms sales by prioritizing perceived economic gains over foreign policy concerns and national security interests," making "selling weapons a central pillar of U.S. foreign policy priorities" (Stohl, 2021). Specifically, in 2018, the Trump administration issued a new policy for Conventional Arms Transfers (CAT) – the National Security Presidential Memorandum Regarding U.S. Conventional Arms Transfer Policy, which prioritized economic interests and, according to some accounts, downplayed those relevant to foreign

policy and security in arms transfer deals.[10] The economic dimension became explicit as the underlying rationale for revising CAT policy was to make it "better align[ed] with security and *economic* interests"[11] of the United States (U.S. Government Accountability Office, 2019, p. 1). The 2023 CAT policy followed suit as the "[a]cquisition of United States defense articles and services" was included in the definition of its purpose and, beyond interoperability issues, was intended to "reinforce diplomatic relations" (U.S. Administration, 2023), thereby furthering U.S. foreign policy and security interests (see also Defense Security Cooperation Agency, 2021).

This evidence, at least *prima facie*, underscores a gradual geoeconomic shift in U.S. strategy. To deepen the analysis, we can also draw on the U.S. National Security Strategies of 2017 and 2022, which frame arms transfers not as marginal transactional tools (the CAT case) but as integral components of broader strategic objectives. While CAT policies have a relatively specific and limited focus, the 2017 National Security Strategy situates arms transfers within a wider security policy context. It emphasized "the need for a robust and innovative DIB [Defense Industrial Base]" and secure supply chains to meet the demands of renewed great-power competition – a marked pivot from the previous counterinsurgency and counter-terrorism emphases (Hoffman et al., 2024). The 2022 Strategy, released amid ongoing supply- chain vulnerabilities, reaffirmed these priorities, again stressing the "criticality of a vibrant [DIB]" and further cementing arms transfers as a core element of U.S. foreign and security policy (Hoffman et al., 2024).

With conventional military threats on the rise, particularly those faced by strategic U.S. allies in Europe, American arms transfers have increasingly become linked to the broader goal of sustaining and strengthening the country's defense technology and industrial base (DTIB). This even led to the U.S. DOD's release, in 2024, of its *first* defense industrial strategy, which aims to build "a modernized defense industrial ecosystem over the next three to five years" (Clark, 2024). Although the strategy invokes "internationalist themes," they frequently conflict with "Buy American" provisions (Levantovscaia, 2024). By privileging domestic procurement, the latter can alienate

[10] According to Stohl (2021), e.g., "the policy did not require a recipient's past actions to be taken into account when assessing transfer decisions or its previous behavior concerning human rights, counterterrorism, and the potential for misuse."

[11] Own emphasis.

partners and narrow opportunities to "[a]dvance allied industrial integration" (Levantovscaia, 2024).

These examples underscore the growing prominence of economic considerations in U.S. policy deliberations linking arms transfers to the country's foreign and security strategy. Arms sales have therefore become a central part of the U.S. current geoeconomic outlook (Lind, 2019), extending even to U.S. allies and partners in Europe. The question therefore arises: how effectively has the United States pursued this strategy with EU countries? Has transatlantic defense cooperation systematically incorporated this geoeconomic push, thereby potentially suggesting an increasingly transactional relationship?

3. Variable Description and Empirical Strategy

I analyze EU member states' post-2000 procurement patterns in terms of the relative weight of U.S.-sourced heavy weapons in their orders. Specifically, I use the Stockholm International Peace Research Institute's (SIPRI) country-level data on Trend Indicator Values (TIV), operationalizing the dependent variable as the ratio of U.S. heavy-weapons purchases to acquisitions from other EU suppliers. The aim is to determine whether there is statistical evidence indicating a positive relationship between the geoeconomic orientation of U.S. foreign and security policy, as previously described, and EU countries' purchases of American weapons. SIPRI's TIV data (SIPRI 2024) enable a highly disaggregated analysis of arms transfers between any two states over time. The data thus allow for consistent comparisons between countries' purchases of heavy military equipment from any given nation, or a group of nations. The primary sample includes EU countries as buyers; the analysis is then narrowed to the EU–NATO subset for a more focused comparison.

The variable has been redefined to capture annual (instead of dyad-based) arms imports, distinguishing sales from the United States vs. those from other EU member states. SIPRI's TIV metric standardizes transfers of diverse major conventional weapons, such as aircraft, missiles, and ships, by assigning each a value that reflects its size, performance, and technical characteristics. This uniform measure enables the tracking of global arms-transfer trends over time and the reliable comparison of countries' roles as exporters or importers. For

example, a high TIV for a particular country indicates a significant volume of arms exports or imports, whereas a lower TIV suggests a smaller or less technologically advanced arms trade.

It is important to note that, while the TIV variable is easily available and, at the risk of repetition, allows a consistent comparison across countries and years, it does not represent the financial value *per se* of the weapons transferred but rather captures their volume and technical capabilities. However, absent a better alternative, the study operates under the assumption that there is a positive correlation between the military and financial value. That is, the larger the volume and/or the greater the technological sophistication of arms, the higher the financial value of arms transferred. This relationship allows the TIV variable to serve as a proxy for the financial value of arms transfers. Moreover, focusing on military rather than financial value offers the advantage of adjusting for country-specific defense needs.

Another significant limitation of the TIV measure is that it encompasses not only sales but also other forms of transfers, such as military aid and grants. Therefore, there is a risk that the variable may not accurately reflect the progression of U.S. arms sales *per se*, but rather the U.S. administration's intent to bolster allies' security by enhancing their military capabilities. This risk, however, can be considered limited for two main reasons. First, U.S. military aid remains modest in scale compared to arms sales.[12] Furthermore, EU–NATO allies are not expected to benefit much from U.S. military aid. Thus, it is likely that much of the variation in this variable can be attributed to arms sales.

SIPRI offers data on both orders and deliveries of heavy weapons. Yet deliveries can reflect complex multi-stage procurement processes whose timing and sequencing are likely to vary across countries. Hence, the focus here is on orders, which capture each government's explicit decision to reinforce its defense posture at a specific point in time. Furthermore, as SIPRI data do not consistently record years in which countries made no arms purchases, the analysis is restricted to observations with confirmed orders of U.S. weapon systems. Analyzing confirmed purchases avoids misclassifying missing values as zero or inflating partial observations, if, for instance, there is a systematic bias (e.g., if public reporting remains uneven among countries). In general, this restriction corresponds to analyzing a specific stage of

[12] In 2006, e.g., the U.S. Foreign Military Financing Program amounted to almost $5 billion (https://2001- 2009.state.gov/t/pm/65531.htm), whereas arms sales accounted for almost $18 billion.

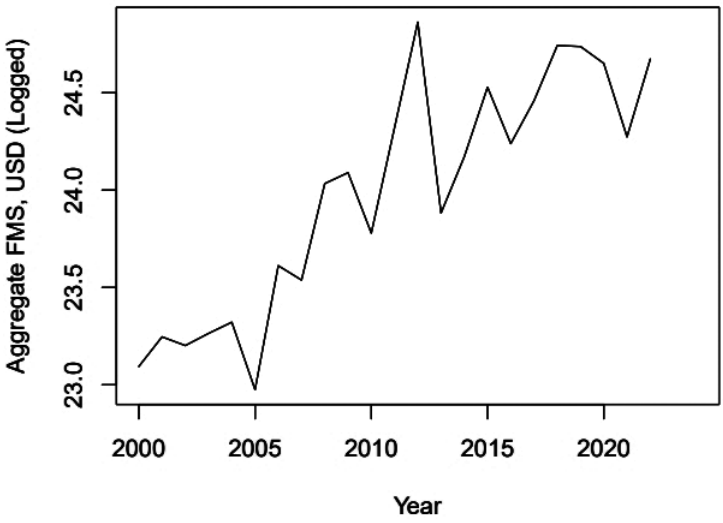
the decision-making process (see, e.g., Balla and Reinhardt, 2008): the volume purchased rather than the mere decision to buy. Framing the dependent variable as a ratio creates more realistic assumptions, since no government is likely to acquire equipment it neither needs nor can afford given its defense budget constraints, in particular. EU member states primarily procure military equipment from the United States and from within the EU.

How can one effectively measure the growing geoeconomic logic at work in U.S. foreign and security policy? This study uses the U.S. DOD's Historical Facts Books (e.g., Defense Security Cooperation Agency, 2016), which contain by-country data on Foreign Military Sales (FMS). The United States has "two key arms transfer programs to support foreign policy and national security goals": the Direct Commercial Sales (DCS) program and the FMS program (U.S. Government Accountability Office, 2019, 1). Under the DCS, the negotiating parties are a U.S. corporation and a foreign government. Under the FMS, the negotiating parties are "the U.S. government and a foreign government [that] negotiate an agreement for the purchase of arms" (U.S. Government Accountability Office, 2019, p. 1). Through the FMS program, the U.S. government facilitates the sale of defense articles and services to foreign countries. The U.S. government, for instance, guarantees the FMS transactions, thereby assuming the financial risk associated with the sale – it assures U.S. defense contractors that they will be paid even if the foreign buyer faces financial difficulties. Furthermore, this also allows for relatively favorable sale conditions. By handling contracts directly, the U.S. government provides a layer of security and reliability, making U.S. defense products more attractive to foreign buyers and thus enhancing the competitive edge of U.S. defense exports. More broadly, U.S. authorities manage interactions with defense contractors, assuming most of the administrative burden (notably, negotiating terms, ensuring compliance with U.S. and international laws, and managing the logistics of delivery and payment). Thus, while FMS data, in fact, reflect the financial value of arms sold, I argue that observations on annual *aggregate* FMS are likely to correlate with the level of the U.S. administration's involvement in supporting its defense industry, and, therefore, the country's relevant political and policy ambition to promote arms transfers.

Figure 1 shows aggregate U.S. FMS (logged) over time. The focus on aggregate FMS is important as the U.S. performance worldwide – rather than in Europe alone – better reflects the country's geoeconomic

ambition in the field of arms sales[13] and mitigates the risk of this variable being systematically correlated with regional-specific security threats. Overall, I expect a significant positive association between the FMS variable and the dependent variable.

Figure 1: **Aggregate U.S. FMS (2000-2022)**



The dataset covers the period of 2000-2022 and is organized into two samples: EU member states (Table 2) and, separately, the subset with EU–NATO allies (Table 3). Additional controls include national GDP (in absolute terms; World Bank, 2025), Russian military expenditure (in absolute value; SIPRI, 2023), the number of U.S. troops hosted (Allen, Flynn and Martinez Machain, 2022), and national defense spending (in absolute value; SIPRI, 2023), which serves as an indicator of a state's arms-acquisition capacity and as a proxy for time-varying security threats (e.g., Massie and Tallová, 2025). We also account for NATO membership, U.S. GDP, and defense outlays to capture the U.S. capacity and willingness to support transatlantic allies, a post-2016 dummy marking the onset of the Trump administration, and both linear and non-linear temporal trends to address serial dependence. Most variables are logged (as indicated by the prefix "l" in Table 2 and Table 3). Furthermore, I also include an interaction term between

[13] E.g., according to Thrall and Dorminey (2018, p. 2), "[i]n just his first year Donald Trump cut a deal worth as much as $110 billion to Saudi Arabia alone and notified Congress of 157 sales worth more than $84 billion to 42 other nations."

the FMS variable and U.S. troops, as well as between Russian military spending and distance to Moscow (in kilometers). This first interaction tests whether U.S. troops may limit the realization of the U.S. efforts to foster arms purchases, U.S. troops presence may signal Washington's enduring geostrategic alignment. The second interaction is based on the idea that a country's perceived threat increases with its geographic proximity to Russia. The descriptive statistics are presented in Table 1.

I employ an ordinary least squares (OLS) regression with country fixed effects to adjust for unobserved time-invariant country characteristics. As the main variable, U.S. FMS, does not vary across countries during a given period, the use of time fixed effects would leave it unidentified. Therefore, I adjust the models for common time-series variation with temporal trends and include, as mentioned, the post-2016 dummy.

Table 1: **Descriptive Statistics**

	N	Mean	SD	Min	Median	Max
dep_var	194.00	0.72	1.12	0.00	0.22	6.49
lfms	177.00	23.92	0.62	22.98	24.03	24.86
lustr	200.00	6.24	2.90	0.00	6.39	11.87
lgdp	190.00	26.83	1.45	22.61	26.84	28.92
lme	183.00	9.03	1.52	3.81	9.00	11.15
Lrussp	190.00	65126.77	28578.66	27404.92	72060.39	126473.35
dist_ru	200.00	2076.02	770.67	603.00	2275.00	3734.00
lme_usa	190.00	13.57	0.17	13.21	13.61	13.81
lus_gdp_abs	190.00	30.48	0.16	30.25	30.47	30.71
nato	200.00	0.88	0.33	0.00	1.00	1.00
post2016	200.00	0.43	0.50	0.00	0.00	1.00

4. Results

The results appear in Table 2 and Table 3. Models 1-4 in Table 2 present a few different specifications in terms of adjusting for additional variables. Relative to Model 1, Model 2 adds the interaction between Russian military spending and proximity to Moscow. Model 3 includes NATO membership and a post-2016 dummy (omitting the Russia-threat interaction). Model 4 augments Model 3 with temporal trends. As noted above, the models in Table 2 are based on the EU country sample and, therefore, reflect broader transatlantic security

cooperation.

Across all models, the main variable is positive and statistically significant, supporting the hypothesis that there is a positive relationship between the geoeconomic orientation of U.S. security policy and the relative weight of American military production in EU countries' heavy weapons purchases. Overall, the models are consistent and show no substantial differences across specifications. While the interaction between FMS and U.S. troop presence is not statistically significant, its negative coefficient suggests that host countries may be less responsive to Washington's geoeconomic push in arms procurement, perhaps because the very presence of U.S. forces already signals a strong strategic commitment. Although the NATO coefficient is positive, it does not reach conventional significance levels, likely reflecting its limited variation in the sample.

Table 3 presents results for the sample restricted to EU–NATO allies.[14] Model 1 reproduces the estimates from Model 4 in Table 2. Model 2 excludes the years 2006, 2008, and 2018, which represent the periods when the cross-sectional mean of the dependent variable spiked and may be considered outliers.[15] Model 3 presents a one-way fixed-effects specification with robust standard errors clustered at the country level. The estimated coefficients of U.S. FMS are positive and statistically significant, and they increase in magnitude when the sample is limited to EU–NATO members. This suggests that transatlantic security cooperation within NATO is likely more closely aligned with U.S. policy preferences, including its geoeconomic orientation.

At the risk of repetition, these findings, while consistent, should be considered as correlational rather than causal. The study does not sufficiently address the issue of endogeneity, including potential reverse causality. However, it may be worth noting that several considerations mitigate the risk that the reported results simply reflect demand-driven FMS. First, the key variable is annual global (aggregate) FMS volumes, meaning that EU countries' arms purchases constitute only a fraction of this aggregate; year-to-year movements in a single region are therefore unlikely to drive the system-wide measure. Second, surges in allied demand for U.S. arms are plausibly proximate responses to security shocks (e.g., post-2014). The statistical models adjust for EU/ EU–NATO countries' overall defense spending,

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[14] A country is included in the sample only from the year it joined NATO.

[15] Results not shown.

which captures much of this threat-induced demand; furthermore, they include country fixed effects to absorb time-invariant security differences across states.

Table 2: **EU Countries**

	(Model 1)	(Model 2)	(Model 3)	(Model 4)
lfms	1.595**	1.503**	1.603**	1.944***
	(0.620)	(0.623)	(0.627)	(0.692)
lgdp	1.256	1.048	1.424	0.749
	(1.493)	(1.499)	(1.511)	(1.556)
lustr	1.745	1.280	1.961	1.964
	(1.620)	(1.659)	(1.659)	(1.663)
lme	−1.366*	−1.638**	−1.563**	−1.530*
	(0.755)	(0.784)	(0.769)	(0.869)
Lrussp	−0.00003**	−0.00002	−0.00002*	−0.00000
	(0.00001)	(0.00002)	(0.00001)	(0.00002)
post2016			0.922*	1.375**
			(0.525)	(0.565)
dist_ru	0.002	0.004	0.002	0.003
	(0.003)	(0.003)	(0.003)	(0.003)
nato			0.042	0.181
			(0.772)	(0.781)
lus_gdp_abs	3.040	3.388	−1.970	9.830
	(2.510)	(2.520)	(3.797)	(6.665)
lme_usa	−0.286	−0.263	0.968	2.518
	(0.893)	(0.891)	(1.147)	(2.521)
lfms:lustr	−0.080	−0.060	−0.087	−0.084
	(0.067)	(0.069)	(0.069)	(0.069)
Lrussp:dist_ru		−0.000		
		(0.000)		
trend				−0.550
				(0.542)
$trend^2$				0.016
				(0.036)
$trend^3$				−0.0004
				(0.001)
Constant	−147.795*	−152.117**	−16.516	−386.394*
	(75.502)	(75.428)	(106.297)	(210.472)
Observations	168	168	168	168
R^2	0.229	0.238	0.246	0.276
Adjusted R^2	0.046	0.050	0.054	0.070
Residual Std. Error	1.154 (df = 135)	1.152 (df = 134)	1.150 (df = 133)	1.140 (df = 130)
Note:	*p<0.1; **p<0.05; ***p<0.01			

Table 3: **EU–NATO Countries**

	(Model 1)	(Model 2)	(Model 3)
lfms	2.372***	1.308**	2.379**
	(0.768)	(0.641)	(0.890)
lgdp	1.308	1.249	1.333
	(1.644)	(1.297)	(1.824)
lustr	3.205*	3.057**	3.206
	(1.842)	(1.497)	(2.041)
lus_gdp_abs	13.594*	2.497	13.522**
	(7.144)	(5.905)	(5.728)
lme_usa	2.562	5.004**	2.599
	(2.699)	(2.136)	(2.145)
lme	−2.035**	−1.308	−2.035
	(0.960)	(0.790)	(1.182)
Lrussp	0.00000	0.00001	0.00000
	(0.00002)	(0.00002)	(0.00002)
post2016	1.129*	0.713	1.116
	(0.613)	(0.473)	(0.760)
lfms:lustr	−0.136*	−0.129**	−0.136
	(0.077)	(0.062)	(0.087)
Lrussp:dist_ru	−0.000	0.000	−0.000
	(0.000)	(0.000)	(0.000)
trend	−0.676	−0.863*	−0.673
	(0.596)	(0.454)	(0.477)
$trend^2$	0.025	0.050*	0.023
	(0.039)	(0.030)	(0.033)
$trend^3$	−0.001	−0.001	−0.001
	(0.001)	(0.001)	(0.001)
Constant	−541.481**	−200.973	
	(233.976)	(194.688)	
Observations	145	126	145
Country FE	✓	✓	✓
Robust SE			✓
R^2	0.293	0.267	0.292
Adjusted R^2	0.091	0.015	0.090
Residual Std. Error	1.129 (df = 112)	0.841 (df = 93)	0.993 (df = 132)

Note: $^*p < 0.1$; $^{**}p < 0.05$; $^{***}p < 0.01$.

Conclusion

This study provides a preliminary but systematic investigation into EU countries' weapons procurement patterns during the period of 2000-2022, asking whether they reflect a geoeconomic orientation of U.S. security policy. In other words, if it can be argued that U.S. foreign and security policy has become increasingly intertwined with the promotion of arms sales, the question arises whether this orientation on behalf of the United States can also be detected in the context of transatlantic security cooperation.

The analysis is based on the following empirical and theoretical considerations. Economic interests have assumed a more prominent role in shaping the geostrategic position of the United States, including in the field of arms sales. Consequently, arms transfers to EU countries, the United States' longest-standing allies and partners, may reflect a systematic geoeconomic logic, where economic factors linked to arms sales are likely to foster a patron-client dynamic, potentially at the expense of genuine strategic alignment. More broadly, the importance of the relationship between defense commitments and arms transfers is underscored by recent theoretical considerations, suggesting that arms sales could undermine a patron's credibility in terms of extended deterrence (Haynes, 2024). Yet transatlantic security cooperation has not yet been explored.

Concretely, the study analyzes defense spending of EU countries and EU–NATO allies post- 2000 in terms of the relative weight of U.S. military production in their heavy weapons purchases from either the United States or other EU countries, with the key independent variable being U.S. arms transfers realized worldwide under the Foreign Military Sales (FMS) program. The empirical analysis, which remains exploratory, points to a positive association between the geoeconomic orientation of U.S. security policy and EU countries' acquisitions of U.S. arms. In other words, an enhanced geoeconomic push by the United States, or the U.S. willingness to promote arms sales, tends to translate into relatively more purchases of U.S. military production by EU and EU–NATO countries.

However, the analysis remains limited and, at this stage, much caution is in order on different levels. Importantly, both the dependent variable and the primary independent variable require a more thorough analysis to uncover their potential multiple dimensions, which in this study were largely assumed rather than empirically

validated. Therefore, future research should refine these variables and probe alternative operationalizations. Additionally, since arms sales often occur over extended periods, it is crucial to account for the temporal dynamics involved by explicit modeling. Another significant challenge lies in the empirical strategy, which does not fully rule out confounding, so endogeneity remains a live concern.

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