

NATO's Future: The Path Forward and the Resource Hurdle

Last year, I ended my talk by observing that, until recently, NATO's public perception has been mostly defined by its problems. Crises, scandals, and disagreements got the most publicity since they were natural fodder for politicians' debates and journalists' reporting. Bad news travels fast, while good news is no news. But the war in Ukraine has put a more favorable light on NATO for its critical contribution to turning back the Russian invasion. Even so, this positive discourse, which overwhelmingly focuses on allies' quantifiable contributions to the war effort, overlooks the hidden contribution of NATO--its decades-long inculcation, habituation, and institutionalized practice of a host of nation-states working together. Anybody who thinks this cooperation could have happened without NATO is drinking too much of Macron's French autonomy wine. Nor is it imaginable that the EU would be as forward leaning on Ukraine without NATO. NATO, the institution, has been essential for what has been accomplished so far.

What Now?

NATO Moving Forward

In the Madrid 2022 NATO Summit, members pledged to "defend every inch" of alliance territory by committing to increase NATO's enhanced forward presence. As it has in the past, NATO is changing its underlying strategy to meet the new threat environment. In this case, moving from "deterrence by retaliation," where member states promise to come to the defense of any member once attacked, to "deterrence by denial," where the goal is to prevent the occupation of a member state's territory and, with strong forward deployment, deter any aggression in the first place.

To carry out this strategy, NATO members will have to pony up more troops and equipment to station on Eastern and Northern flanks of the alliance. And, of course, more men and platforms will need enhanced mobility, logistic, air defenses, and ISR capabilities to move, supply, and protect NATO forces. And, as with any change of the size of force structure, command and control structures will need to be rethought: what levels of command are needed to handle the expanded force and where should they be located? Forward basing more forces will also require building or expanding installations, along with acquiring and maintaining weapon and ammunition stocks sufficient for a sustained conventional conflict. And, finally, to ensure continuity in planning, Ukraine, even before membership, should be invited to participate in the various NATO defense committee meetings—just as Sweden and Finland have been.

Ukraine's NATO Future

At some point, there will be a settlement between Russia and Ukraine, as either one or both sides reach a point of exhaustion. But as long as Putin remains in power—and perhaps even if he were to die or be replaced—the Kremlin will treat any settlement as a temporary pause to regain its economic and military footing. As long as Russia is not liberal and democratic, the very existence of a liberal and democratic Ukraine will be perceived as a threat to the legitimacy of the Kremlin's rule and a roadblock to Russian imperial ambitions. Accordingly, there will be no real peace for Ukraine and, in turn, NATO's Eastern European allies, absent strong security guarantees for Ukraine.

And they must be strong and real—unlike the agreements of the past. In 1994, the United States, along with other Western powers and Russia, signed the Budapest Memorandum, which "guaranteed"

Ukraine's territorial integrity in exchange for Kyiv giving up the nuclear weapons on its territory. Then in 2008, at the Bucharest NATO Summit, the alliance pledged future membership to Ukraine and Georgia but did nothing of substance to make that happen. And, finally, following the Russian invasion of Ukraine in 2014, Germany and France's attempts to resolve the then conflict in the Minsk agreements went nowhere—or worse than nowhere as Putin was able to consolidate Russian gains in the Donbass and Crimea. Kyiv has every right to say, fool me once, fool me twice, fool me a third time...but no more.

So, what's to be done now?

From a security point of view, the most reliable and effective answer is full-on NATO membership for Ukraine. As my AEI colleague Hal Brands has written: "It isn't hard to see why NATO membership brings the gold standard of security guarantees: a pledge from the world's most powerful alliance, which includes the world's only superpower, to treat an attack on one as an attack on all. There is no better invasion insurance in the modern world." Moreover, such a security guarantee would probably make the actual material cost of deterring Russia less than if Ukraine remains outside the alliance. Deterring Russia alone would require substantially greater aid on our part and substantially higher military spending on Ukraine's part than if it were part of a collective defense system. And, of course, the strong guarantee that comes from membership would be particularly important for attracting the kind of investments that Ukraine will need to rebuild and further integrate itself with the rest of Europe. Just as the Marshall Plan would not have succeeded without the simultaneous creation of NATO, so too, will rebuilding a war-ravaged Ukraine depend on the strongest of security guarantees. Finally, Ukraine should not be seen simply as a drag on NATO's resources. Very quickly, through the crucible of war, Ukraine's military has become one of the more capable and battle-tested forces in the world. If deterring Russia from further aggression is the principal task of NATO today, then, adding Ukraine to the alliance's side is the correct thing to do.

It might be the correct thing to do but it is unlikely to happen in the near term. Under Article 10 of the North Atlantic Treaty, "The Parties may, by unanimous agreement, invite any other European State in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty." That is, membership requires the concurrence of all member states. And, as working principle, NATO does not admit nations with ongoing conflicts or border disputes since, under Article 5 of the Treaty, "The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all," and once attacked, "will assist the Party or Parties so attacked." And the fact is, as long as Ukraine is at war and disputing territory with Russia, few NATO states, including the US, will want the risk of being drawn into war with a nuclear armed Russia. As we have seen with Sweden's membership plans, it only takes a country or two to frustrate even the most obviously beneficial addition to NATO's ranks.

Now, there have been other security models proposed for Ukraine. Early on, Henry Kissinger, for example, raised the possibility of some agreement between Russia and Ukraine in which Kyiv, in exchange for some undefined concessions from Moscow, would pledge a Finland-like neutrality. That Finland itself no longer sees that model as apt ought to be sufficient to put it aside as a realistic alternative. Moreover, Russia perceives Ukraine, unlike Finland, as part of its historic lands. It would never respect's Ukraine's neutrality as it did Finland's.

A second model would be for Ukraine to become the Israel of Eastern Europe. This would require a guarantee, as with Israel, that the West would give Ukraine access to capabilities and platforms that would give it "a qualitative military edge" sufficient to defend itself from Russian aggression. Putting aside

the enormous difference in military capabilities between Israel's adversaries and Russia, and the resulting costs for maintaining that edge, the other obvious difference is that Israel has nuclear weapons and Ukraine doesn't. Absent America's nuclear umbrella, wouldn't the logical next step be for Ukraine to seek its own nuclear deterrent?

Another option would be for a coalition of mostly Eastern European allies to give Ukraine bilateral security guarantees. But, unless the United States was a partner in that coalition, even hard and fast security guarantees would not credibly deter Putin or some future Kremlin leader. In theory, it's possible that the U.S. could be part of such an effort but, in practice, neither this administration nor this Congress is ready to take that step. Nor would it be wise to do so. NATO's strength is collective defense. Divvying up strategic tasks would undermine alliance cohesion operationally and further complicate maintaining a united position vis a vis Moscow. It would be an open invitation for Berlin and Paris to peel off and return to pre-February 2022 policies towards Russia. Moreover, what would the non-coalition NATO members be expected to do under Article 5 if one or more of the coalition states were involved in a conflict with Russia in the future? In short, a coalition of the willing is a Pandora's Box of future problems.

So, again, what is to be done? As the short rundown of alternatives show, there is no easy choice. But the best choice still is NATO membership for Ukraine. Accordingly, what is required from the NATO Summit at Vilnius is a road map for getting there. This don't mean giving Ukraine a Membership Action Plan; we are beyond that point with Ukraine. Rather, what is needed is a detailed plan to finally give the Ukrainians all the capabilities they need to bring the conflict to a satisfactory end.

"Satisfactory" of course is in the eyes of the beholder, but, at a minimum, it probably means taking back the southern oblasts of Kherson and Zaporizhzhia, which are critical to the country's economic viability, and would enable Ukraine to hold Russian-held Crimea hostage. And ending the war need not require a formal cession of regions like the Donbass to Russia. Rather, the goal would be to put Ukraine in a position to negotiate a cease fire along stable and discernable lines of control. Once this Korea-like equilibrium is achieved, NATO members could reach some consensus on conditions for Ukraine to join the alliance. Most likely, this would include a Ukrainian agreement not to use force to retake remaining Russian-held territory while NATO members pledge both to maintain all the sanctions and pressure currently in place until Russia relents on occupying Ukrainian lands, and to extend Article 5 guarantees to all lands Ukraine controls.

To be clear, to achieve this, the situation on the ground must favor Ukraine enough for Russia to lose interest in maintaining even a reduced level of conflict. To put it bluntly, the Russian military has been deeply broken; otherwise, Russia will have every incentive to keep the conflict burning at some level to foreclose NATO agreement on Ukrainian membership. This, in turn, will require a lot more assistance, especially assistance that gives Ukraine longer-range striking power and denies Russia air superiority. It is only then that Kyiv may find itself in a position where it can safely negotiate a cease fire with the Kremlin. In short, the Vilnius Summit must provide far more than rhetorical support for Ukraine against Russian aggression and future membership in NATO. What the alliance spells out (or doesn't) will undoubtedly have a lasting impact on NATO's credibility and Putin's own assessment of Russian prospects in a lasting conflict.

Filling in the Gaps

As outlined above, the two major tasks for NATO are 1) providing Ukraine with sufficient military capability that it can successfully bring the war to a satisfactory end and 2) significantly enhancing the alliance's deterrent posture across the Eastern and Northern flanks. Accordingly, the question is, what is the likelihood of meeting those goals and/or doing so in a timely way?

To start, the allies have provided Ukraine with the tools to stave off a Russian conquest and even regain a significant part of territory occupied by Russia. And while some member states have obviously done more on this front than others, no one would have predicted this level of unified, continuous support from the alliance in the winter of 2022. Although not formally at war with Russia, NATO has, through its efforts, confronted and helped drain a Russian military that will take Moscow years to rebuild and replenish. Helping Ukraine has been immensely cost-effective in dealing with the Russian threat with zero alliance casualties. This gives NATO a bit more breathing space to carry out its new strategic posture.

That said, meeting the threat tomorrow still requires spending today. If you want something in place five years from now, procurement decisions must be made now. There is no Amazon, just-on-time fix, to delivering military capabilities. The good news is that, in general, defense spending across the alliance has been on the rise since 2014. Then, less than a handful of members met the agreed-upon floor of spending 2% of the country's GDP on defense. The estimate is that, this year, number will rise to 11. Taken altogether, NATO defense expenditures amounts to 2.6% of the alliance's GDP. The bad news, however, is that, excluding US military spending, the alliance-wide % drops to just 1.8%.

This is particularly troubling since the American defense effort must be spread across the globe and cannot be concentrated only on Europe. For a decade, threats to the US have grown while its budget has stayed flat and its military has shrunk. In the past, the US's unquestioned global military preeminence made the European shortfall tolerable, but that is no longer the case. Even Josep Borrell, the EU foreign policy chief, admitted that while he "was not a fan of President Trump...he was right about one thing—Europeans do not share their part of the burden." At the end of the Cold War, the % of total alliance spending by the US was approximately 60%; in 2020, it was 70%.

When factoring in the costs of both assisting Ukraine and reorienting NATO east and north, most honest assessments see even the 2% pledge as inadequate. Alliance members will need to pledge more likely around 2.5%, but other than Poland, none of the so-called major powers within NATO (Germany, UK, France) now come close to that level. The on-going debate over quickly procuring non-European weapons or delaying purchases to support domestic defense industries in Europe only further complicates matters. Add in inflation, expenditures on climate policies, and monies spent to deal with the economic fallout of the COVID pandemic and the outlook for addressing NATO defense shortfalls does not look good.

As the nation among European member states with the largest population, biggest economy, and the most advanced manufacturing base, Germany could have the kind of advanced military force that would significantly reduce the gap between what NATO's aspirations and its capabilities. But despite Chancellor Olaf Scholz's pledge to rethink Germany's role in the world in the wake of Russia's invasion, the Federal Republic has yet to spend much of the additional \$100 billion it supplemented to its defense budget. It will eventually get spent when Germany starts acquiring F-35s and heavy lift helicopters, but that is still sometime down the road. As for now, the pledge to reach 2% keeps being pushed down the road. This is not to dismiss the quite remarkable changes Germany has made in the wake of the Russian invasion of Ukraine in its energy policies and in the vocal and growing material support for Ukraine. But

getting out of the hole successive German governments have dug for its military since the 1990s requires substantially bigger budgets than are being planned.

It is difficult to say things are much better when it comes to the UK. The current British government will increase defense spending somewhat over the next two years. But these monies will go towards replenishing ammunition stocks depleted from supplying Ukraine—not to improve or expand the current force. The British military believes they need at least to be spending 3% of the country's GDP to meet the government's stated strategic goals. Instead, the government is pledging only to reach the 2.5% of its GDP for defense sometime in the future if and when the British economy substantially improves.

As for France, President Macron has outlined a spending plan for the French military that would add annually \$3 to \$4 billion more to the defense budget. By 2030, this plan would result in a military budget nearly double the one Macron inherited upon his election in 2017. However, France has only met the 2% mark twice since 2006 and Macron must pass his spending plan through an assembly in which he no longer holds a majority. After eight years of military operations in Africa, and the shift to developing a force to deal with higher-end, conventional warfare the French military will need every Euro that is being budgeted.

In the past, US leadership and military capacity could make up for these shortfalls. But since 2011, the defense budget has not grown in real terms though the international security environment has gone from problematic to deadly serious. And help does not appear to be on the way. The Biden defense budgets have not kept up with inflation, resulting in the US cutting force structures when it should be adding. And, whereas in the past few years Congress has been the branch that has added monies into the Pentagon, to resolve the debt ceiling crisis Congress has signed onto a budget that keeps defense spending flat, or if it fails to pass its appropriation bills, actually cuts Defense Department monies. This will undoubtedly impact what aid is made available for Ukraine, as well. In December, Congress passed a supplemental measure that created a pot of \$48 billion. But, given the rate of drawdown, there will be a need for a new supplemental and new monies to buy new stocks of ammunition and missiles. But Republicans on the appropriations committees in the House are already pushing back against Pentagon requests. The Republican chairs and ranking members of Congress's various national security committees, along with Senate Republican leader Mitch McConnell will undoubtedly push back against the seeming reluctance to keep Ukraine-related monies flowing. However, it is the appropriators who cut the actual checks and see themselves, especially in the House, as bound by the budget agreement House Speaker Kevin McCarthy negotiated with the White House.

It would help if President Biden were more vocal about why Ukraine's victory is in the US's and the alliance's interest. But while he's willing to use the "bully pulpit" on issues like climate change and his domestic priorities, he's made no major address at home in prime time on the war—not one. It's difficult to move a country, let alone an alliance, to do more when there is little public persuasion by the president. Of course, the Biden administration should be congratulated on what it has done so far to prevent Russia's conquest of Ukraine—even if, at times, it has been needlessly incremental in providing key weapon systems. Yet the gap between what still needs to be done and the resources currently available is a looming issue. NATO's and Ukraine's success to date is no guarantee of success tomorrow or in the months and years ahead.

As I also remarked last year, NATO is best understood as a mule, not a racehorse: it's often slow to move, but, over the years, ultimately, with a persistent push it can carry a significant burden that no

thoroughbred would be capable of. But, even so, no mule can carry that load if not sufficiently fed with the fuel needed to go the distance.