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Flagship of Standing NATO Maritime Group Two (SNMG2), HMCS Charlottetown, sails the Mediterranean Sea conducting operational patrols during Operation REASSURANCE on July 11, 2024.

Photo: Aviator Gregory Cole, Canadian Armed Forces Photo.

Photo details on page 6.

Photo details on page 76.

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Deployed members of the 2nd Royal Canadian Regiment currently serving in Latvia, congregate to commemorate Pashmul Day at Camp Adazi, Latvia, September 14, 2020.

Photo: eFP BG Public Affairs Imagery Technician, Canadian Armed Forces Photo

Burden-Sharing: Misunderstandings, Issues, and Stakes Inside the Atlantic Alliance

RENAUD BELLAIS

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How to achieve fair burden-sharing between the Allies of the Atlantic Alliance has been the subject of a recurring debate for decades, but the debate took a dramatic turn before the NATO summit in The Hague, Netherlands, in June 2025. US President Donald Trump requested a massive increase in other Allies' military expenditures, to at least 5% of GDP, as the *sine qua non* condition for maintaining American involvement in the Alliance. Nobody should have been surprised given that, four years earlier President Trump had already pushed for increasing the NATO spending target to 4% from the 2% previously agreed upon at the 2014 summit in Newport, Wales.

The issues and stakes of burden-sharing are likely to play a major role in the forthcoming budgetary decision making in many NATO countries. All countries committed to increasing their military expenditures to reach the new target no later than 2035 and accepted that an evaluation would take place by 2029 in order to ensure follow-through by all countries. Thus, international pressures to deliver will remain strong, unlike what happened after the 2014 summit.

Even though the United States is right to complain that defence efforts in Europe and Canada are too limited, does an approach focusing on defence input truly correspond to the relevant requirement for an effective military alliance? Is it realistic to expect a linear relationship between the level of each Ally's military expenditures and the provision of international security through the Alliance? Most of the political debates and academic literature on the subject adopt an input perspective, as if intensity of effort were the only way to assess the effectiveness of a military alliance.

> "The indefectible commitment to collective security must go hand in hand with an ambitious new target for military spending: 5% of GDP by 2035."

This consideration is particularly important when countries are planning to implement a massive increase in military expenditures in the coming years in order to optimize the allocation of those resources and avoid wasting public funds. The Hague Summit resulted in a very short final statement, but that statement contains strong pledges. The indefectible commitment to collective security must go hand in hand with an ambitious new target for military spending: 5% of GDP by 2035. This is a real disruption, considering that the military expenditures of Allies other than the United States have just reached 2% of GDP in 2024, a decade after they committed to spend that much.

This collective decision represents a major change with regard to the era of peace dividends that most NATO countries experienced after the fall of the Berlin Wall in 1990. It raises many questions beyond the perspective of the United States concerning the collective production of international security. The new pledge represents a big leap forward. However, what does burden-sharing mean, especially in this context? How can it be accomplished, and with what contributions? After three decades of relative peace and low defence spending, implementing such a transformation of military efforts constitutes a major challenge for most member states of the Atlantic Alliance.

Beyond the obvious target with regard to military spending, the implementation of defence efforts is neither clear nor necessarily homogeneous between Allies, which differ significantly on several parameters, issues, and stakes. In other words, there is no reason why there would be a one-size-fits-all approach, even though Allies share the same desired output: peace and international security. Looking at domestic perspectives is therefore useful to assess how each Ally can understand collective security, define corresponding military efforts, and promote its own vision of burden sharing.

Analyzing domestic perspectives is even more relevant today given that The Hague Summit resulted in a new definition of defence efforts, marking an interesting but challenging disruption in the Alliance's conception of national commitments. The global target is to spend 5% of GDP on defence by 2035, and, within that, the Allies agreed on a core military effort of 3.5% of GDP, corresponding to what the military staff has defined as required to meet the necessary capability targets. The remaining 1.5% of GDP is to be allocated to infrastructure, cyber-defence, and resilience as levers for armed forces.

The first of those two portions (3.5% of GDP) aims to adjust military expenditures to the new reality of international relations. Armed forces must have the means to deter and eventually defeat a potential adversary. The war in Ukraine has underlined the features of wars of attrition, which were largely forgotten in recent years because most post-Cold War military engagements were part of contingency operations. Increasing the collective target from 2% to 3.5% appears to be imperative. However, the stakes go beyond solely increasing efforts homothetically. It is possible to deter an adversary if and only if armed forces are credible and resilient. This requires spending effectively and wisely, in accordance with the needs of each domestic defence but also to the comparative advantage of national armed forces inside the Alliance.

The second part (1.5% of GDP) corresponds to the recognition that core defence is necessary but not sufficient in order to deal with an interstate, Clausewitzian war. When confronted with the latter, countries must set the grounds for a global resilience that encompasses robust civilian infrastructure and a supportive population. If military mobility is crucial, preventing the civilian society and economy from collapsing is critical today in a war of attrition in which military actions can also take place far from the front line.

However, it is more difficult to define the limits of military engagement when threats could come from deep-strike capabilities and from cyber attacks, targeting both military and civilian assets. Placing limits on the definition of military efforts appears to be quite challenging and subject to the analysis of threats and the choice of social organization to deal with them. Defence efforts

cannot be assessed with a black-and-white dichotomy: we have to look at fifty shades of grey. This means that defence efforts could include several dimensions, which have to be analyzed with new metrics and interactive dynamics in order to understand the relevance and effectiveness of corresponding efforts.

After the Hague Summit, this new conception of military efforts also leads us to reconsider how much effort each Ally had expended in recent years beyond the 2% target. In other words, some states should not be blamed for spending too little on core defence if they were investing significantly in domains which were essential for implementation of military operations as defined through the new NATO approach. Nevertheless, this enlarged definition has less clear-cut boundaries, opening the door to divergences on how to interpret what should be counted as military efforts and what should not.

It is thus necessary to revisit the concept of burden-sharing and reconsider the domestic perspectives of each Ally with regard to the expected level of collective security. There is no reason why all countries should make the same contributions to the Alliance at different scales; that does not make military sense. Geography also matters: the balance in terms of contributions for core defence and additional efforts depends on several dimensions in order to maximize one country's contribution to the collective security.

At the same time, the level of collective ambition has changed. Unlike the 2014 pledge, the new one is compulsory and is expected to be implemented quickly. Pressure on the European Allies and Canada is likely to remain high, especially as they will face a mid-course evaluation in 2029. It is therefore useful to understand where we are starting from in order to understand whether and how the 2035 target will be implemented. However, spending a lot of money quickly is not the best way to achieve a higher level of international security. It is necessary to develop some output metrics in addition to input targets, which are still relevant, especially in order to define a fair balance between Allies.

This special edition of the *Canadian Military Journal* aims to provide an overview of stakes and issues regarding the burden sharing between Allies, particularly between the United States on the one hand, and Canada and the European Allies on the other. Even though a single CMJ edition cannot cover all 32 countries of the Atlantic Alliance, the selected contributions that appear here underline the multiplicity of domestic perspectives and offer some insights into why there is no one-size-fits-all approach and why such an approach is not possible despite a collective and shared goal.

A Canadian Armed Forces member provides humanitarian assistance at a reception centre for Ukrainian refugees in support of Task Force Poland on April 23, 2022 in Warsaw, Poland.

Photo: Cpl Tori Lake, Canadian Armed Forces Photo

Canadian and American military members exchange their flags at 5 Wing Goose Bay, Newfoundland and Labrador during Exercise VIGILANT SHIELD 17 on October 17, 2016.

Photo: MCpl Krista Blizzard, 5 Wing Public Affairs

What Does Burden-Sharing Stand for in a Military Alliance?

RENAUD BELLAIS

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What makes a country a good ally? Until the creation of the Atlantic Alliance, the criterion was quite simple: Do you fulfill your commitment? Alliances were a coalition of the willing, usually based on short-term, ad hoc objectives. A good ally was the one that goes to war when expected, with appropriate means and good tempo. Therefore, the robustness of an alliance was tested on the battlefield only, since treaties provided limited ex ante guarantees of commitment (if any). Moreover, most alliances were short-lived, especially in Europe due to the ever-changing balance of military powers.

“ The Ukraine war has changed this dynamic to some extent, as demonstrated with the new pledge, made during the NATO summit in The Hague in June 2025, to spend 3.5% of GDP on core defence by 2035.”

Even when alliances were credible and robust, and even after the shock of the battle, the modern way of war based on the benefits of industrialization and science rendered traditional treaty-only-based alliances less effective. We have known at least since the First World War that allies need to coordinate operations, planning and the generation of military forces and capabilities. The outbreak of the Second World War also underlined the necessity to coordinate well before the beginning of military engagement to secure the readiness, deployability and sustainability of committed forces.

These developments explain why an alliance has become a long-term, structured partnership which cannot function effectively with doubts and uncertainties. Therefore, each ally must commit to and take on its share of the burden of collective security in due time and in a sustained manner. However, what does burden-sharing really mean? Is it possible to achieve a fair distribution of efforts among allies? This article presents an overview of such questions and of related stakes and issues to provide food for thought beyond political statements from the North Atlantic Treaty Organization (NATO).

A transatlantic debate on burden-sharing since… Eisenhower

Even though the burden-sharing debate took a dramatic and perhaps traumatic shape during the first Trump administration (2017–2021), it has strong roots in the 1970s, when the United States reduced its military efforts after the Vietnam War. Indeed, the imbalance of defence spending between the US and other NATO countries appears to be a long-term phenomenon. However, as early as 1959, President Eisenhower was already complaining about insufficient efforts from European allies, suggesting that Europeans were close to “making a sucker out of Uncle Sam,” according to Justin Logan.[1]

Since then, complaining about the reluctance of European (and under-the-radar Canadian) allies regarding defence spending has almost become a necessary statement for American presidents. The criticisms have become more systematic since the 1970s, when US defence expenditures shrank after the end of the Vietnam War. In 1974, the Jackson-Nunn Amendment requested that European allies support the costs of deploying American forces on European soil, as a prerequisite to maintaining them there. This was echoed by President Trump’s statement that higher military spending on the Bundeswehr (the German armed forces) was necessary to keep American bases in Germany.

Indeed, there are some grounds to the American complaint. After the end of the Cold War, most European countries did not face any major direct threat and, in the spirit of Fukuyama’s *The End of History and the last Man*,[2] significantly reduced their military efforts. In 2024, Florian Dorn and his colleagues[3] calculated that, since 1991, European countries had extracted a total peace dividend[4] of €1.8 trillion in excess of what their non-defence spending should have been if they had maintained defence spending at 2% of gross domestic product (GDP). The defence investment gap reached €600 billion, with a huge impact on the deployability and sustainability of European armed forces. This represents a classical “guns versus butter” arbitration. Dorn et al. underline that, after adjusting for inflation, social spending has grown by a factor of 2.4, while GDP has grown by a factor of only 1.9.

Even though the shortfall has been halved in the past decade, many European countries still appeared unable to reach the Alliance’s targets. However, the Ukraine war has changed this dynamic to some extent, as demonstrated with the new pledge, made during the NATO summit in The Hague in June 2025, to spend 3.5% of GDP on core defence by 2035.

However, implementation of the new target already appears quite challenging due to budget and debt issues in many European countries. Arnold Martin et al.[5] note a gap of €56 billion a year. However, national priorities still differ. In the United States, defence has always been the top priority. Most European countries, with the exceptions of Poland, Latvia, Lithuania, and Estonia, have not switched to crisis mode, while the United States has kept its military efforts well above 3% of GDP despite the end of the Cold War.

In addition, because of high debt levels and rising interest rates, many European countries do not have much room to increase defence efforts. Dorn et al. provide a comprehensive analysis of how European states’ economic pressures hinder their ability to meet NATO commitments.

Ceteris paribus, European countries have become more dependent on US armed forces to provide security in Europe. American military spending represented 66% of total defence spending inside the Atlantic Alliance in 2024, compared to only 61% in 1990. This has led to a tenser transatlantic debate regarding burden-sharing (even though we must keep in mind that the United States assumed 74% of Allied defence spending in 1970). Thus, the frustration at the unbalanced commitment from allies is understandable. Justin Logan does not hesitate to suggest that

"the only way to produce more equitable burden-sharing is to make allies doubt the strength of the U.S. commitment."[6]

"Accusations of free-riding have marred transatlantic relations ever since the creation of the Atlantic alliance in 1949," as pointed out by Martial Foucault and Frédéric Mérand.[7] "Then as now, the rhetoric of burden-sharing has served as a useful rhetorical weapon to blame those who were seen as not contributing enough to the cause." However, such a burden-sharing debate is complex because not all stakeholders necessarily speak about the same stakes or understand them in the same way.

Decision makers do not use clear definitions and metrics regarding output. They use the normative language of justice, relying on a moralistic appraisal of other allies' decisions. This is especially the case when Donald Trump threatens to reduce the involvement of the United States in NATO and accepts such commitment only "so long as European countries play fair" and do not take advantage of the American contribution. The confusion increased when, in an interview on British TV channel GB News in March 2024, he demanded that "NATO countries meet their financial obligations to the alliance."

But what are those obligations? Usually, they are not detailed beyond the targets of 2% of GDP and 20% of military spending dedicated to investment set during the Newport Summit in 2014. The Hague declaration does not provide any further details, except regarding the repartition of the 5% target into 3.5% for core military expenditures and 1.5% for related efforts (infrastructure, cyber defence, etc.).

> "Even then, can we consider these targets as relevant when adopting an output perspective rather than an input one?"

Even then, can we consider these targets as relevant when adopting an output perspective rather than an input one? This debate did not appear clearer when President Trump said, "NATO has to treat the U.S. fairly, because if it's not for the United States, NATO literally doesn't even exist."[8]

As Justin Logan notes, "[H]istory and theory both suggest that hectoring allies is unlikely to produce much change." He rightly explains that in alliance relations, there is a de facto trade-off between the fair distribution of defence burden and control over alliance policy. Despite its longstanding complaints, the United States seems to prioritize control of its allies, using the burden-sharing issue as a means to push them to increase their defence efforts. Reciprocally, European countries are likely to accept the United States' leadership if that "golden cage" goes hand in hand with reduced military expenditures.

It takes two to tango. Paul Poast[9] defines this strange interaction as "the quadrilateral dilemma of transatlantic defense: Europeans fear American abandonment, Americans complain about 'free-riding' Europeans, Americans oppose independent European defence, and Europeans complain about overbearing Americans."

Beyond the fetishism of the magic number

Debates about burden-sharing are biased by several misunderstandings about how countries are supposed to contribute to the collective security. The classical approach in economics and political science is to assess the level of defence efforts within the Alliance based on an input approach. Collin Meisel[10] remarks that the "obsession with the 2% of GDP metric belies a fundamental misunderstanding of military capabilities and national preparedness for conflict. Spending is important, but there is much more that matters."

Defence spending is a relevant indicator, but it is far from sufficient because this approach in terms of within-alliance fiscal federalism does not take into consideration two dimensions: first, how to consider the collective production of international security, and second, how to assess the effectiveness of outlays, that is, the effective output compared to the expected collective security.

Indeed, the apparent imbalance between the two sides of the Atlantic reflects the heterogeneity of allied countries' preferences and needs. An alliance remains a collective effort towards a shared goal, but that goal could be one among several that determine the defence policy of participating countries. This is particularly true regarding the United States. Europe is only one possible theatre for American stakes. Since President Obama, the pivot to East Asia that began in 2012 has clearly revealed such multiplicity of American commitments.

In addition, the United States and Canada cannot perceive the stakes and issues in the same manner as their European allies because of their geography. European security is crucial for Europeans because they are on the potential battlefield and the threat is at their borders, not only in the east with Russia but also in the south-east and south with an unstable Middle East and in the south with a more and more destabilized Western Africa.

Moreover, the core question should concern the military effectiveness of an alliance. Without adequate military forces, an alliance has no credibility and cannot deter a potential enemy: it would have no more force than a flapping sheet of paper, as the historian Geoffrey Blainey pointed out in *The Causes of War*.[11]

Sharing costs among nations should be easy to define for the management of an ongoing war. In this configuration, indeed, costs must be shared in order to have a fair contribution from each nation. However, such logic does not necessarily apply in

A Royal Canadian Air Force CF-188 Hornet fighter from 433 Tactical Fighter Squadron and an Icelandic Coast Guard Dash-8 patrol aircraft fly over Iceland on May 31, 2017 during an Operation REASSURANCE interception exercise.

Photo: Corporal Gary Calvé. Imagery Technician ATF-ICELAND

peacetime, since, unlike in wartime, it is difficult to assess the level of production of international security.

Moreover, domestic military expenditures result from different objectives, as underlined by the joint production concept. We can distinguish three circles: sharing costs of a common effort; providing collective security through domestic contributions; and engaging efforts related to stakes outside the perimeter of the alliance. The notion of fairness in the burden of collective security must be analyzed in accordance with these complementary circles.

Common efforts or fair commitment to the Alliance?

The effectiveness of an alliance can require setting up a common organization that pools shared efforts. This is the true meaning of NATO as a permanent staff and planning organization to guarantee the readiness of allied forces in case Article 5 of the North Atlantic Treaty is activated. Member states make direct contributions to NATO to fund collective budgets and programs. Those funds enable NATO to deliver capabilities and run the organization per se and its military commands.

Here, burden-sharing is not a problem at all, since each ally contributes to funding NATO using an agreed cost-share formula derived from the gross national income of member countries. As stated by NATO, "this is the principle of common funding and it demonstrates burden-sharing in action."[12] For 2024, states struck a fair balance in which the United States' contribution is capped at 15.88% of total funding, the same percentage as that of the other largest provider, Germany, followed by the United Kingdom (10.96%) and France (10.19%). At the other extreme are Montenegro (0.03%), Iceland (0.06%) and North Macedonia (0.08%).

Nevertheless, states' direct contributions to NATO represent only 0.3% of total allied defence spending, that is, circa €4.6 billion for 2024. The core question lies in the indirect contributions, that is, domestic expenditures and how they contribute to collective security.

In general, NATO has failed to induce states to increase joint efforts. Most NATO capability programs had limited results or were eventually terminated (most of the time, so-called NATO programs were actually multilateral programs under NATO rules). Common investment represents a very small share of states' military spending, and those programs, such as Alliance Ground Surveillance (AGS) or the Air Command and Control System, (ACCS) have faced a lot of issues and troubles.

The second circle corresponds to the commitment defined in Article 3 of the treaty: "the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack." This is the core mission of an alliance: making sure that domestic resources are aligned with treaty-related objectives.

The level of preparedness is essential, and the solidarity in sharing efforts is important, as underlined by the NATO Defence Planning Process (NDPP), which is an essential process for coordinating domestic military efforts. NDPP is a collective mechanism that assesses threats and determines the level of collective effort required in order to guarantee the ability to deter the threats, or at least control them, by allocating these collective targets among allies. This process aims to secure the Alliance's readiness and interoperability to maximize its military effectiveness. Thus, such a process can deliver expected results if there is a common agreement about a shared scenario with regard to a collective threat.

This explicit coordination works quite well when it is implemented against a clearly defined common enemy which must be deterred, for a given geographic area defined by the treaty. An alliance aims to prevent the adversary from attacking, or at least to guarantee that any attack will be countered and that there will be a high probability of defeating the adversary. The Atlantic Alliance was effective during the Cold War because of the Soviet threat. After the collapse of the USSR and the Warsaw Pact, identifying an adversary became less obvious. In fact, an alliance is less effective when it defines means rather than objectives.

Indeed, the assessment of burden-sharing would be simple if and only if an alliance would aim to produce a pure public good of deterrence, following Olson and Zeckhauser's 1966 model.[13] In such a context, the exploitation hypothesis is easy to evaluate because, as noted by Todd Sandler and Keith Hartley,[14] "the economic theory of alliances rested on the notion that allies jointly contribute to a defence activity that is a pure public good with non-rival and non-excludable benefits."

“ If there is no agreement on what the perimeter and the content of collective security are, how can it be possible to agree on metrics that determine the value of this collective public good and which efforts are necessary to achieve an optimal level of production that should be shared fairly between allies?”

Their model rests on very strong hypotheses which Sandler and Hartley summarize as follows:

- Allies share a single purely public defence output.
- A unitary actor decides defence spending in each ally.
- Defence costs per unit are identical in each ally.
- All decisions are made simultaneously.
- Allied defence efforts are perfectly substitutable.

Although these hypotheses were quite realistic during the 1960s, the evolution of threats, states' military objectives and military means, particularly since the beginning of the 21st century, has led to change in the way we can assess the notion of burden-sharing within an alliance—and, above all, the Atlantic Alliance.

Linking the burden-sharing to an exclusive effort through an alliance could appear to participating countries as an excessive demand. This was the case in the late 1990s when European countries had expressed the desire to develop a European pillar for European security. Would it be relevant to consider that such a regional dynamic could undercut NATO, as then US Secretary of State Madeleine Albright underlined?[15]

The third circle creates challenges in assessing the mutualization of efforts. If some countries allocate part of their defence spending to missions and operations beyond the perimeter of the Alliance, how can we valorize such efforts in the production of collective security? The question is even more complex given that most of the time this is a grey area because military resources can serve both alliance-related commitments and specific domestic objectives.

Jack Hirshleifer's seminal article on aggregation technology[16] highlighted the need to take into consideration the relationship between national contributions and the overall level of collective security as a public good. This field of research underlines the increasing difficulty of translating inputs into outputs when collective security relies less and less primarily on nuclear deterrence.

In 1967, Jacques van Ypersele de Strihou[17] pointed out that ally-specific benefits can be private among allies, but public within an ally. Not only are defence outputs then either (partially) excludable by the provider or partially rival among the allies, but in addition the provider can choose such defence efforts for motives that are beyond the scope of the alliance. The joint product model of alliances raised many questions about how to assess the fairness of burden-sharing, especially with regard to the Atlantic Alliance today.

As soon as the Atlantic Alliance was formed, allies were pursuing different objectives which only partially corresponded to the Alliance's raison d'être. The example of the United States illustrates this challenge. Usually, decision makers point out that the United States provides 66% of collective efforts inside the Atlantic Alliance. Indeed, US defence spending amounts to two thirds of the total defence expenditures made by Allies. However, only a share of these efforts is specifically dedicated to the security of Europe or the North Atlantic region.

NATO and beyond: Which burden for which threats?

Assessing burden-sharing was quite simple during the Cold War because of the nature of the threat and the ways to counter it. Actually, that period represented an exceptional geostrategic and military setup which is not representative of the dynamics of alliances before and after the second half of the 20th century. During the Cold War, everything was aligned, and there was a direct and clear correlation between reasons to spend on defence, where to put efforts and what to deliver. Beyond the question of pure or impure public goods, North Atlantic countries had agreed on the burden, therefore defining whether it was shared fairly appeared straightforward.

While analyzing the stakes for NATO at 75, Barbara Kunz and Dan Smith clearly[18] summarize the divergences of strategic stakes inside the Atlantic Alliance: “Much has changed since the Cold War ended. The international system is no longer bipolar. The fact that the United States considers China the ‘pacing threat’ and bases much of its thinking on the ‘Taiwan scenario’ also has implications for Europe.”

If there is no agreement on what the perimeter and the content of collective security are, how can it be possible to agree on metrics that determine the value of this collective public good and which efforts are necessary to achieve an optimal level of production that should be shared fairly between allies?

Marion Bogers and her colleagues[19] completed a comprehensive survey on the burden-sharing literature. They identify three paradigms, focusing respectively on the distribution of defence

burdens among NATO member states, the determinants of NATO burden-sharing behaviour, and how contributions to the public good of individual member states merge to determine the overall level of the public good available for consumption. However, the three paradigms suppose that the above-mentioned questions have been solved, which is not the case.

This is why Bogers et al. conclude, "Whereas during the Cold War era the burden could indeed be measured by using a single parameter of defence expenditures as a percentage of GDP, nowadays, since NATO engagement in out of area operations, one single comprehensive indicator to quantify the multiproduct and multidimensional character of the allies' separate contributions to NATO out of area operations simply does not exist."

Why do NATO countries spend money on defence? Motives are more heterogeneous than we might expect. Joshua Alley and Matthew Fuhrmann[20] estimate that making one additional commitment vis-à-vis a new strategic partner increases the size of the US defence budget by between $11 billion and $21 billion. Regarding the Atlantic Alliance, Barry Posen[21] considers that the United States' commitment to European security could represent an additional effort of $70 billion to $80 billion a year compared to a stand-alone defence policy. Even though that is a sizable amount, it is less than one tenth of total American military efforts, while such investment secures a strategic footprint in a key region for the international security of the United States.

Reciprocally, it would be fair to estimate that about 25% of American military spending goes toward European security. Even though this represents a large amount, the Pentagon dedicates twice that much to the Pacific, where there is no real burden-sharing and there is even a new and somewhat competing alliance with AUKUS. However, even though the United States is the sole global military power, it is not the only ally with multiple objectives inside the Atlantic Alliance.

If Greece spends 3% of its GDP today (and around 5% historically), much of that spending focuses on countering Turkey, which is also a NATO ally, not on getting ready to face another external threat. Inside the Atlantic Alliance, some countries design their defence budget based on objectives that are outside the geographic perimeter defined by the treaty. That is particularly true of France and the United Kingdom, which have global commitments due to their colonial pasts and their current level of ambition in international relations.

Although legitimate with regard to the security stakes of countries, non-alliance missions can impact the deployability and readiness of allied armed forces. Josselin Droff and his colleagues[22] analyzed the competition for military resources linked to contingency operations. Their work demonstrates that engaging excessively in such operations leads to a relative "demilitarisation trap." Those operations burn off the operational potential of armed forces and result in an opportunity cost in terms of readiness for alliance-related missions. At best, there is an inter-temporal trade-off. At worst, armed forces are not able to achieve the collective objectives due to the lack of appropriate capabilities and training. Hence the concept of a "demilitarisation trap" that can correspond to a spatial rivalry in the form of force-thinning to some extent.

Wukki Kim and Todd Sandler[23] note that "we cannot attribute an ally's defence spending to particular geographical areas—i.e., we cannot separate US defence expenditures into those that only protect Europe. In a world where threats can come from anywhere and power can be projected great distances, there is little or no reason to compute such separations." This makes the assessment of burden-sharing quite difficult, especially if the goals of the alliance are not clearly specified or are blurred, as was the case for the Atlantic Alliance after 1991.

In 2010, Jens Ringsmose[24] noted a core evolution of the Atlantic Alliance from a provider of defence and deterrence to an exporter of stability. From an "alliance in being," it has become an "alliance in doing" with an enlarged, less defined agenda. This latter helps in reaching a consensus among nations but raises the question of the collective nature of resulting output and outcomes. What is the common security space between, for instance, Poland (which is focused on the Russian threat) and the United States (whose strategy is concentrated on China and global influence)? Can these countries really share the same definition of the international public good that NATO should manage, beyond sharing and promoting democratic values?

Defence beyond defence: the appropriate perimeter of efforts

The burden-sharing debate does not take into account the output of military spending with regard to how such funding is used. Indeed, stand-alone spending appears less effective than mutualized resources. Allies can pool and share resources so that the impact of one euro invested can be higher than if it were spent in a purely domestic approach.

For instance, the Netherlands and Belgium do not spend as much as Poland as a percentage of GDP, but they have pooled efforts, for instance in the naval domain together, or separately in land forces with Germany and France respectively. Then they are able to deliver a bigger bang for the buck than in a stand-alone approach. The same could be said about Canada and the United States in NORAD, as underlined by Ugurhan Berkok et al.[25]

Moreover, defence policy is not implemented in isolation. As the Nordic concept of total defence underlines, armed forces use a number of civilian resources to achieve their operations. The quantity and quality of such civilian means provide a lever effect. This non-military dimension was excluded from the definition of defence efforts for a long period, but The Hague 2025 declaration revealed its importance in achieving military objectives.

In fact, this leads to questioning the completeness of statistics regarding military efforts. Three decades ago, Rémy Herrera[26]

> “Paradoxically, higher military spending does not necessarily result in improved security.”

explained the difficulty of building up homogeneous and comprehensive data on military spending. However, his analysis looked only at the inputs for the core military missions. The concept of total defence demonstrates that military efforts are necessary but not sufficient to guarantee and deliver military effectiveness.

As Pieter Balcaen and his colleagues[27] point out in their seminal article on hybrid threats, the evaluation of burden-sharing needs to take into account expenditures beyond the core defence perimeter and evaluate the outcomes of policies in grey zones in which military operations take place today. This echoes what Todd Sandler and Keith Hartley underlined concerning how the type of warfare influences the mix of joint products, but Balcaen et al. go beyond that when they demonstrate the deepening of the heterogeneity of military efforts among allies (beyond political and geographical stakes). The true evolution of warfare makes a basic assessment of burden-sharing through simple indicators less and less accurate and less and less relevant.

If we try to assess burden-sharing in an output perspective, we need to enlarge the relevant perimeter to include non-military expenditures and policies that help increase the effectiveness of military efforts. This question is not overly exotic in the field of defence. For instance, NATO has been putting the issue of military mobility on the table for a long time. Even the Pentagon relies heavily on commercial space assets for communications or Earth observation.

Is it possible to understand the effectiveness of American armed forces without considering Starlink? How does the Galileo Global Navigation Satellite System help European armed forces to deliver? National preparedness contributes to domestic resilience that helps armed forces to carry on their missions. Logistics are the real strength in order to sustain military engagement. Systemic resilience goes beyond the scope of the military realm. Military engagements rely on several levers provided by non-defence assets and stakeholders.

Wukki Kim and Todd Sandler[28] show that a broader definition of security spending or commitment (including military expenditures, foreign assistance, and UN peacekeeping) remains consistent with marked evidence of NATO free riding during the period from 1991 to 2020. However, they acknowledge that the perimeter they had chosen needs to be enlarged to cover all efforts related to international security. Non-defence public policies are not a substitute for military spending, but they indirectly support the implementation of defence objectives. Therefore, they provide a multiplier effect that has to be conceptualized and understood.

In *The Wealth of Nations*, Adam Smith stated that the security of a country results from the wisdom of the state that leads it to preserve the military spirit among hedonistic civilians by forcing a social division of labour that enables the production of robust defence. Nowadays, the wisdom needs to include non-defence domains. Here, European nations are far ahead of the United States regarding contributions to stability, economic development, social stakes, and peacekeeping and peace restoring – notably through community funding that adds up to the domestic spending of each country. We need to better integrate these security spillovers to understand the burden-sharing of international security in an output perspective.

Such an enlarged perimeter extends from defence to civilian domains but also reciprocally when we try to understand the effectiveness of military capacities. “While the U.S. spends extraordinary amounts on health care,” notes Collin Meisel, “it does so inefficiently, leading to much poorer health outcomes—and thus degraded human capital—relative to several European NATO member countries.”[29] The ability to sustain military operations from a long-term perspective, as demonstrated in Ukraine, remains the key factor required in order to prevail in any conflict.

Is there any role for the European Union in the burden-sharing?

Paradoxically, higher military spending does not necessarily result in improved security. The real stake consists in using military expenditures to maximize the resulting output, both at the domestic level and through the Atlantic Alliance. Thus, increasing defence effort is necessary but insufficient. The stakes are even higher when international security is considered as a collective good.

“What logically follows,” note Barbara Kunz and Dan Smith, “is the centrality of perceptions and an understanding that no strategy can ever be devised without at least an attempt to understand the adversary, its values and its ambitions. This also implies an acceptance that perceptions cannot be dictated and that one side’s declared intentions will never be automatically convincing to the other.”[30] The credibility of one country’s defence represents a better deterrent than a purely quantitative definition of defence efforts, and the question of burden-sharing needs to be re-assessed from that perspective.

Such credibility is achieved through a better pooling of efforts. An alliance cannot be defined only as the sum of domestic efforts. We need to coordinate better in order to improve the collective output, rather than looking primarily at the individual input. A given effort should be estimated in terms of its usefulness in either deterring an adversary or containing its aggression. “An optimal alliance,” note Todd Sandler and Keith Hartley, “might also be characterized by specialization based on

comparative advantage with the principle applied to both armed forces and defence industries."[31] However, as underlined previously, even NATO—the most advanced alliance ever—has not been able to promote common investment.

Within the Atlantic Alliance, European countries have a specific feature: most of them are also members of the European Union. Even though collective defence remains a marginal topic, the European Commission has created new mechanisms since 2016 that could help promote such pooling. The real challenge for the European side of the Atlantic Alliance is to achieve better spending rather than, or before, spending much more. Together, European countries spend the equivalent of half of the Pentagon budget, but that spending is spread over more than thirty countries and markets. This fragmentation on both the demand and supply sides significantly reduces the output of such expenditures. Overcoming the fragmentation can help deliver better value for money, which is particularly important if military expenditures are likely to increase significantly.

The European Commission recently released a European Defence Industry Strategy, and it will be interesting to analyze whether it would help overcome today's limits of the European defence market. It would be useful to assess whether related mechanisms are able to improve the burden-sharing inside the Atlantic Alliance thanks to public policies that are beyond the scope of NATO but fully support its core objectives.

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Children hold Canadian flags and flowers during a Remembrance Day Ceremony in St-Ghislain, Belgium on November 11, 2018.

Photo: Sergeant Vincent Carbonneau, Canadian Forces Combat Camera

NATO Burden-Sharing: A Belgian Perspective

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With Donald Trump's re-election as US President, the longstanding debate over burden-sharing has regained prominence, sparking renewed discussions about fair contributions to the alliance and shared international responsibilities. Even before taking office, Donald Trump had already signalled a tough stance against NATO member states that were not devoting 2% of their GDP to defence expenditures, causing concern among several (mainly European) NATO members. Moreover, these discussions have become more intense than ever, fuelled by a series of significant developments on the global geopolitical stage. First, we are observing pessimistic evolutions in the Russia-Ukraine conflict, partly due to

NATO's difficulties in maintaining a high tempo of support in terms of ammunition and equipment. Over recent months, a large number of high-level officials (including intelligence officials, chiefs of defence and defence ministers) warned of a rising Russian threat towards the West, with the Baltic states becoming a possible new target in the coming years.[1] Second, there is a general perception of an increasingly unstable and insecure world, stirred by recent events such as the escalations in the Middle East.

The growing perception of insecurity has heightened pressure to increase defence spending—not only in the United States, but also among Eastern European countries most directly exposed to the potential threat posed by Russia.[2] These calls have been echoed within NATO, with Dutch Prime Minister Mark Rutte championing higher spending targets. Ultimately, those proposals were adopted at the 2025 NATO Summit in The Hague. The new target—set at 5% of GDP, comprising 3.5% for core defence spending and 1.5% for broader security efforts—marks a significant departure from the previous 2%. This development occurs at a time when several NATO members have yet to meet the longstanding 2% of GDP defence spending target, Belgium being a notable example. Despite efforts to boost its military spending, Belgium still ranked fourth-lowest among NATO members in 2024, with an estimated defence expenditure of just 1.3% of GDP. Belgium's ambition was further increased by the newly government formed in early 2025. Although the new government was initially aiming to reach the 2% target in 2029 (an acceleration compared to the originally proposed 2035), growing transatlantic pressures led it to announce that it would meet the target in 2025.[3] However, while many NATO members regard the new 5% of GDP defence spending target as essential for ensuring security on the European continent, the call for increased military expenditures has already sparked public debate. Those concerns were brought to the forefront at the 2025 NATO Summit, where Belgium announced that it would be unable to meet the higher target in the short term. Instead, Belgium will maintain its defence spending at 2% of GDP until 2033, with increases planned only thereafter.[4] This lag compared to other NATO members is intriguing, as Belgium is quite a prosperous country[5] that, moreover, hosts the NATO HQ.

This article therefore presents Belgium as a case study and strives to answer two major questions: 1) What are the explanatory variables for Belgium's historically rather low defence expenditures compared to other NATO allies, resulting in its reputation of a free rider within NATO as an alliance? 2) How does Belgium contribute to the alliance (and how does its contribution compare to that of other members relative to the benefits it receives)? We provide answers to these questions by combining the author's institutional knowledge of the country with the rich defence economics literature on the demand for military expenditures and the burden-sharing debate. While most of this literature focuses on measuring the evolution and extent of free riding within an alliance, few case studies explore the perspective of individual member countries towards this alliance. Scholars often treat member states as homogeneous, neglecting the significant differences within NATO, such as variations in political systems (e.g., presidential versus parliamentary) and civil-military relations.[6]

Hence, we believe that this country-specific perspective can contribute to a better awareness of the several challenges member states (in this case, Belgium) are confronted with, resulting in a better understanding of the (not necessarily monetary) contributions smaller states can make to the alliance.

1. Explanatory variables for Belgium's military spending and contributions to the alliance

Originating from the seminal model developed by Smith,[7] the determinants of defence spending has become one of the main research lines in the defence economics literature. As summarized in a study by Odehnal and Neubauer,[8] three broad classes of determinants can be identified: security, economic, and political variables. Studying these variables yields interesting insights that help to explain Belgium's prioritization of military expenditures.

1.1 Belgium's threat perception

The impact of the security environment is largely assessed by examining a member state's level of exposure to threats originating from Russia. (This focus makes sense, given that NATO's original mission during the Cold War was centred on containing the threat posed by the USSR.) Quantitative studies have translated this "Russian threat" in several ways, for example, by constructing variables measuring the distance between a natibase orital and Moscow or from the capital to the nearest Russian military base or sharing a land border with Russia.[9] Recent studies confirm the significant impact of Russia's posture on a country's military expenditures. Tim Haesebrouck even finds that the threat emanating from Russia constitutes the most important factor.[10] This also explains why defence expenditures in the Baltic countries and Poland increased sharply following the 2022 Russian invasion of Ukraine. Taking these traditional variables into account, Belgium is, however, a country that is less exposed to a possible threat originating from Russia: there has never been an incursion of Soviet troops on our soil in the past, we do not share a border with Russia, and we have the geographic benefit of being located far from it (and its military bases), with several countries as a buffer in between. This also becomes part of the public narrative, in which the conflict at Europe's eastern borders is perceived as a remote problem.

> “However, the increasing prominence of such threats has not yet led to a meaningful shift in the budgets allocated to address them.”

Although Belgian politicians largely agree on the urgent need for Belgium to allocate more resources to defence, resulting in the 2025 decision to finally devote 2% of GDP to defence, Belgium remains one of the slowest responders to the events in Ukraine when it comes to increasing its defence budget.[11] However, two reflections come to mind when discussing Belgium's relatively low defence expenditures from a threat-based perspective. First, the Netherlands, another small country situated at a similar distance from Russia, responded much more decisively to the Russia-Ukraine war, raising its defence expenditures from 1.36% of GDP in 2021 to 2.05% of GDP in 2024. Denmark, similarly, increased its defence expenditures from 1.30% of GDP in 2021 to 2.36% of GDP in 2024.[12] Second, relying on distance and the presence of shared land borders as measures of a country's threat perception reflects a rather traditional approach, overlooking the broader spectrum of contemporary "hybrid" threats (such as cyberattacks, disinformation campaigns, and sabotage of critical infrastructure) that can target a country irrespective of its geographical proximity. The rise in hybrid attacks, coupled with Belgium's role as host to several high-value targets (including NATO headquarters, Supreme Headquarters Allied Powers Europe, and various EU institutions) should logically compel the country to significantly bolster its efforts, in terms of both budget and capabilities, in order to address those threats. However, the increasing prominence of such threats has not yet led to a meaningful shift in the budgets allocated to address them.

1.2 Economic variables: Belgium's "guns versus butter" debate

A country's ability (as well as willingness) to increase its military expenditures obviously also depends upon its economic state and budgetary capacity. Whereas several studies look at the impact of a country's GDP on its military expenditures, a recent study found that a country's fiscal capacity outperformed more classical measurements of economic conditions (such as GDP forecasts) in explaining changes in European countries' defence spending efforts.[13] Fiscal capacity is defined as the extent to which a government would need to adjust (either increase or decrease) total public expenditures to achieve a public debt-to-GDP ratio of 60% in the near term, aligning with the European Union (EU)'s directives on debt-to-GDP ratios. These findings relate to the traditional "guns versus butter" debate. Indeed, as a country is faced with scarce resources and higher debt-to-GDP ratios, it needs to make a budgetary tradeoff by reducing security goods (i.e., military expenditures) or social spending that has a higher chance of improving electoral results. Recent studies (before the Russian invasion of Ukraine) have demonstrated that policy options which include the reduction of military spending are most preferred by the public.[14] Analyzing Belgium's budgetary capacity reveals a dark picture. With a *government debt to GDP ratio* of 104.7% in 2024, Belgium is one of the worst students in the European class. Only Greece, Italy, France, Spain, and Portugal record worse results. This high debt is not an exceptional situation one which could be blamed on COVID and the energy crisis following the Russia-Ukraine conflict, as Belgium's government debt has always been relatively high: since 2000, it has generally fluctuated between 90% and 110% (with a low of 87% in 2007).[15] A similar observation can be made regarding the *government budget deficit*. Compared with Belgium's deficit of 4.5% of GDP in 2024 (far beyond the 3% EU guideline), only Malta, France, and Slovakia are doing worse. Based upon European states' public debt data, Christie (2017)[16] conducted an interesting simulation, assessing which member states have the capacity to reach the 2% goal over a mid-term horizon. Belgium was ranked in the group requiring complex and politically challenging responses to reach the 2% objective. These include a combination of unpopular measures such as higher taxation and lower non-defence (social) spending. To understand why these interventions are, however, difficult to implement, we need to better understand Belgium's political system.

1.3 Belgium's political apparatus

Belgium is an interesting case from a *political* point of view, for two reasons: its federal state structure and the historical changes in the federal government's composition over time. Following several state reforms, Belgium became a federal state, composed of communities and regions, with several competencies and powers assigned to these respective state structures. The main competencies administered at the federal state level are the military, the judicial system, social security (including pensions and unemployment compensation), foreign affairs and public health. Economic policy, employment, housing, and energy belong to the competencies of the regions, whereas education, culture, and languages are the responsibility of the communities. The competencies the federal government covers are a notable reflection of the aforementioned tradeoff between "guns" (i.e., military expenditures) and "butter" (in this case, social security and public health expenditures). Indeed, when prioritizing federal expenditures, the Belgian government must balance two distinct types of spending—spending aimed at enhancing the territory's defence against external threats and spending focused on social security and healthcare—all while taking electoral factors into account. To better understand which types of expenditures the

federal government prioritizes, we can look at the Classification of the Functions of Government data, in which government expenditures are classified based on the purpose for which the funds are used. Studying the functional groups of defence, social protection, and health yields interesting insights. In terms of defence expenditures, compared to other European states, Belgium ranks low, below the EU average. In the categories of social protection and health (measured in % of GDP), the result is reversed: this time Belgium is not only above the EU average, but at the top of the list.[17]

In addition to Belgium's specific state structure and the competences across the different levels, we also need to look at whether the evolution of the government's composition plays a role in explaining the rather low prioritization of military spending. A first finding from the literature shows that parliamentary systems (such as Belgium) on average have lower levels of military spending, compared to presidential democracies (such as the USA).[18] Moreover, the composition of the government, in terms of the political parties' ideology, is also expected to play a role. Although the literature regarding the effect of ideology on military spending is not conclusive, there are studies that find support for ideology-induced military spending, with right-wing governments spending more on defence.[19] We study the composition of the last six governments (going back to 2003) and compare this qualitative analysis with the results from the Comparative Political Data Set, which provides information on the types of government for 36 OECD and/or EU member countries.[20] This analysis shows that Belgium's coalition governments in the last 20 years were composed of four to seven parties, with a dominant presence of centre parties. These "centre coalitions" composed of multiple parties contribute to the explanation of why Belgium fails to make substantial changes in a number of important areas, including the reduction of the high public debt, the fiscal system, the high number of inactive persons in the labour market, and obviously also its low military expenditures compared to those of the other NATO members.

2. What does the Atlantic Alliance stand for?

The determinants of military spending discussed above, which stem from the literature, provide a lens through which we can understand the rather low historical political and public will to prioritize military expenditures. Although this does not paint a rosy picture, it absolutely does not imply a lack of Belgian interest in the alliance. Indeed, there is no doubt that Belgium exhibits an Atlanticist strategic culture. One unequivocal example of this Atlanticist culture is hosting the political and administrative centre of the North Atlantic Treaty Organization (NATO). More importantly, we can state that Belgium has moved beyond its nadir of military spending. The previous Belgian minister of defence presented her ambitious "STAR plan" (Security/Service – Technology – Ambition – Resilience) at the beginning of 2022, reflecting the strategic vision towards 2030. The plan includes the decision to re-increase the number of service members (to 29,000 by 2030, compared to slightly more than 25,000 in early 2023). This is to be achieved by rendering the military profession more attractive, by means of increased wages, more barracks close to home, and the increased importance of diversity within the armed forces. Other key developments include the acquisition of new equipment valued at over €10 billion, with a focus on dual capabilities that can be deployed both abroad and during domestic crises, as well as the growing importance of collaborations with partner countries.

The assessed worsening situation at the Ukraine-Russia front and the associated fear that Russia could expand its revisionist ambitions to the Baltic states have brought security closer to the fore of the Belgian political and public debate. As mentioned in the introduction, this has led the new government to substantially accelerate its efforts to meet the 2% of GDP spending target in 2025, instead of the initial ambition of 2035. These high ambitions have been formalized in the new Strategic Vision 2026-2034, unveiled by the Minister of Defence in June 2025. The plan aims to further strengthen Belgium's military capabilities through measures such as the acquisition of additional F35 fighter jets, a third frigate, air-defence systems, and new vehicles to fully replace the aging fleet of the Belgian Motorized Brigade. While it is encouraging that Belgium is increasing its military expenditures, it is equally important to examine how the Belgian military seeks to optimize its contributions to the alliance within the limits of politically determined budgets. This issue is explored further in the following paragraph.

3. Sharing the burden: Belgium's contributions to NATO beyond the 2%

As highlighted in the previous paragraphs, Belgium faces significant criticism for historically failing to meet the 2% of GDP defence spending benchmark. The 2% metric has, however, been subject to criticism. For example, it does not consider the stock of military capabilities a country already has available. Moreover, as the metric is a percentage of a country's GDP, the evolution of a country's efforts is not only affected by its military expenditures, but also by its economic conditions. A recessionary period can result in a perception of increased defence burden, even if a country does not increase its military expenditures.[21] Therefore, rather than looking at this measure of inputs, it is more important to look at a country's security outputs, i.e., the other "2 C's" of burden-sharing: capabilities and contributions. We provide an overview of some of the ways in which Belgium strives to increase its contributions to the alliance, which are not directly observable by solely looking at the military expenditures as a percentage of GDP: 1) by looking at the metric troop contributions; 2) by demonstrating the multilateral cooperations with

its neighbouring countries with the aim of creating economies of scale; and 3) by highlighting the geographical importance of Belgium to the alliance.

3.1 Belgium's troop contributions to military operations

The output metric "troop contributions" is often used in the literature to shift the debate from an input to an output perspective. Whereas Belgium is ranked at the bottom of the alliance in terms of defence expenditures, it performs better in terms of participating in operational deployments. It is listed in the second quartile of states participating in the ISAF Mission in Afghanistan for the period 2002-2005 and in the third quartile for the ISAF (until 2014) and subsequent Resolute Support missions (as of 2015) in Afghanistan. It is ranked in the second quartile for its contributions to the NATO missions in Kosovo over the period 2002-2017, for its share in UN Peacekeeping Missions over the period 2002-2017, and for the participation in the Global Coalition against IS (2016).[22] Specifically looking at the threat originating from Russia, Bogers and Beeres (2024) analyzed NATO members' burden-sharing after 2014 by looking at the contributions to Enhanced Forward Presence (EFP) and Baltic Air Policing (BAP).[23] They find that Belgium ranked 8th in relative troop contributions (calculated by dividing the EFP contribution by the number of active army troops of the relevant country) to EFP over the period 2017-2021. In 2022, it even ranked 3rd in relative troop contributions to EFP. The contributions to BAP reveal an even more surprising finding: with its eight rotations executed during the period 2014-2021, Belgium is ranked first.[24]

> "As a country that invests heavily in the education of its military personnel, Belgium regularly strives to make a strong contribution by filling in key leader positions."

Whereas most of the literature uses quantitative metrics to measure a country's output (such as the number of troops deployed), few examples of qualitative contributions exist. As a country that invests heavily in the education of its military personnel, Belgium regularly strives to make a strong contribution by filling in key leader positions. Some recent examples are the force commanders of the EUTM training mission Mali, General Peter De Vogelaere (2016-2017) and General Bart Laurent (2017-2018); the force commander of the UN mission MINUSMA Mali (2017-2018); and, more recently, the European maritime awareness mission in the strait of Hormuz with the goal of protecting maritime flows (Admiral Tanguy Botman [2022], Admiral Renaud Flamant [2023], Admiral Hans Huygens [2023-2024] and Admiral Gilles Colmant [2024]).

Although these indicators are not perfect (given that deployments and missions might vary in terms of risk and difficulty), they show that the Belgian military strives to compensate for its shortcomings regarding the variable "cash" by contributing troops. Although we used only a few examples to demonstrate Belgium's operational output, these cases are a concrete reflection of some recent findings of Becker and his colleagues.[25] They point out that allies might selectively free ride by postponing long-term investments in equipment while seeking to maintain a higher operational tempo in support of major allies' out-of-area operations (e.g., Afghanistan).

3.2 Economies of scale through collaborations with partner countries

When a military is constrained by lower military expenditures, it can increase its capabilities by pursuing economies of scale stemming from collaborations with other partner states. Belgium does so in numerous domains: the purchase of new equipment; the education of troops; research and development; operational collaborations (e.g., by forming joint units); and lastly by hosting a NATO Centre of Excellence.

First, Belgium strives to allocate funds in a more synchronized and efficient way by participating in projects in the context of Permanent Structured Cooperation (PESCO). PESCO constitutes one of the building blocks of the EU defence policy, allowing better cooperation in the domain of defence and security between the EU member states. This framework allows EU member states to, among other things, jointly develop and finance capability development. Belgium participates in several projects (in the land, maritime, cyber, and space domains)[26] and is taking the lead in the "Maritime autonomous systems for mine countermeasures" project. In addition to PESCO, Belgium also contributes to projects within the framework of the European Defence Fund, which is designed to co-finance research and development projects. Over the period 2017-2022, 162 projects with a total value of €2.448 billion have been selected for EU co-financing. The Belgian defence industry has been an active partner in the EDF, participating in 65 of the 162 accepted projects. Given the complexity of these EU cooperation mechanisms (which could provide plenty of material for a dedicated article), the remainder of the section focuses on concrete examples of Belgian bilateral and multilateral cooperation.

Looking ahead to 2026, the Belgian military will undergo a profound transformation by conducting a total re-equipment of its land forces, resulting from the strategic agreement it signed

in 2018 with France: The Capacité Motorisée (CaMo) project. This project includes the organization of mutual training, the development of a common doctrine, the shared will to conduct joint operations, and the use of near-identical equipment by Belgium and France. The latter will be achieved by purchasing 382 Griffon multi-role armoured vehicles and 60 Jaguar reconnaissance and combat armoured vehicles, for a total investment of €1.5 billion. The first vehicles are scheduled to arrive in 2025.[27]

Besides collaborating with France, Belgium also signed a new cooperation agreement in 2023 with Luxembourg, including the establishment of a Belgium-Luxembourg reconnaissance battalion by 2030.[28] The Belgium-Luxembourg cooperation is not new, as the two countries share experiences in the domain of training (Luxemburg officers are educated in the Royal Military Academy, and the Luxemburg officers and NCOs take their field training in Belgium) and in the joint purchase and operational use of new cargo planes (i.e., the A400M).

Similar cooperative programs are underway with Belgium's northern neighbouring country, the Netherlands. Belgium and the Netherlands alternately control and monitor the airspace over the Benelux region. Both countries have two F16s on standby in turn to ensure air surveillance over their territory and that of Luxembourg. The cooperation between the Belgian and Dutch naval forces (called "BeNeSam") is also far advanced. The two countries share a bi-national headquarters (the Maritime Headquarters Benelux) in Den Helder. Moreover, both countries aim to achieve economies of scale through joint naval acquisition programs. Belgium will lead the procurement of new frigates, while the Netherlands will oversee the acquisition of new minehunters.[29]

Belgium is also cooperating with the United Kingdom by becoming the first international participant in the MQ-9B Reaper drone International Cooperation program. Both countries signed a letter of intent in 2020 and are looking to work together in the domains of training, maintenance, logistics support and capability enhancement. Six other countries (Canada, Denmark, Germany, Greece, Lithuania, and Norway) will take the role of observer in the program.[30]

A final example of Belgium's ambitions to join efforts multilaterally is its hosting of a NATO Centre of Excellence (CoE), the Naval Mine Warfare CoE. The role of the NATO CoEs is to specialize in a specific domain in order to become a subject matter expert in it. Knowledge is distributed by means of analysis and lessons learned, education and training, concept development, experimentation, and doctrine development. The CoEs are not funded by NATO but are sponsored on a national or multi-national basis. Hence, as their functioning is calculated in national budgets and excluded from NATO burden negotiation, the CoEs facilitate burden-sharing beyond civilian and military budgets.[31] Belgium is proud to host one of the 28 official CoEs, which was accredited in 2006.

3.3 Belgium's unique geographical location within the alliance

Although Belgium is considered a small partner in the alliance (in terms of both monetary contributions and the size of its military), we need to stress the important role it plays in the alliance as a result of its geographical location. The country serves as an important logistics hub containing major seaports of debarkation (Zeebrugge and Antwerp). Indeed, if a crisis should emerge, Belgium would assume the role of a logistics artery, accommodating the arrival and passage of military equipment and personnel across the continent to pre-position troops (as a deterrent) or to respond to aggression. This responsibility is defined in article 3 of the North Atlantic Treaty, which focuses on resilience and civil preparedness. The 7th baseline requirement for national resilience stresses the importance of ensuring resilient transport systems, to guarantee a rapid transit of NATO forces across alliance territory.[32] One way to assess the resilience of Belgium's military mobility involves the analysis of the United States Army Europe data,[33] which uses colours to rank European nations' mobility in several categories. Belgium receives the highest score (green) for the metrics "Sea Port of Debarkation," "Road System," and "Rail Head." It only needs to improve the military mobility ranking within the air domain, for which it currently receives a "grey" score. The latter indicates that the administrative process of receiving permission for overflight and landing is rather slow.

The geographical importance of Belgium is not limited to its role in the domain of military mobility. Belgium also hosts several command-and-control nodes of vital importance for the alliance, including the NATO HQ in Brussels, the Supreme Headquarters of Allied Powers Europe in Mons, and several EU institutions and the Google data centre near Mons. These institutions undeniably bring economic benefits to Belgium, but we must keep in mind that the presence of these high-value targets also increases the probability of cyber-attacks or sabotage activities being perpetrated against them by NATO adversaries. The associated potential economic consequences of this exposure are often kept out of the debate and are not reflected in the traditional burden-sharing metrics such as the military expenditures as a percentage of GDP.[34]

Conclusion

Although Belgium has recently made substantial efforts to meet the 2% defence spending target by 2025, well ahead of its earlier goal of 2035, it has historically been regarded as one of NATO's notable free riders. This article has provided possible explanations for this historically rather low degree of military spending by analyzing the determinants of military spending as identified by earlier research from a Belgian point of view. Belgium's fiscal capacity, as well as its threat perception and its political institutional architecture, serve as explanatory variables

for understanding the rather low political and public will for high military expenditures. Although Belgium may not be the strongest performer in terms of defence spending, it is still a firm adherent of the Atlanticist strategic culture. Following years of neglect, the downward trend of military spending cuts has finally been turned around, as nested within the new strategic vision for 2026-2034.

Without denying that much more budgetary effort remains to be made, this article highlights the importance of also considering more output-based metrics when assessing a country's contributions. The above-mentioned examples of other types of outputs and collaborations to pursue economies of scale demonstrate Belgium's loyalty towards the alliance.

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HMCS Charlottetown celebrates Spanish National Day while alongside ESPS Cantabria and ESPS Cristóbal Colón as the ships conduct a port visit in Catania, Italy, during Operation REASSURANCE on October 12, 2024.

Photo: Aviator Gregory Cole, Canadian Armed Forces Photo

Italy: NATO Burden-Sharing is Much More Than a Percentage of GDP

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This article addresses the question of how NATO burden-sharing is debated and understood in Italy. First, it outlines Italy's threat assessment, objectives and levels of ambition for national security and defence policy and also provides an overview of the Italian armed forces' personnel, budget, and operational deployments. Second, it discusses Italy's expectations of NATO and Rome's priorities regarding the transatlantic alliance's agenda. Third, the article analyzes the domestic debate on defence matters, NATO and burden-sharing. Lastly, it outlines how the Italian establishment frames such burden-sharing and what it means for the country's defence policy.

1. Grounds for the national defence policy

1.1 Threat assessment and needs

Over the past decade, Italy's threat assessment has had to consider two main fronts: south and east. On the one hand, the security challenges stemming from the "enlarged Mediterranean" region, encompassing continental Europe, North Africa, the Sahel, the Horn of Africa, and the Middle East,[1] represent a primary front. Such challenges include instability, terrorism, smuggling of migrants, and threats to the sea lines of communication and to energy supplies. Italian institutions and governments have conceived of the country's national security and interests primarily in relation to this area, even more so after the destabilizing effects of the turmoil that occurred in Arab countries from 2011 onwards. The US retrenchment from North Africa and the Middle East, which culminated in the NATO retreat from Afghanistan in 2021, opened the door to more aggressive actions by a number of countries in the regions as well as external powers including Russia. Italy felt deeply threatened by the proliferation of tensions, crises, and conflicts in the enlarged Mediterranean and their negative repercussions on its national interests.

On the other hand, there is NATO's eastern flank and Russian aggressiveness. Notably, for a variety of historical, geographical, economic, and cultural reasons, Italy did not consider Russia to be a direct and significant threat after the 2014 illegal annexation of Crimea. Italian institutions and the Italian government took stock of the tensions on the Eastern flank and committed to NATO reassurance and deterrence measures, first with the Enhanced Forward Presence by deploying some 250 soldiers in Latvia,[2] but the focus remained mostly on the enlarged Mediterranean. Moreover, from 2014 until 2021 public opinion and the electorate in Italy held a rather mixed view of Russia and Ukraine, with different perceptions and misperceptions about what happened in Donbas and Crimea and why.

That threat assessment changed somewhat after the 2022 full-scale invasion of Ukraine, particularly within Italy's establishment and institutions. Italy is much more aware of the threat posed by Russia as well as the risk of escalation and direct involvement of European countries in the conflict. But such change is still a work in progress, and currently a plurality of views on the extent and level of Russian threat coexist in the institutions, along the political spectrum and in public opinion, and the process of determining the war's strategic implications for Italy is continuing.[3] Against this backdrop, NATO represents an important framework for making Italian institutions and stakeholders more aware of the threat posed by Russia, also thanks to information sharing and constant politico-military consultation, and is the cornerstone for Italy's contribution to Europe's collective deterrence and defence.

While the assessment of the Russian threat has definitively worsened since February 2022 among policy makers and even more in public opinion, there is still a strong prioritization of the protection and promotion of national interests in the enlarged Mediterranean region, which continues to be the main path for Italian foreign and defence policy.[4] Accordingly, Italy's defence policy and armed forces need to maintain the ability to perform a continuum of tasks, ranging from stabilization operations to crisis management to collective deterrence and defence. They are also mandated to remain active in Europe, Africa and the Middle East. Notably, in 2022-2025, Italy did deploy a further 900 military personnel on NATO's eastern flank, namely in Bulgaria as lead nation of NATO Enhanced Vigilance Activity, but did not withdraw from any of its 34 military operations abroad and even launched new missions in Africa.[5] In 2024, Italy took tactical command of the EU naval operation Aspides in the Red Sea to counter the Houthis organization's attacks against commercial shipping, and it continues to deploy naval assets in that mission in 2025. As a whole, that means the Italian military has to do more than in the previous decade in terms of both quality and quantity, and that it therefore needs robust and long-term investments and modernization of its capabilities in order to maintain balanced and effective armed forces. Despite such increased activism and certain media coverage of operations abroad such as Aspides, defence continued to rank rather low among national budgetary priorities and even lower in broader public opinion in comparison with other policies, until 2024. That has not prevented the Italian government from pursuing a quite robust level of ambition.

Notably, in 2025 three factors led Italian media and citizens to engage in more discussion about international security and military spending. First, the Trump administration had a huge media impact with its announcements and/or decisions regarding Ukraine, Russia, Gaza, and Iran, which fuelled a variety of reactions including growing concern about the predictability and reliability of the United States. Second, the European Union (EU) initiative on defence expenditures attracted much attention from

“ Italian governments see NATO as a politico-military alliance to serve national and collective interests, by maintaining a 360-degree approach to security threats and challenges, and as the best way to keep the US engaged in Europe.”

politicians and the general public, notably regarding the possibility of activating the “escape clause” within the EU Stability and Growth Pact for up to 1.5% of defence spending, as well as the SAFE instrument to lend €150 billion to member states. Lastly, the new NATO targets agreed upon at the summit in The Hague had a huge echo because of their expected impact on the national budget and on the Italian aerospace and defence industries. Those three elements in turn increased Italy’s level of ambition in terms of defence spending and military capabilities.

1.2 Ambitions and objectives

Italy traditionally pursues its foreign and defence policy within three overlapping circles: the transatlantic one, including both NATO and Italy’s bilateral relations with the US; the European one, encompassing recent EU defence initiatives but also the traditional partnership with the UK and the recently strengthened ones with France and Germany;[6] and the enlarged Mediterranean, whereby Rome engages more and more bilaterally with partners in the region and strives to have both NATO and the EU take greater responsibility for the area’s security and stability.[7]

Accordingly, Italy seeks NATO cohesion and EU defence integration as a win-win approach.[8] Italian governments see NATO as a politico-military alliance to serve national and collective interests, by maintaining a 360-degree approach to security threats and challenges, and as the best way to keep the US engaged in Europe.[9] At the same time, the EU is the framework for achieving greater “integration of resources and capabilities”[10] in terms of capability development, procurement, industry, and technology, which would benefit European countries that are members of both the Union and the Alliance. Thus, Italy supports an appropriate level of European strategic autonomy, in complementarity and synergy with NATO, and strongly pursues NATO-EU strategic partnership. In particular, Italian governments, as well as Italians holding policy-making positions within EU institutions, have often put forward the motto “Strategic autonomy not from someone, but to do something.”[11] That means preserving NATO as the cornerstone for Europe’s collective defence, while building European capacities to act where the Atlantic Alliance is unwilling or unable to do so, for example, in terms of stability operations in Africa and the Middle East, and, broadly speaking, framing a positive agenda for strategic autonomy which is sustainable at the transatlantic level.[12] This approach goes hand in hand with the traditional Italian support for a “strong European pillar” of NATO,[13] to the benefit of the whole alliance, restated by Prime Minister Giorgia Meloni at The Hague summit.[14]

As mentioned before, the enlarged Mediterranean had already become a priority for Italy after the 2011 revolutions in Arab countries, and it remains so despite the Russian invasion of Ukraine. Italian military commitment in Africa and the Middle East has grown in parallel with the NATO retreat from Afghanistan.[15] Since 2022, Meloni’s government has put a renewed political emphasis on the region, where Italy wants to establish a leading role. This goes hand in hand with the government’s “Mattei Plan for Africa,” a long-term initiative aimed at establishing wide-ranging, fair partnerships with African countries concerning trade, infrastructure, energy, migration, and stability.[16] A coordinating body has been set up to ensure a whole-of-government approach and the involvement of the private sector and civil society, and in 2024 the first-ever Italy-Africa summit was held,[17] followed by a second in 2025.

Meloni’s government is relatively stable in the Italian institutional landscape, having been in charge since 2022. Its defence policy shows a remarkable degree of continuity with previous prime ministers, albeit with a conservative tinge stressing the importance of the Atlantic alliance as well as of more autonomous action in the enlarged Mediterranean. Broadly speaking, the Head of State (who is also the supreme commander of the armed forces) and the diplomatic, military, and intelligence apparatus are quite closely aligned on the aforementioned basics of Italian defence policy in terms of both ambitions and objectives. Moreover, in the post-Cold War period, a bipartisan consensus supported Italian missions abroad, as demonstrated by the track record of parliamentary votes regardless of the composition of the ruling majority,[18] thus reinforcing the stability and continuity of the Italian defence posture. Interestingly, according to different surveys, by the end of the 2010s a majority of Italians approved military operations abroad under the aegis of NATO, the UN or the EU, albeit preferring non-combat missions.[19] Such an attitude creates a favourable political context for the pursuit of foreign and defence policy goals.

Looking ahead, the Italian threat assessment, level of ambition, and objectives across the aforementioned three circles—European, transatlantic, and enlarged Mediterranean—is quite stable. China’s aggressiveness in the Indo-Pacific, in the cyber and space domains, and across trade and technology policies, coupled with its support for the Russian war in Ukraine, has

Members of multiple nations conduct a firepower demonstration for media and special guests during Operation REASSURANCE at Camp Adazi, Latvia on March 29, 2023.

Photo: Canadian Armed Forces

led the US, NATO, and, to a lesser extent, the EU to change their posture vis-à-vis Beijing. This broader geopolitical shift has also had an impact on Italy. In 2023, the Meloni government decided to leave the Chinese-led Belt and Road Initiative in order to fully align with the Western camp. In 2022, Italy, Japan, and the UK launched the Global Combat Air Programme (GCAP), a military, technological, and industrial partnership to develop and produce a next-generation fighter aircraft which will bind the three countries for decades to come. GCAP will connect Rome with the Indo-Pacific via a stronger relationship with Tokyo and will familiarize Italian policy makers with Japanese threat assessment on China.[20] That being said, neither China nor the Indo-Pacific are likely to become as important for Italy as the three aforementioned circles. Other factors, such as climate change, are not going to change the Italian outlook in the short to mid term, although climate change is recognized as a multiplier of instability in Africa.

1.3 Current level of effort

As of 2024, the Italian armed forces consist of approximately 166,000 professional members.[21] Interestingly, in 2011, Italy had planned to reduce the armed forces' size from 190,000 to 150,000 members, but after the war in Ukraine began in 2022, a new law raised the target to 160,000.[22] Since 2022, in light of the conflict at NATO borders, a debate has unfolded on the proper size of Italy's armed forces, including the possible establishment of a reserve force. Nowadays the question is how and how much to increase the current level of human resources, as well as how to lower the average age of military personnel with a view to high-intensity combat tasks. In 2024, then Chief of Defence Giuseppe Cavo Dragone argued in a parliamentary hearing that 170,000 members was the minimum threshold to reach.[23]

The 2024 defence budget reached 1.51% of GDP,[24] with a slight increase over 2023. In spring 2025, Meloni and Foreign Minister Antonio Tajani announced that Italy had reached 2% of GDP, based on a more accurate accounting of defence expenditures previously not considered in that basket,[25] but since the Ministry of Defence has not yet published its multi-year programming document with the precise budget allocation, at time of writing it is not possible to assess the details and implications of those announcements. Rome matches, and since the late 2010s has exceeded, another allied benchmark: more than 20% of the defence budget allocated to equipment. For example, in 2023 it amounted to 23%.[26] At the same time, too little funding is allocated to operational costs such as training, exercises, and maintenance, repair and overhaul of equipment, because approximately 60% of the defence budget is spent on personnel. Such an imbalance hampers the readiness of military capabilities, particularly with a view to large-scale, high-intensity scenarios.

As of 2025, roughly 7,600 Italian troops are deployed in military operations abroad, and a maximum of 14,500 is envisaged[27] (2,000 more than in 2024), to also take into account the high-readiness forces to be eventually deployed within the new NATO Force Model. Current military deployments abroad encompass peacekeeping operations in Kosovo and Lebanon, defence capacity building in Iraq and Africa, one operation in the Red Sea,[28] NATO air policing in Europe, and forward defence across the Alliance's eastern flank from Latvia to Bulgaria.

In particular, as mentioned before, Italy is the framework nation of the allied multinational battalion positioned in Bulgaria as part of NATO Enhanced Vigilance Activity on the eastern flank.[29] Italy also commands the NATO Kosovo Force and the EU Training Mission Somalia. In naval operations, Rome holds the strategic command of EUNAVFOR MED Irini in the Mediterranean Sea, as well as the tactical commands of European mission AGENOR in the Straits of Hormuz and of the aforementioned EU operation Aspides in the Red Sea. Major bilateral operations are being conducted in Niger and Libya. In addition, about 5,000 Italian soldiers are regularly employed on national territory for homeland security purposes.

Against this backdrop, from February 2022 to December 2023 Italy donated approximately €2.2 billion worth of military equipment to Ukraine.[30] Although the data on type, quantity, and quality of supplies are classified, it is fair to say that Italian stocks of artillery, armoured vehicles, counter-drones, and missile defence systems, with the related ammunition and spare parts, have been seriously depleted over the last two years, and little money has been invested to replenish them.

2. What does the Atlantic Alliance stand for?

2.1 Expectations for national security

Italian expectations for NATO's role in national security are focused on Russia, but even more on the enlarged Mediterranean.

> “The Hague communiqué does not even mention the key words “southern flank,” “terrorism” or “partnership” which Italy pushed in previous summits.”

On the eastern flank, until 2021 the Alliance was seen by Rome as a useful “insurance policy” against Russian military pressure or hybrid aggressions against Europe.[31] After February 2022, the NATO shield against the Russian threat has obviously gained much more political relevance. The 2022 Chief of Defence Strategic Concept clearly confirms that NATO is “the alliance for collective deterrence and defence.”[32] Also, within the allied “dual-track approach” to Russia, Rome emphasized dialogue over defence since the first Russian invasion of Crimea and Donbas in 2014.[33] In this context, the Alliance provides a valued multilateral framework for dialogue with the Russian Federation through transparency and confidence-building measures, even at times of extreme geopolitical confrontation, in order to avoid incidents and unintended escalations beyond the war already going on in Ukraine. Such expectations for NATO’s role as the cornerstone of Europe’s collective defence, security and strategic stability have survived the transatlantic tensions created by the Donald Trump presidency from 2017 to 2020, when Italy supported more intra-EU cooperation and integration in the defence field, but always in synergy with the Atlantic Alliance. During the first half of 2025, Meloni’s government continued to prioritize NATO as the framework to ensure Europe’s collective deterrence and defence in the face of the Russian threat and worked to convince the U.S. to maintain the cohesion of the West also embodied by NATO.[34]

In the post-Cold War era, Italy has very strong, high, and deep-rooted expectations of NATO regarding its role on the country’s southern flank and, as previously mentioned, Rome has constantly sought greater Alliance involvement in the area: first, with the establishment of NATO partnerships such as the Mediterranean Dialogue (1994) and the Istanbul Cooperation Initiative (2004), and second, via crisis management and stability operations, from the Western Balkans since the 1990s to Libya in 2011 and Iraq until now, as well as through maritime missions like Ocean Shield or the ongoing Sea Guardian. In the 2010s, Rome was the main supporter of NATO’s 360-degree approach against all security challenges from both NATO’s eastern and southern flanks, the “projecting stability” agenda,[35] and NATO initiatives such as the Framework for the South, the Package for the South, and the Strategic Direction South Hub established in Naples in 2016. Since 2015, Italy has also acted as NATO framework nation for crisis management and stability operations with a view to deployments in the enlarged Mediterranean by leading a group of seven other allies,[36] while Germany did so for collective defence and the UK for high-intensity expeditionary forces. After the 2011 destabilization of several Arab countries, political leaders across the Italian Parliament’s spectrum have repeatedly called for NATO to “do more” in the South. Yet Italy found it hard to transform this political goal into concrete, viable policy recommendations, let alone actions.[37] Since 2022, NATO has de-prioritized the southern flank because of the renewed Russian threat in the east, as epitomized by the current Strategic Concept, which does not even mention the Mediterranean Dialogue or the Istanbul Cooperation Initiative.[38]

The Hague communiqué does not even mention the key words “southern flank”, “terrorism” or “partnership” which Italy pushed in previous summits.[39] Yet Italy has continued to try to put the enlarged Mediterranean on the NATO agenda. For instance, it supported the preparation of a report on NATO’s southern neighbourhood by the group of experts appointed by the Secretary General in 2023 and welcomed its results with a view to the appointment of a NATO Special Envoy for the southern flank. At the same time, from 2021 onwards, senior Italian figures, including then Minister of Defence Lorenzo Guerini and then Chief of Defence Staff Enzo Vecciarelli, have explicitly explored other avenues for international cooperation in the enlarged Mediterranean. It is not by chance that Italy has tackled the threat posed by Houthis attacks to the sea line of communication in the Red Sea by promoting the EU’s Operation Aspides. Since 2022, Defence Minister Guido Crosetto has renewed bilateral efforts on defence cooperation in Africa and the Middle East, in line with the Mattei Plan for Africa, while maintaining the commitment on the UNIFIL II mission despite escalation between Hezbollah and Israel in Lebanon.

On the whole, a reflection seems to have begun on the strategic implications of the Russian war in Ukraine for NATO and Italy. Two different views appear to have emerged. On the one hand, the traditional idea, held by the majority, that NATO should adopt a 360° approach and devote more attention and resources to its southern flank was also put forward by Minister of Foreign Affairs Antonio Tajani at the NATO ministerial meeting in April 2024[40] and by Prime Minister Meloni at the subsequent Washington Summit and at The Hague Summit in June 2025.[41] This view is deeply rooted in the Italian establishment, particularly the Ministry of Foreign Affairs, and resonates widely in the public debate. Interestingly, the Meloni government’s official communiqué to celebrate the 75th anniversary of the Washington Treaty, on April 4, 2024, affirms the pride in “Italy’s decisive contribution to [the] Alliance’s missions and operation as well as to its adaptation to new security challenges, including threats on its southern flank and the Mediterranean”:[42] there is no mention at all of Europe’s collective defence. On the other hand, an alternative,

minority view takes stock of the watershed represented by the war in Ukraine and the fact that NATO is focusing and will focus almost entirely on the Russian threat. As a result, Italy should pursue its national interest in relation to the NATO agenda as it is—Russia, and to a lesser extent China, space, cyber, etc.—and should deal with the enlarged Mediterranean primarily via bilateral relations and/or other mini-lateral/multilateral frameworks including the EU.[43]

2.2 Domestic debate on NATO burden-sharing

The domestic debate on NATO burden-sharing has been centred mainly on military expenditure. To a lesser extent, it also considered the balance between Italian contribution to the alliance and NATO benefits for national security. Another peculiar element is Italy's participation in the allied nuclear sharing arrangements, which is rather marginal in the public debate. All these elements have been impacted from 2022 onwards by the Russian invasion of Ukraine.

Four background considerations are particularly important concerning the broader debate on defence policy and expenditure. First, the huge public debt—approximately 135% of Italian GDP at the end of 2024—and high taxation heavily constrain the manoeuvre room for increasing the military budget by forcing governments to eventually move funds from other policy areas, thus triggering opposition from the related constituencies.

Second, there is a very vocal minority in Italian society that opposes defence expenditure, an opposition which relies on deep-rooted pacifism in both the left-wing and Catholic electorate and is able to shape public debate. Left-wing pacifism dates back to the Cold War, when a strong Italian communist party was advocating pacifism as an alternative to NATO alignment,[44] and is currently embraced by the Five Star Movement. Catholic pacifism has been revived by the late Pope Francis's public statements on the war in Ukraine. In addition, a sort of populist, right-wing pacifism has emerged over the last decade, which is somehow cultivated by the Lega. The Israeli war in Gaza, despite not being directly connected with NATO nor with Italian defence policy, has revived anti-military and anti-defence industry groups across Italian universities, which organized a number of rallies in 2024.

Moreover, until 2021, armed forces, institutions, and mainstream political parties were very reluctant to make the case for military expenditure in the public debate.[45] Last but not least, before the 2022 Russian invasion of Ukraine, the Italian debate on defence matters had been rather sporadic, superficial, and limited to a tiny portion of public opinion, which in turn made it more difficult to explain the armed forces' needs. All these factors have led to a situation whereby until 2024 there was no majority consensus on the increase in defence spending towards the 2% goal pledged by Italy at the 2014 NATO summit.

That situation did not prevent subsequent Italian governments from pursuing a gradual increase of such spending over

"Beyond military expenditure, the debate on broader burden-sharing has been even more limited to practitioners, experts, and a very tiny section of academia, civil society, and specialized media."

the last decade, from about 1% of GDP in the aftermath of the 2011 debt crisis to 1.51% of GDP in 2024—a 33.8% increase in 13 years. Yet there was no fundamental shift in 2022–2024, unlike Germany's Zeitenwende or what happened in France, Poland, and Spain. Policy makers have been balancing national security interests, defence needs and electorate views in a pragmatic way, somehow overcoming a widespread opposition without countering it in the public discourse. One of the few exceptions has been Prime Minister Mario Draghi, who in 2022 stated clearly, "Italy should spend more on defence."[46] In November 2022, the Italian Parliament passed a motion—not legally binding—which committed the government to reach the 2% threshold by 2028.[47] Italy, unlike France, does not have a multi-year military programming law, and the defence budget is negotiated within the government, together with the state budgetary law, which is discussed and approved by the Parliament on a yearly basis. This makes Italian military spending more dependent on changing political circumstances and less predictable in the mid term. Against this backdrop, the pressure exerted by Trump after his re-election had a significant impact on Italy, leading the Meloni government to announce the achievement of 2% of GDP spending on defence in 2025, as mentioned above. The same US pressure, coupled with growing concerns about the ongoing war in Ukraine and the risk of a future Russian attack against a NATO member, pushed Italy to agree on the 3.5% target for defence expenditure adopted at The Hague, to be reached by 2035. Certainly, the percentage of GDP allocated to the armed forces will remain a key parameter of burden-sharing for Washington, and therefore for Brussels, and thus a challenge to be faced by Rome to implement the commitment undertaken.

Beyond military expenditure, the debate on broader burden-sharing has been even more limited to practitioners, experts, and a very tiny section of academia, civil society, and specialized media. It reflected the aforementioned threat assessment on Russia and the enlarged Mediterranean. Media coverage increased due to the re-election of Donald Trump and the decisions and/or announcements his administration made in 2025.

However, concerning threat assessment and the eastern flank, since 2014, the Italian military contribution to reassurance and deterrence measures has not been widely promoted by institutions, in the face of public opinion that was not keen to see Moscow as a real, immediate and significant threat and was more concerned about the risks of escalation. That contributed to preventing a systematic, in-depth debate on transatlantic burden-sharing, despite the fact that Italy's military contribution in this regard was significant in comparison with the whole of operations abroad and with other major European countries. At the same time, most of the attention in the public debate has been devoted to NATO's role in the enlarged Mediterranean; the "projecting stability" agenda, including activities such as security force assistance; the partnerships and dialogue with countries in the region; and the potentiality of initiatives such as the NATO Strategic Direction South Hub in Naples.

The Hub has been the only NATO infrastructure in Italy that received some positive attention in the public debate, at least at the time of its establishment and implementation. The same did not apply to the other 12 important NATO bases, centres of excellence, or facilities located in Italy. Most of the public does not know about those bases, but already since the early 2000s there have been protests by local communities and activists against some of those military installations.[48] The protests have been motivated partly by the facilities' perceived environmental impact, i.e., in terms of radio waves, and partly by a pacifist, anti-American ideological stance within the radical left.

There is a similar pattern for Italian commitment to NATO nuclear sharing, as this element has not been framed as part of burden-sharing in the public debate. The pacifist constituency repeatedly argued against Italy's participation in the nuclear sharing arrangement, the stationing of U.S. nuclear weapons in Italy and the procurement of dual-capable aircraft such as the F-35, while mainstream media and the national institutions largely avoided the issue. Even the 2015 Italian White Book on International Security and Defence, one of the most outspoken and ambitious documents on Italian defence policy,[49] marginalizes the nuclear dimension.

This situation changed somewhat after February 2022. The Russian invasion of Ukraine generated unprecedented media coverage of the conflict by a range of mainstream media, which usually do not cover international security at all. As a result, a large majority of the Italian public has become more familiar with five major elements: (i) the occurrence of a large-scale, high-intensity, protracted, bloody war in Europe; (ii) the realization of a scenario whereby Russia invades a neighbouring country; (iii) the fact that the invaded country fights back against the Russian Federation for more than three years and calls for help from Western allies; (iv) the large-scale, prolonged provision of military equipment by most NATO members including Italy; and (v) the need to invest more in defence to both support Ukraine and replenish the stocks of the Italian military. In other words, public opinion has been, to a certain extent, informed on the basics of NATO deterrence and Italian defence policy to a level not seen since the end of the Cold War.

This, in turn, has had a significant impact on the debate about transatlantic burden-sharing in three ways. First, it has clarified that the Russian threat is real. Second, it has made more evident the rationale for NATO as a collective defence organization, as further demonstrated by Finland's and Sweden's decisions to become members precisely because of the war. Third, it has made more legitimate and understandable the debate on how much money should be allocated to the military and what to do with it —i.e., to commit to NATO and/or to a European defence. However, such an impact should not be overestimated. A minority of Italian public opinion is still somewhat skeptical about the NATO role before and after Russia's full-fledged invasion of Ukraine. Another strong constituency wishes to have peace at any cost, even if it involves the surrender of Kiev, and believes that once Moscow has occupied the whole of Ukraine it will be satisfied and will not threaten NATO anymore. The latter view has been enhanced by Trump's promise to end the war in Ukraine by seeking a peace deal with Russia. At the same time, the aforementioned combination of the Trump administration's pressure, EU defence initiatives, and NATO commitment to increase national defence spending has further polarized the debate in Italy, between those who recognize the new reality and its implications and those who strongly oppose it.

In conclusion, a plurality of views remains in the public debate on the importance of the Atlantic alliance and, thus, of the related burden-sharing, and any Italian government has to deal with the overall orientation of the electorate.

3. Understanding of burden-sharing

Italy has obviously subscribed to the 2014 Defence Pledge, including the goal to reach the 2% of GDP threshold, as well as the subsequent NATO declarations which restated that pledge—up to the 2023 and 2024 summits, where 2% became a floor rather than a ceiling. However, Rome negotiated within NATO to introduce some flexibility in its implementation, because Italy always considered it a political commitment and not a legally binding one. As such, it was and is subject to government decision depending on a number of variables, such as the economic situation, national sovereign debt management, the outcome of elections, or the priority attached to emergencies such as the COVID-19 pandemic. In other words, Italy is not comfortable with the transactional approach put forward by the Trump administration in 2016–2019, whereby the 2% of GDP was considered a fee to be paid in order to benefit from the US security umbrella.

However, Italy and other European countries had to face the same transactional approach from the second Trump administration, taking into account an international security environment

much worse than in the 2010s because of the Russian invasion of Ukraine. Therefore, Italy signed up for the 3.5% goal by pushing the deadline for reaching it to 2025, rather than around 2030-2032 as other allies proposed. It also insisted that the other 1.5% commitment on defence-related expenditure should include the budget for critical infrastructure.

Still, Italy thinks defence spending should not be the only parameter used to measure the contribution of a single ally to collective security. NATO, as an alliance of 33 sovereign countries with more than 75 years of positive track records in the political, geopolitical, institutional, military, and diplomatic spheres, is more than such a narrow interpretation of burden-sharing. Until 2021, the Allies' contribution to NATO activities has been summarized by Secretary General Jens Stoltenberg as the "3C" approach: cash, capabilities, and contribution.[50] "Cash" obviously represents the 2% of GDP parameter of the defence budget. "Capabilities" refer to another element of the 2014 Defence Investment Pledge, which is to allocate at least 20% of the defence budget to the procurement of equipment. Last but not least, "contribution" means whether, how, and to what extent the armed forces of each member state contribute to NATO operations, including both out-of-area ones and activities for collective deterrence and defence.

In this context, Italy displays a record of constant presence in NATO operations, often at a relatively high level, thus presenting itself as a security producer rather than a security consumer. Over the last decade, it has been the second-largest contributor to NATO missions, after the United States. The Italian presence in Afghanistan has been particularly significant, reaching 5,000 troops during the peak of ISAF in 2009, and close to 900 within the Resolute Support Mission in 2021, and included the responsibility for the Regional Command West. Italy has held the command of KFOR 13 times since 1999, including since 2022 onwards, and as of 2024 it deploys more than 850 troops there.[51] Concerning deterrence and defence, the Italian army has deployed about 250 troops and 57 vehicles in Latvia within the Enhanced Forward Presence, while the air force has been repeatedly in charge of the air policing of the Baltic States, Poland, Iceland, and the Balkan countries. Italy also led the NATO Very Rapid Joint Task Force—the spearhead of the NATO Response Force—in 2018. Lastly, Rome deployed SAMP/T missile defence systems in Turkey from 2018 to 2019 within the NATO mission Active Fence,[52] and then in Slovakia in 2023 and 2024. These novel military deployments on the Alliance eastern flank, coupled with the requirements of the NATO New Force Model, are putting the Italian military under pressure in terms of readiness and combat mass,[53] particularly concerning land assets for large-scale, high-intensity, and prolonged war, such as main battle tank, short-range air defence, artillery, ammunition, and all the equipment related to heavy brigades, with the related logistics. Therefore, maintaining Italian commitment to NATO collective deterrence and defence will require robust and long-term investments in those capabilities, more expensive than those related to the previous decades of peacekeeping, counter-insurgency and stability operations. In other words, "contributions" are no longer a substitute for "cash," but require more "cash" on their own.

Table 1: Italy's contribution (number of troops or aerial assets) to NATO operations and activities until 2023[54]

Operation	Maximum Contribution
Operation Allied Force, Serbia-Kosovo, 1999	22 Tornado; 6 AMX; 6 Tornado IDS; 4 Tornado ECR/IDS, 4 F-104 ASA 6 AV-8B
Operation Joint Enterprise (KFOR)	638
International Security Assistance Force (ISAF), Afghanistan	4,250
Operation Resolute Support (RS), Afghanistan	950
Operation Unified Protector, Libya, 2011	F-16, Eurofighter, AV-8B, Tornado, AMX
Operation Active Endeavour (OAE), Mediterranean Sea	600
Operation Sea Guardian, Mediterranean Sea	240
Operation Ocean Shield, Gulf of Aden	497
Operation Active Fence	130
NATO Mission Iraq (NMI)	280
Enhanced Forward Presence (eFP), Battle Group Latvia	238
NATO Air Policing, Baltic States	260
NATO Maritime Groups, Mediterranean Sea	235

Unfortunately, Italy's performance on the "cash" parameter is much less favourable than on "contribution" or "capabilities," in that it exposes the country to criticism regarding burden-sharing. As previously mentioned, in 2024 the Italian defence budget accounted for 1.51% of GDP, ranking 24th out of 31 allies.[55] In contrast, on the NATO parameter concerning the share of the defence budget devoted to equipment, Italy scores 23% in comparison with the 20% NATO target.[56] Interestingly, over the last decade, investments in equipment have risen more steadily than the overall military budget.

Beyond the "3C" parameters, Italy plays a central role—alongside Germany—in terms of NATO military infrastructure as well as the hosting of U.S. troops in Europe. Indeed, 13 allied facilities are located on Italian soil: Joint Force Command (Naples), Rapid Deployable Corps (Solbiate Olona), Deployable Air Command and Control Centre (Poggio Renatico), Airborne Ground Surveillance (Sigonella), space satcom Mobile User Objective System (Caltanissetta), NATO Defence College (Rome), Stability Policing Centre of Excellence (CoE) (Vicenza), Maritime Research Experimentation CoE (La Spezia), Security Forces Assistance CoE (Cesano), Modelling and Simulation centre (Rome), Strategic Direction South Hub (Naples), Civil-Military Cooperation Centre (Treviso), and the newly established Multinational Division South (Florence and Taranto). Accordingly, Italy bears part of the direct and indirect cost for these infrastructures in economic, logistical, and environmental terms. Some of them also represent valuable targets for hybrid or conventional warfare: for instance, Joint Force Command Naples or the Airborne Ground Surveillance installation in Sigonella.

Last but not least, Italy is one of the five Allies hosting US tactical nuclear weapons, procuring dual-capable aircraft since the 1980s like the Tornado, the Eurofighter and the F-35, and participating in the Allies' nuclear planning group. This is a key part of the sharing of burden, risks, and costs related to collective defence, insofar as the former relies on a continuum of conventional capabilities, missiles, and nuclear capabilities, as re-stated by the 2022 Strategic Concept. In particular, Italy has participated in the development and production of the F35 since the late 1990s, is set to procure more than 90 aircraft, and is the only European country to join forces with the UK to operate F35s as part of a carrier strike group.

Conclusion

In conclusion, the understanding of burden-sharing in Italy encompasses, first and foremost, the 3C parameters, whereby defence spending has to be considered together with the percentage devoted to procurement and the active military contribution to NATO operations, as well as deterrence and defence activities. Moreover, the costs associated with hosting 13 allied military installations on Italian soil should be taken into account. Last but not least, Italy's role in NATO nuclear sharing is an extremely valuable contribution in terms of investments, capabilities, infrastructure, and risks.

Lastly, concerning the expenditure targets agreed upon by the Allies at The Hague Summit, the 1.5% parameter is important to make it clear that Italy and other European countries already invest in critical infrastructure and civilian resilience, which is an important part of ensuring that Europe can withstand a possible Russian escalation by establishing and maintaining credible deterrence. As a whole, a politico-military alliance like NATO should adopt a more holistic, balanced, and nuanced approach to the sharing of efforts to ensure collective deterrence, defence, and security.

Unfortunately, for a variety of reasons, the Italian debate on defence matters, NATO, and military spending does not contribute to properly shaping the understanding of burden-sharing, neither domestically nor at the international level. But Italy's level of ambition, effort and commitment in the Atlantic alliance has in fact been quite high in the light of European standards during the post-Cold War period. As recalled by Prime Minister Meloni at the NATO Vilnius summit, "It is not only an issue of how much you spend, it is also an issue of how much you guarantee in terms of the effort you put in with your people, your energy, your professionalism, your centrality, your availability."[57]

A sailor of HMCS FREDERICTON admires the coastline view of Italy as the ship sails through the Strait of Messina in the Mediterranean Sea during Operation REASSURANCE on June 23, 2023.

Photo: Cpl Noé Marchon, Canadian Armed Forces Photo

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55 Among the 32 NATO members, only Iceland does not have armed forces or military spending.

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Participating nations for Exercise TRADEWINDS (TW24) including Canadian, American and Barbadian delegates, along with H.E. MS. Lilian Chatterjee, Ambassador of Canada and Małgorzata Wasilewska, Ambassador of the European union, gathered at The Barbados Military Cemetery at Needham's Point, for a small ceremony facilitated by the French Naval command team, in honor of Victory in Europe Day (VE Day), a day celebrating the formal acceptance by the Allies of World War II of Germany's unconditional surrender of its armed forces, on May 8, 2024.

Photo: Warrant Officer Amber Stuparyk

France and Germany Within NATO: A Comparative Perspective on French and German Visions of the Alliance

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On the occasion of NATO's recent summit in The Hague in June 2025, and in the strategic context opened up by the outbreak of the war in Ukraine and the return of Donald Trump to power in January 2025, it is interesting to look at how the two largest military powers in the European Union (EU), France and Germany, view NATO and contribute to the Alliance's burden-sharing. The choice to compare France and Germany is all the more interesting because

the two countries have been linked by a highly institutionalized military cooperation since the end of the 1980s, following the Treaty of Reconciliation (Elysée Treaty) signed in January 1963 and completed by the Treaty of Aachen in 2019. Indeed, both France and Germany pursue security strategies with a strong emphasis on collective security, although there are differences between them. This article summarizes their respective approaches to NATO within the global framework of European and collective security. The data used for the article are based on French and German strategic statements delivered by heads of state and defence ministers, as well as documents published since 2022. (In particular, France updated its 2022 Strategic Review and its 2023 Military Programming Act, and Germany's first National Security Strategy was published in June 2023.) Those sources were complemented by some twenty semi-structured interviews conducted in 2022 and 2023 with French and German politico-military practitioners. The article will first outline the main features of French and German defence policies since the end of the Cold War in order to better understand NATO's place in French and German defence policies and strategic visions. It will then assess the concrete aspects of France's and Germany's respective commitments to transatlantic burden-sharing and identify the main differences.

1. Main features of French and German defence policies

Although France and Germany are members of both NATO and the EU and regularly cooperate with their European counterparts on military issues, defence policy continues to be mostly formulated on a national basis. However, if we look at the most recent French and German strategic documents, published in 2022 and 2023, we can see elements of convergence in terms of threat assessment in the context of the war in Ukraine. First and foremost, both France and Germany share the idea that the fragmentation and contestation of the liberal world order poses new challenges and risks, in particular because of the rise of rivalries and the revisionist tendencies of some global and regional powers to pursue their own respective agendas. Therefore, both countries advocate for multilateralism and the preservation of the liberal international order. They also place particular emphasis on Russia as the main threat to peace and security on the European continent and on the need to consider China as both a trading partner and a strategic rival. In addition, Paris and Berlin share the need to support the growth of their defence budgets and to give their armies the means to act (although this may be more difficult in reality, as I show in the last part of the article). But beyond these elements of convergence, French and German defence policies remain very different, in terms of not only strategic ambitions, but also institutional frameworks and means.

The main features of French defence policy are characterized by continuity, albeit with some pragmatic inflections since the mandate of President Sarkozy (2007-2012), during which French officers once again became part of the military command structures of the Atlantic Alliance in 2009, following more than forty years of absence after France ceased that participation in 1966 during the presidency of Charles De Gaulle. Defence lies in the hands of the executive branch, and more precisely those of the French president as head of the armed forces. France's post-Cold War defence policy relies on a gap between global strategic ambitions and limited available resources.[1] France has all the attributes of a great power, with its seat on the United Nations (UN) Security Council, its nuclear deterrence capability, its membership in the G8, and its diplomatic and cultural network, which is the second-largest in the world. However, it has limited military and financial resources in a context of dominance by the United States, coupled with economic competition from China. The challenge for French defence policy is twofold: to maintain France's global ambition, which leads Paris to take an interest in all major international issues where it can exert influence, and to strengthen multilateral cooperation with its European and international partners. Thus, the idea of Europe as a power multiplier has shaped the French interpretation of European integration since the presidency of General de Gaulle,[2] with the aim of enabling France to achieve greatness and influence beyond what its economic and demographic weight alone would allow.[3] More specifically, French defence policy rests on two main pillars that shape France's vision of its power: independence, based on national nuclear deterrence and military interventionism; and European cooperation. Therefore, French defence policy is based on the concept of strategic autonomy and aims to guarantee French independence by developing a national nuclear deterrence and a full-spectrum army dedicated to both territorial defence and military intervention. However, defence budget and recruitment constraints in recent decades have led the French army to be labelled as a "bonzai army"[4] because it has broad capabilities, but in a limited way. Independence is a key driver of the French strategic discourse and explains why France decided to withdraw from the military structures of NATO in 1966, not so much because of a lack of confidence in the security guarantees of the United States, but rather to develop French global ambitions to weigh as an independent actor in world politics.[5]

The second pillar of French defence policy is European military cooperation. During the Cold War and in the context of

> “However, France’s reintegration into NATO’s military structure in 2009 led to more pragmatism in French strategic discourse regarding NATO.”

France’s withdrawal from NATO’s military structures between 1966 and 2009, that cooperation was mainly conceived within the European integration process. However, France’s reintegration into NATO’s military structure in 2009 led to more pragmatism in French strategic discourse regarding NATO.[6] Indeed, NATO has become the fifth priority out of ten in the 2022 Strategic Review. French strategic discourse stresses the importance of EU-NATO cooperation and invests in the notion of a European pillar within NATO—even more so since 2022—which helps create opportunities to cooperate with other NATO member states such as Germany.

The most important feature of German defence policy is still *Bündnistradition*, which means Germany’s commitment to military action only within multilateral frameworks such as NATO, the UN, or the EU. Therefore, Germany is strongly involved in all multilateral structures, including NATO, the EU, the UN, the Conference on Security and Cooperation in Europe, and the G8. Nevertheless, with the changing nature of the threats facing the international community after the Cold War, Germany has had to embark on a process of reflection, which it is still engaged in today, in order to redefine its place on the international stage and to move towards political normalization in the sense of the need for Berlin to become less dependent on its partners (including the US and NATO) and to assume its international responsibilities, which goes hand in hand with a reflection on the Bundeswehr and its role since the end of the 1990s.[7]

The main features of German defence policy until 2022 were mostly stable and relied on three main elements: multilateralism and international cooperation to maintain the international liberal order; NATO and European commitment; and a culture of restraint inherited from the past (with the notion of “never again war” and “peace policy”), coupled with an aversion to hegemony.[8] The first characteristic led Germany to invest in a security policy based on the liberal premise that trade with other states helps stabilize the world, which explains Germany’s strategy towards Russia until recent years (*Wandel durch Handel*), inherited from the Ostpolitik of the 1970s. This has led to a recurrent neglect of defence spending over the past three decades in order to reap the peace dividend. However, following the outbreak of the Arab Spring in 2010, the civil wars in Syria and Libya, and the annexation of Crimea in 2014, the “Munich Consensus” (the German foreign and security policy review published by the German government in 2014) began to introduce a normative shift regarding the role Germany should play in international security and within security alliances (leadership from the centre). This shift has been reinforced by the *Zeitenwende* since 2022, although the first German National Security Strategy, published in June 2023, does not clearly define strategic priorities or offer concrete proposals to make German foreign and defence policy more effective. This is due to the fact that German defence policy, unlike that of France, is defined by several actors, such as the Minister of Defence (head of the army), the Minister of Foreign Affairs, and the Minister of Finance, with the Chancellor playing a mediating role. Moreover, the German Parliament plays a crucial role in the scrutiny of defence policy by not only voting on the defence budget but also allowing or disallowing military interventions and military exports.[9] Since Germany, unlike France or the US, does not yet have a National Security Council, defence policy guidelines require intensive negotiations within the German coalition. Yet the new Chancellor, Friedrich Merz, who was elected in May 2025, has put the question of such an institution on the coalition’s menu and has advocated for a very significant investment in German defence policy and the Bundeswehr.

The second important feature of German defence policy is its commitment to European security, through both NATO and the EU. Atlanticism remains the cornerstone of German security to this day, even though Chancelor Merz has advocated for a much stronger European defence within the EU. Yet the primacy of NATO has been mentioned in every German strategic document since the Cold War and is evident in Foreign Affairs Minister Baerbock’s speech for NATO’s 75th anniversary on April 4, 2024, in which she referred to NATO as “our central security anchor.”[10] As Markus Kaim argues,[11] since Germany’s accession in 1955, NATO has been one of the two pillars on which German foreign and security policy has stood, together with European integration. Berlin therefore envisages European defence policy (also called Common Security and Defence Policy or CSDP) as a way to complement the Alliance by showing the Europeans’ commitment to their security. The importance of German engagement within NATO is particularly evident in Berlin’s proposal of the Framework Nation Concept (FNC) in 2013, which was adopted at the Alliance’s Wales Summit in 2014. Under this concept, NATO encourages multinational groups within the Alliance to develop deployable capabilities, led by a “framework nation,” to enhance regional specialization and mutual coordination to better cope with the European security landscape. The FNC, endorsed by the Alliance, was proposed by the German government not only to combine the “breadth before depth” philosophy, meaning that the Bundeswehr can regain its depth (operational sustainability lost due to defence budget cuts) through the contributions of others while maintaining its spectrum of capabilities (breadth), but also

to demonstrate its willingness to take on more responsibility for European security while providing Washington with guarantees of transatlantic continuity.[12] Chancellor Merz has also spoken about the utmost importance of NATO as a deterrent against the threat posed by Russia.[13]

Last but not least, German defence policy over the past three decades has been characterized by a third feature: a culture of restraint in the use of force, supported by the important role of the Bundestag in German military missions (Bundeswehr). This culture of restraint has meant only multinational military missions for German soldiers (within the UN, NATO or EU framework), but also a strong reluctance to use nuclear weapons and nuclear deterrence, which is envisaged only within the NATO framework.

Having established the broad outlines of French and German defence policy, let's look now at what the Alliance means to Paris and Berlin.

2. French and German visions and practices of NATO

In the past decade, both France and Germany have dedicated important military capacities to the Alliance, and this has been even truer since the outbreak of the war in Ukraine. Both Paris and Berlin reaffirmed the importance of NATO in the bilateral Aachen Treaty signed in January 2019[14] and participate in large-scale NATO military exercises such as BRILLIANT JUMP and COLD RESPONSE. However, disputes over NATO have been frequent between France and Germany: for example, during the 70th anniversary of NATO, when President Macron called the Alliance brain-dead whereas Chancellor Merkel argued for its importance. Paris and Berlin do not share exactly the same understanding of NATO within European security architecture. Moreover, France and Germany do not exactly consider NATO on an equal footing. Berlin sees it as both a military and a political arena, whereas Paris considers it to be mainly a military alliance. A comparative review of the current French and German national security strategy documents (France's National Strategic Review [2022] and Germany's national security strategy [2023]) reveals both some common principles and some notable differences. Both countries identify Russia as their primary threat, and both make frequent reference to the importance of the NATO alliance, although the emphasis in both cases is somewhat stronger in the German strategy, as shown in the table below. On the other hand, the French document places a considerable focus on national and European autonomy, something that is absent from the German strategy. It is clear from the strategies that, although both countries acknowledge the importance of NATO to their security, Germany is much more invested in the multilateral approach than is France. That difference is perhaps not surprising, given their respective experiences throughout the turbulent 20th century.

Table 1. Comparison of the number of occurrences of strategic key words in the French and German latest strategic documents[15]

	French Strategic Review 2022	German National Security Strategy 2023
NATO	25	36
European pillar	2	4
USA	7	5
European strategic autonomy	7	0
Autonomy	27	0

A look at France's vision of NATO reveals that France has long been a "reluctant Atlanticist," not participating in the FNC and instead developing the European Intervention Initiative (EI2) outside the NATO and EU frameworks. The EI2 is a multinational initiative aimed at developing a European strategic culture by bringing the participating states together to regularly train parts of their armed forces.[16] However, that vision has changed in recent years, and especially since 2022, as France has come to recognize the importance of NATO for European security and has argued for a European pillar within the Alliance. France therefore aims to present itself as an "exemplary ally" within the Atlantic Alliance, in particular by promoting France's role within NATO and working towards greater NATO-EU cooperation. In the Defence Programme Law (LPM 2024-2030) adopted by the French Parliament in July 2023, France reaffirms its will to build a solid European defence pillar within NATO. This strategic discourse is backed up by the military resources that France makes available to the Alliance. Indeed, in recent years, with an allocation key of 10.39%, or €203 million (2022), France has become the third-largest contributor to NATO's military and civilian budget, after the United States and Germany.[17] In addition, 763 French military and civilian personnel are assigned to various NATO organizations. In 2022, France led the NATO Response Force (NRF), with nearly 8,000 French troops on rapid deployment standby as the spearhead of the NRF.[18] Since Russia's invasion of Ukraine, French forces have contributed to strengthening NATO's deterrence and defence posture on the Eastern European flank with some 1,400 soldiers in NATO operations, including 300 in the Enhanced Forward Presence (EFP) elements and some 500 in the NATO Battle Group in Romania (Mission Eagle), and are participating in Mission Lynx in Estonia as part of the British-led NATO Battle Group. France also participates with naval and air forces through the "Groupe aéronaval" mission of the French Navy's carrier strike group based on the aircraft carrier *Charles De Gaulle* in the Mediterranean, which carries out surveillance and air defence missions over Romania, Bulgaria, and Croatia, and through four Rafale fighter jets participating in the Enhanced Air Policing mission in Lithuania (2022–2023). This strong French commitment to

> "Although French and German visions of NATO have long been divergent, the outbreak of the war in Ukraine seems to have created some space for convergence, at least at the level of strategic discourse, if not yet so much in terms of military assets deployed within the Alliance."

NATO is politically supported by most French parties and public opinion, although the far right and the far left regularly criticize both NATO and European defence and tend to advocate French withdrawal from the Alliance. However, that position remains marginal, as in 2023 62% of French citizens considered NATO important for French security and said they would choose to remain in NATO if there were a referendum on the issue.[19]

As far as Germany is concerned, the National Security Strategy confirms the primacy of NATO for German and European security and defence. Germany is in favour of developing a European pillar within NATO in order to become a more reliable partner and to improve EU-NATO cooperation on military issues as well as on emerging issues such as cyber and artificial intelligence. Unlike France, Germany participates in NATO's nuclear umbrella and launched the European Sky Shield Initiative (ESSI) in 2022 to strengthen European cooperation on this issue. France is not part of the initiative and was unpleasantly surprised by it, as it was launched without consultation. To participate in NATO's deterrence, Germany signed a contract in 2022 for the purchase of up to 35 F-35 aircraft, which can carry out the Alliance's nuclear deterrence in Europe. Financially, Germany is the second-largest contributor to NATO's military and civilian budget, with a share of 16.34%, or about €424 billion (2022). The Bundeswehr is also heavily involved in NATO missions, with some 4,700 personnel, including some 1,000 soldiers in the German-led eFP Battle Group in Lithuania, some 50 soldiers in the Forward Command Element of the German Brigade for Lithuania, participation in the NATO Battle Group in Slovakia, and some 550 soldiers still deployed in Kosovo. In addition, a German brigade is dedicated exclusively to reinforcing Lithuania's defence in case of urgent need, and Germany deploys a support ship in the Aegean Sea. In June 2023, Germany announced plans to increase the number of troops permanently stationed in Lithuania to approximately 5,000 by the end of 2025.[20] In terms of domestic support for Germany's commitment to NATO, the main political parties in Germany (SPD, CDU/CSU, FDP) are strongly in favour, as are the Greens, who have emphasized the importance of NATO much more since 2022. Only the extreme left (Die Linke) and right (AfD) parties tend to be critical of NATO. German public opinion is traditionally supportive of it, and the level of support has even increased since 2022, as in 2023 74% of German citizens stated that they consider NATO important for German security and 75% said that they would choose to remain in NATO if there were a referendum on the issue.[21] A poll conducted in 2024 also shows that 61% of German citizens are in favour of more cooperation between NATO and the EU.[22]

Although French and German visions of NATO have long been divergent, the outbreak of the war in Ukraine seems to have created some space for convergence, at least at the level of strategic discourse, if not yet so much in terms of military assets deployed within the Alliance. The two countries' investment in the idea of a European pillar within NATO offers significant opportunities for strategic convergence between Paris and Berlin, as well as with the other EU countries, especially in the context of the turbulences introduced into the transatlantic relation by the return to power of Donald Trump in the White House. However, this idea is not exactly the same in Paris (which sees it as a lever to make progress on European strategic autonomy) as it is in Berlin (which sees it as a means of demonstrating the reliability of European allies by securing the transatlantic link). The issue of burden-sharing within the Alliance has been at the centre of discussions between the European allies and Washington for several decades, and the current European strategic context and the rise of the Russian threat have put the question of both military and financial resources in the spotlight. How do France and Germany see their participation in NATO's burden-sharing?

3. French and German participation in the Alliance's burden-sharing: Efforts and limits

The war in Ukraine and the critical need for ammunition and military capacity show how important defence has become again since 2022, in light of not only the threat posed by Russia's violent assertiveness, but also the return of realpolitik in international security. According to a recent NATO survey, both French and German citizens tend to support an increase in defence spending: in 2023, 40% of respondents in France and 55% of those in Germany supported the idea, while 35% and 23% respectively favoured stabilizing the defence budget at the current level.[23] Both countries also advocate the 2% of national GDP standard set at the Alliance's Wales summit in 2014.

However, France and Germany have long been divergent in terms of the financial and human resources allocated to their respective military forces. In recent years, France has regularly increased its defence spending and has largely followed NATO guidelines for spending on defence and equipment (20% of the defence budget), with 1.9% of GDP in 2023, i.e., €53.1 billion, including approximately €25.6 billion for equipment, €9.2 billion for military pensions, and €1.2 billion for military operations. For military operations, France has also made significant investments in its military capabilities. Moreover, the Ukraine war has reshaped European threat perceptions, pushing countries to prioritize readiness and rapid deployment capabilities. Droff and Malizard highlight how the determinants of defence spending in France are influenced by such strategic shocks, underscoring the need for context-specific analysis of spending patterns.[24] Indeed, in 2022–2023, these investments in military capabilities include orders for ammunition worth €2 billion (October 2023); €5.6 billion for the modernization of France's nuclear deterrent (representing about 12% of the French defence budget); €5 billion for the maintenance of operational effectiveness, of which 57% is earmarked for the three services' airplanes and helicopters, and major investments in fighter aircraft: €1.3 billion for the Future Combat Air System (FCAS) program and €6.4 billion for Rafale. (Total payment appropriations already earmarked for these two programs amount to €1.6 billion and €1.7 billion respectively.) French investment in advanced capabilities such as fighter aircraft follows a twin-track approach, pursuing both national and cooperative international programs. This is in line with the country's national security strategy, which emphasizes both national autonomy and collective defence and security.

In April 2024, the French Minister of Defence, Sébastien Lecornu, announced that France would reach 2% of GDP for defence spending by the end of 2024. LPM (2024–2030), adopted by the French Parliament in July 2023, provides for a defence budget of €413 billion for the period 2024–2030. In March 2024, the Minister did not rule out requisitioning factories if the arms industry was not producing fast enough. He also envisaged the right to give priority to military orders from companies that produce both civilian and military goods. The French government enjoys broad political support from the main political parties on defence spending: for example, the LPM, which sets out the budgetary trajectory for French defence over the following seven years, was adopted in July 2023 with 408 votes in favour and only 87 against. And the Minister's announcement on the possible prioritization of military orders and even requisitions has not yet been the subject of parliamentary questions. In February 2025, President Macron even called for an increase in French defence expenditures to 5% in the coming years, long before NATO's summit of June 2025.

However, France still faces a number of constraints and challenges, let alone the severity of French public debt, which I will come back to below. The French army is also frequently called a "Bonzai army" or "sample army," terms used by several French military chiefs of staff to refer to the fact that the French armed forces has a full range of military capabilities but in very limited quantities, so that today the French army would find it difficult to defend more than 80 km of front in a conflict similar to the Russia-Ukraine war. Another important element is the significant expeditionary practice of the French army, which has been seriously affected by the war in Ukraine and the subsequent strategic situation of the European continent, faced with the renewal of the Russian threat and the security developments in the Sahel. Not only did France have to reorient its defence policy with the creation of a specific national military command (at the division level) dedicated to the European theatre in October 2023,[25] but it is also currently rethinking its military interventions, as their intensification over the last three decades has created a significant gap in French military capabilities and tended to reduce the ability of the French army to generate operationally effective forces.[26] These limits are important for the Alliance, as NATO needs to be able to rely on rapid force-generation capabilities in the current strategic context of Europe.

Last but not least, these deficits add up to a recruitment deficit, a situation that also exists in Germany. The French armed forces consist of 269,000 men and women (76.5% military, 23.5% civilian, with a target of 270,000 by 2030) and 35,000 reservists. By the end of 2024, however, there will be a shortfall of around 2,500 out of the 16,000 recruits needed each year. Therefore the LPM includes a clause aiming at not only reinforcing reserve strengths but also making the military profession more attractive so as to better fill positions in the armed forces. In the case of Germany, the Bundeswehr consists of 184,000 men and women (with a target of 203,000 by 2031) and 15,000 reservists, and is currently facing a shortfall of 18,000 new recruits, i.e., almost 16% of the military personnel in leadership positions (recruitment has fallen by 7% and the attrition rate is almost 21%). In spring 2024, Defence Minister Boris Pistorius insisted on the need to re-establish conscription, even though the topic tends to divide the political elite and public opinion in Germany. These issues raise concerns in both, as Trump issued quite vocal statements about NATO and the perceived lack of effort on the part of some European countries to share the burden of the Alliance in 2024. Both France and Germany have pleaded for an increase in defence spending, and Emmanuel Macron[27] and Friedrich Merz have supported the new standard of spending 3.5% of GDP on core defence requirements in addition to 1.5% dedicated to civilian and critical infrastructure, collectively adopted by NATO in June 2025 in The Hague.[28]

Indeed, Germany had for a long time been frequently criticized for underinvestment in its defence budget over the past three decades. As Berlin sought to reap the peace dividend, German defence spending was quite low, well below the NATO

standard of 2%. Before 2020, the German defence budget was around 1.4%. However, it received a boost from the annexation of Crimea and the Munich Consensus, and by 2023 it had reached €50.1 billion, which was in addition to €8.5 billion from the special fund.[29] However, 54.9% (€27.78 billion) of that budget was allocated to operating costs, linked to the maintenance of personnel and equipment, while only 24.8% (€12.23 billion) was earmarked for investment, including €1.66 billion for research and development. The €100 billion special fund approved by the Bundestag in June 2022[30] and the significant increase in the defence budget after the turn of the century have resulted in a defence budget of around 2% of German GDP as of February 2024, i.e., €51.8 billion plus €19.2 billion from the special fund, with the aim of maintaining the 2% share in the coming months and years. In addition, Germany continued to pursue major investments in military capabilities in 2022–2023, including the approval by the Bundestag (on December 14, 2022) of a €13 billion credit, in the frame of the Special Fund, for the purchase of fighter aircraft, transmission equipment, armoured vehicles, assault rifles, and other equipment; an order for 60 CH47F Chinook heavy-lift helicopters from Boeing for €8 billion (€2 billion more than planned); the confirmation of the order for 35 F35 fighter aircraft; an order for Arrow 3 air defence systems for €3.22 billion (under the ESSI) and the commitment to spend a global amount of €40 billion to be spread over the FCAS program until 2040.

However, Germany still faces a number of constraints and challenges. The lower house of the German Parliament, the Bundestag, plays a crucial role in defence policy, as military deployments require prior parliamentary approval (*Parlementsarmee*) and all purchases for the Bundeswehr over €25 million must be approved by the Bundestag. The Bundeswehr is also still suffering from 30 years of underinvestment and, as the German Chief of Staff pointed out in December 2023, it is still unable to fulfill its NATO commitments and barely has the resources to deploy a brigade in Lithuania, which might take until 2027.[31] Indeed, as Droff, Malizard, and Schmitt's analysis shows, personnel shortages undermine operational sustainability, which raises a critical issue for NATO missions on the Eastern Flank.[32]

Last but not least, France and Germany are facing difficulties both in their budgetary prospects and in their industrial cooperation. In terms of budgetary prospects, despite the fact that both governments have announced significant increases in defence spending in 2025, this upward trend is significantly constrained by the current financial situation of France, which is experiencing a level of public debt that will have an impact on the future state budget. The French government collapsed in December 2024, when faced with a parliament that did not vote on the 2025 state budget. The new government has kept defence spending as a major political priority, but French debt combined with significant underfunding of many public services will make it difficult to fully commit to the new 5% target for the coming decade without having to face important social choices. Similarly, the German coalition also collapsed in November 2024. The German financial situation has played an important part in this political crisis. Even though the new Chancellor, Friedrich Merz, has put a strong focus on defence and keeping up with the increase in German defence expenditures, the new coalition might face debate in the German Parliament if it comes to making hard choices (for instance, cutting back on social spending), as the Bundestag remains fragmented (as does the French parliament), with strong opposition voices.

Regarding French-German industrial cooperation, the future combat air system (FCAS) and main ground combat system (MGCS) programs have taken many months of negotiations and are still subject to major political and industrial constraints due to competition between the French and German industries involved in the projects. Industrial challenges, such as delays in the FCAS and MGCS programs, hinder France's and Germany's ability to deliver on defence commitments.[33] The military industrial competition between Paris and Berlin also tends to be intensified by their diverging visions of EU instruments dedicated to boosting the EU defence industry, such as the European Defence Fund (EDF). France and Germany are involved in two different battle tank projects under EDF funding: Germany is acting as the coordinating authority for the Main Armoured Tank of Europe project, while France is participating in the FMBTech project. France has advocated for the establishment of a second European Defence Fund with augmented financial resources, whereas Germany has demonstrated reluctance, given that Berlin is a net contributor to the EDF. The impact of these factors on both countries' defence capabilities is significant. In the German case, this adds up to tight parliamentary control over spending, which means that approvals to implement substantial changes take a long time, and so achieving the goal of strengthening the Bundeswehr's capabilities will be a slow process. Some parties in the Bundestag have also regularly expressed their opposition to increasing defence spending to the NATO target of 2% of GDP, despite the government's stated intention to do so. Finally, in contrast to France, and despite an evolution since 2022, public opinion in Germany remains divided on defence issues, with a survey conducted by the German Academy for Security and Defence in January 2024 showing that, in the event of military aggression against a NATO member state, only 37% of respondents would support the idea of Germany participating in a military intervention to help the country under attack, while 38% would support the idea of staying out.[34] These limitations and constraints make it difficult for Germany to fully share NATO's burden.

Lastly, the re-election of Donald Trump as US president is likely to play an important role in France's and Germany's attitudes towards NATO. While both countries are in favour of strengthening NATO's European pillar and increasing the EU's role on the international stage, they continue to differ on the

method and on the question of the right distance from the United States. The French president's statement in March 2024 on the possibility of sending troops to Ukraine was greeted coolly by other NATO members. And even though the Trump mandate poses a major concern for European NATO members, both Paris's and Berlin's leadership potential within the European member states is affected by France's and Germany's differing visions of NATO. Even though Chancellor Merz has made a move towards a more substantial European defence within the EU, NATO remains the anchor of Germany's defence policy, more so than in the French case based on national independence. In this respect, both France and Germany will need to enhance and strengthen the dialogue with their Eastern European members within NATO. Yet, beyond the awareness at the European level and in the two countries of the necessity to reinvest in solid military capabilities, the war in Ukraine appears to have had more of a centrifugal than a centripetal effect on the issue. This is evidenced by the continued primacy of national strategic, economic, and industrial interests over the logic of cooperation, which is vital for the future. The necessity of Franco-German military cooperation is combined with the need to be better coordinated with their other European partners, starting with the Eastern European states that are directly facing the Russian threat. In this respect, NATO's summit in The Hague in June 2025 showed potential for convergence within the EU member states: in the following EU summit the next day, they agreed on the need to increase their defence effort collectively and to better coordinate at the EU level.

Notes

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Canadian Armed Forces members, members of the French Army, Romanian Air Force and guests from the United States Army attend a Remembrance Day ceremony at the Mihail Kogalniceanu (MK) Air Base in Romania, November 11, 2022 during Operation REASSURANCE.

Photo: Corporal Eric Chaput, Canadian Armed Forces photo

Canada: A Laggard in Reaching the NATO Burden-Sharing Target, Then and Now?

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Keith Hartley, one of the pioneers of defence economics, notes that "[The] task of the economist is to identify myths and special pleading, and subject them to rigorous and critical economic analysis and assess the supporting evidence."[1]

Domestic debates about Canada's role in the North Atlantic Treaty Organization (NATO) have often been clouded by myths, emotions, and special pleading, making it challenging to arrive at a balanced assessment of the nation's contributions to the alliance. The debates have often revolved around two interrelated issues: first, Canada's role in supporting NATO's strategic goals through non-military means such as the Climate Change and Security Centre of Excellence in Montreal;[2] and, second, a call for more complex burden-sharing metrics beyond the 2% of gross domestic product (GDP) defence spending target adopted at the 2014 Wales Summit. Specifically, Canada argued for the incorporation of specific outcome measures (deployment in NATO missions) and of regional contributions (such as those in the Arctic) into the burden-sharing calculations. These somewhat apologetic approaches seem to have come to an abrupt end in April 2025 with the new government in Ottawa. The Mark Carney government announced that Canada would reach the old 2% target in 2025, and it signed on to the new 3.5% of GDP defence spending target agreed upon at the recent NATO summit in The Hague, as well as the extra 1.5% on defence- and security-related areas. This is a drastic departure from the policies of the previous two Canadian governments since 2006.

This article offers a grounded exploration of Canada's role within NATO through an analysis of this country's evolving strategic priorities and budgets, which aims to explain its previous reluctance to meet the Wales Summit target of 2%, as well as its giant neighbour's persistent reminders of the need to reinforce defence capabilities. The article then provides empirical findings on Canada's defence burden within the North American theatre and for NATO commitments, its historical and contemporary defence spending trends, and its military readiness. Yet no new data on Canada's defence spending will be available until fall 2025, when the new government will table its budget. The article ends with a short epilogue that attempts to explain the very recent elevation of defence to a higher-priority policy area.

Canada's national defence policy

Threats and threat perceptions

The Canadian Defence Policy statement issued in April 2024 reiterated the country's national security priorities, stated as Canada's territorial integrity, North America's borders and Canada's international responsibilities, primarily towards and with NATO.[3] Intriguingly, the statement used the expression "North American Arctic" rather than "Canadian Arctic," presumably emphasizing the North American Aerospace Defence Command (NORAD) and hence acknowledging the security threat to the US posed by an unprotected Arctic. In this regard, it is important to mention that the modernized NORAD, by reducing response times and increasing the accuracy of northern anti-missile defences, will generate positive spillovers to European NATO partners by decreasing the likelihood that the US military might be confined to home defence and unable to intervene in the European theatre.

In this light, discussions about Canadian defence spending and particularly Canada's burden-sharing within NATO seem to involve passionate debate, folklore, and lobbying among stakeholders, with less interest shown by voters, who are, as revealed by polls, preoccupied not with gun issues, but with mundane bread and butter issues, primarily housing and health care. It is no surprise, then, that there has been a "conspiracy of abstention" in our political sphere to avoid the perception of warmongering.

We propose a discussion rooted in public choice analysis based on the absence of any threat or perceived threat and on the structural weakness of the country's defence procurement process due to Balkanized industrial and regional interests.

Chrystia Freeland, who occupied the high-ranking positions of Deputy Prime Minister and Finance Minister in the Canadian government from 2015 to 2024, summarized Canadian citizens' thinking rather precisely in 2017: "Why do we spend billions on defence, if we are not immediately threatened? For some countries, Israel and Latvia come to mind, the answer is self-evident. Countries that face a clear and immediate existential challenge know they need to spend on military and foreign policy, and they know why. For a few lucky countries, like Canada and the United States, that feel protected by geography and good neighbours, the answer is less obvious. Indeed, we could easily imagine a few good Canadians who say that we are safe on our continent and we have things to do at home,[4] so let us turn inward and say, 'Canada first.'"[5]

Freeland's accurate description is supplemented by the view of the Canada Business Council, the grouping which includes nearly all businesses in the country, that national security necessarily requires a defence industrial base. However, that view does not consider two important qualifiers. First, Canada is a member of NATO and, as such, can benefit from access to alliance members' defence industrial bases. Second, the existing Canadian defence industrial base has developed expertise over seven decades of integration with its American counterpart based on relative efficiencies. These two facts suggest that Canada does not have to reinvent wheels by heavily subsidizing new defence sectors. The Council says, "A strong and sovereign defence industrial base will not only allow the government to safeguard Canadians and support our allies, but also supercharge Canada's economic security and prosperity through increased innovation and job creation."[6] This economic nationalism, augmented by regionalism, is why Canadian defence procurement is so slow and inefficient in responding to procurement requirements. However, since the inauguration of President Trump, with his overt insistence on stronger defence spending in Canada, the election of the Mark Carney–led Liberals in April 2025, and the NATO summit

in The Hague, Canada's defence policy landscape has changed quickly and dramatically.

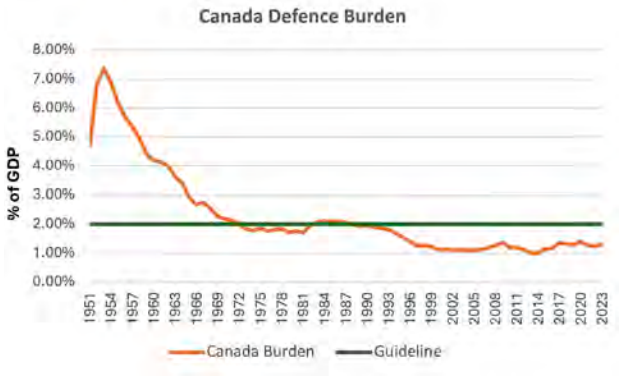
Since these changes will not translate into credible actions until the new federal budget comes down in October 2025, we will first concentrate on the recent past. Our analysis is rooted in the divergence between threats and perceived threats on the one hand, and the effect of economic nationalism that upsets efficient procurement of defence equipment on the other. Whereas Canadians do not expect to see missiles raining down or our infrastructure collapsing any time soon, either misperceiving threats or heavily discounting the possibility of the Arctic becoming a battleground for autocratic and belligerent powers, businesses would look through their own lens and focus on defence as generating business rather than defending our country against the threats. An institutionalized form of this powerful pressure group is Canada's defence industrial policies, which make the process of equipment procurement more cumbersome. Faced with these perceptions, our political parties of all stripes played down threats to avoid losing votes and yielded to various interest groups by wasting taxpayers' dollars in domestic defence equipment production rather than buying from efficient allied-country industries.[7] Concerning major equipment procurement, Canadian defence industries developed as mostly second- and third-tier contractors for the US defence industrial base because of the 1950s Defence Production Sharing Agreements.[8] In fact, Canada's participation in the Joint Strike Fighter project in the late 1990s was a no-brainer in terms of development and manufacturing contracts awarded to Canadian industries. The subsequent purchase of F35s was an economically efficient decision and, in the light of future technological interoperability with the US in the context of NORAD, perhaps facilitated the decision.[9]

Objectives, budgets, and current efforts

The analysis of data since the early 1990s, when the country enjoyed the peace dividend, against the background of a painful major fiscal reset with a new government elected in 1993 reveals a flat defence expenditure curve.

Figure 1 shows a remarkably stable defence expenditure pattern, beginning with the deep budget cuts at every level of government and in every area of intervention from the landslide Liberal Party win in the 1993 election and continuing until 1997, when the federal budget was balanced for the first time since 1969. That period coincided with the peace dividend in the aftermath of the implosion of the Soviet Union. More recently, the stability of the Canadian defence expenditure has continued, with the lowest at 0.9% of GDP in 2014 under the Conservative Party and the highest at 1.3% in 2021, despite two major incidents: first, the missions in Afghanistan beginning in 2001, then the initial Russian invasion of Ukraine in 2014. NATO's 2014 Wales Summit resolution on the 2% of GDP floor has yet to make a dent. However, after the 2% target was raised to 3.5% at The Hague Summit, the new government stated that 2% will be achieved in 2025. The fall 2025 budget will severely test the credibility of that statement.

Figure 1: Canada's defence burden trend, 1951–2023



Sources: SIPRI (2024);[10] authors' calculations.

The remarkable stability of Canadian peace dividend defence spending was not perturbed by any of the nine elections (held in 1997, 2000, 2004, 2006, 2008, 2011, 2015, 2019, and 2021, with the party in power changing twice); by a 13-year deployment in Afghanistan (with nine different operations)[11] or by a 10-year-old continuing deployment in Latvia. The recent defence policy update[12] in May 2024 reiterated unchanged priorities regarding Canadian sovereignty, with further emphasis on the Arctic,[13] given climate-change-augmented Russian and Chinese activities; the defence of North America, with the upcoming NORAD modernization coming to the fore; and Canada's traditional global responsibilities. Unsurprisingly, though, the April 2025 election upended the weak defence spending inertia.

Canada and the Atlantic Alliance

In addition to several deployments that include the Freedom of Navigation multi-country mission through the South China Sea, Canada currently deploys alongside NATO allies to support Ukraine and the Baltic republics. The deployment to Ukraine, Operation UNIFIER, with 350 personnel, is training Ukrainian forces in various areas. Operation REASSURANCE in Latvia is a full deployment, soon to reach 2,200 personnel, and can be called an extended deterrence force at the brigade level together with some other NATO countries' armed forces. Both of these deployments are NATO collective security missions against a belligerent Russia.

If we look at the current Canadian Armed Forces (CAF) deployments in Canada and abroad,[14] the picture that emerges is that of a country actively involved in significant but limited peace and stability operations around the globe. These Canadian deployments are not pivotal,[15] in the sense that, for the given

mission, the Canadian contingent's incremental contribution is weak, unlike Canada's contribution in Latvia as part of Operation REASSURANCE. Despite the significant effectiveness of these deployments, current defence spending is insufficient to allow any surge in capabilities.

The empirics of burden-sharing

Definitions and measurement issues

We begin our empirical analysis by addressing key issues related to measurement and definition that are central to the economic analysis of the burden-sharing debate. First, comparisons between countries require a consistent definition of military expenditures. Second, the comparisons must be standardized using a common metric, such as monetary units and a uniform base price. Third, the validity, reliability, and comparability of the measurements must be ensured by verifying the consistency of definitions, the appropriateness of monetary and price units, and the practicality of the chosen methodology.[16] Critics who rely on national definitions and augment security spending to inflate the share of military expenditure relative to GDP often overlook these important considerations.[17]

While no measurement method fully meets these stringent requirements, defence economists commonly adopt the NATO definition[18] of military expenditures and use the US dollar as a standardized monetary unit, with prices adjusted for inflation based on each country's economy-wide price index. Each member's military spending under this framework is referred to as indirect NATO funding. Additionally, NATO is supported by direct contributions that fund and maintain the civil budget (e.g., NATO Headquarters), the military budget (e.g., NATO Command Structure), and the NATO Security Investment Programme (e.g., military infrastructure and capabilities).

The latter funding amounts to approximately €3.9 billion and is allocated based on an "ability to pay" assessment scale. However, the fact that member states contribute their fair share to the common budget—equivalent to only 0.28% of the Atlantic Alliance's total military spending—does not, and should not, resolve the burden-sharing debate. It is also important to note that military expenditure, as a resource input measure, does not necessarily reflect military output. Nevertheless, it provides a reasonable indicator of a nation's ability or willingness to contribute financially.

When NATO was founded, its membership consisted of 12 nations with relatively similar military doctrines, economic systems, and standards of living. At the time, measures such as the share of military expenditure relative to GDP or gross national product, or informal agreements to allocate a specific portion of national income to defence, had merit. However, as the alliance has expanded from 12 members to its current 32, encompassing countries with diverse economic sizes, systems, and doctrines, these traditional measures have become increasingly challenging to apply effectively.

As noted earlier, the economics of alliances[19] suggests that burden-sharing imbalances can be mitigated if smaller allies are incentivized to contribute more to the alliance, consistent with the burden-sharing thesis developed by Berman and Berkok.[20] NATO's adoption of the flexible response doctrine in the late 1960s illustrates this point. The doctrine required nations to maintain a full spectrum of forces, both conventional and strategic (nuclear).

Since conventional forces must be deployed to support both the alliance and the national territories, countries were compelled to invest in self-protection. Those investments often yielded additional country-specific benefits, such as national search and rescue capabilities and support for civil authorities. The more such benefits a nation derives from defence spending, the more likely it is to fund those activities, thereby reducing the prevalence of free riding by smaller nations.

Empirical approaches to testing alliance economics

To examine the key findings of the military alliance and collective action literature, economists typically employ two approaches:

1. **Non-parametric rank correlation tests**[21]
   This approach assesses whether the benefits and costs of alliance membership are equitably distributed. Specifically, it uses the proportion of a nation's military expenditures relative to the alliance as a measure of burden or cost. For benefits, proxies such as a member country's GDP, population, and exposed borders are averaged.[22]
2. **Parametric demand models**
   This approach models the demand for military expenditures, assuming that countries act as unitary agents seeking to maximize the benefits of defence spending within their budgetary constraints. It incorporates factors such as fiscal resources, security environments (threat levels and alliance contributions), and political limitations. Using advanced regression techniques, these models evaluate whether the alliance contributions are optimal or whether extensive free riding occurs.

Non-parametric analysis

The results of non-parametric tests reveal strong evidence of shifting burden-sharing dynamics. During NATO's Mutual Assured Destruction era, exploitation (free riding) was prevalent, while the Flexible Response era saw fairer burden sharing. However, free riding re-emerged during the 2010s, particularly after Russia's annexation of Crimea. These tests highlight Canada and certain European members as serial free riders, with their relative benefits far outweighing their burdens.

European and Canadian researchers have proposed modifications to the above-mentioned approaches, in order to better align benefit and burden proxies with actual contributions to the alliance.[23] For example, Canada, with the world's longest coastline and second-largest total area, is disproportionately disadvantaged by the "exposed border" proxy. It has been suggested that the weighting scheme for this benefit measure be adjusted. Without the exposed border proxy, Canada's relative benefit share decreases from 20% to about 4%, which, while still high, is more reasonable. Table 1 illustrates this impact.

Table 1: Relative benefits and burdens, Canada

Year	Relative burden share	Relative benefit share				
		Economy (GDP)	Population	Exposed borders	Average	Excluding borders
1961	1.96%	3.94%	3.65%	63.03%	23.54%	3.79%
1970	1.39%	4.22%	3.88%	63.03%	23.71%	4.05%
1980	2.28%	4.56%	4.13%	63.03%	23.91%	4.35%
1985	1.84%	4.43%	3.97%	62.42%	23.61%	4.20%
1991	1.96%	4.15%	4.10%	62.42%	23.56%	4.13%
2000	1.85%	4.19%	3.89%	61.69%	23.25%	4.04%
2010	1.54%	4.24%	3.78%	59.17%	22.40%	4.01%
2015	1.99%	4.31%	3.88%	37.55%	15.25%	4.10%
2020	2.16%	4.25%	4.02%	37.50%	15.26%	4.13%
2021	2.15%	4.22%	4.04%	37.50%	15.25%	4.13%
2022	2.11%	4.26%	4.09%	37.50%	15.29%	4.18%
2023	2.14%	4.21%	4.17%	37.41%	15.26%	4.19%

Expanded burden and benefit measures

Recent studies have refined these analyses by incorporating additional variables, such as transnational terrorism exposure for benefits and Overseas Development Assistance and United Nations (UN) peacekeeping contributions for burdens. These expanded measures reduce but do not eliminate free riding. Military expenditures remain significantly larger than these added measures, sustaining the burden-sharing debate.[24]

Further studies have included contributions to international initiatives such as the UN Environment Programme and the World Health Organization. While these contributions exhibit cooperative behaviour and reduce free riding in non-military domains, they fail to resolve the issue within NATO. [25] The cooperative response in these cases may stem from the linkage to GDP or from the desire among wealthier nations to match or exceed contributions for status and reputational reasons. Economic principles suggest that the private benefits accruing to individual member states further incentivize such contributions.[26]

Parametric analysis using demand models

The evidence from demand models is more ambiguous for Canada. Table 2 summarizes findings from studies conducted between the 1980s and 2022. Earlier studies indicate greater alignment in NATO burden-sharing, including Canada's contributions, but later findings are less definitive. A 2005 study by Solomon notes that from 1952 to 1970 Canada responded positively to US military spending. However, Canada's overall defence posture was driven primarily by inertia, with current budgets reflecting prior-year expenditures.

Table 2: Selected demand model–based burden-sharing studies

Author and study	Theoretical model	Sample period and variables	Results
Murdoch & Sandler (1982)	Joint Product Model – spillins and substitution effect	1964–1979. Variables include GDP, thin, spill and strategic proxy	Canada is a free rider (10% significance)
Gonzalez & Mehay (1990)	Test both the Joint Product Model and the Exploitation Model	1974–1984. Variables include per capita income, population	No exploitation in NATO. No country-specific information
Murdoch & Sandler (1991)	Test the behaviour of NATO, i.e., Lindahl or NashCournot	1955–1987. Variables include GDP, spill, threat	Canada not a free rider (5%)
Murdoch *et al.,* (1991)	Test Oligarchy vs Median Voter specification	1965–1988. Variables include spill, per capita income, tax rate	Canada not a free rider (5%)
Hansen *et al.,* (1991)	Joint Product Model: strategic and non-strategic expenditures	1970–1985. Variables include GDP, conventional and strategic spills – Canada included	Canada not a free rider (5%)
Hilton & Vu (1991)	Pure Public Model	1960–1985. Variables include Warsaw Pact defence expenditures, NATO ally's GDP and population	Canada's spill-in response positive and threat negative
Conybeare *et al.,* (1994)	Best shot versus Weakest Link specification	1961–1987. Variables include GDP, threat and defence expenditures of the weakest ally (Denmark) and strongest (US)	Inconclusive results, NATO and Canada; neither specification was significant
Solomon 2005	Joint Product Model – spill-ins and substitution effect	1952–2001	Spill-in from Europe + not significant for US
Douch & Solomon 2014	Panel, SURE estimate	1955–2007	positive US and GDP
Skogstad & Compton 2022	Hybrid	1990–2019	Canada a free rider (1%)

Source: Solomon (2005).[27]

After the 1970s, rising non-defence priorities and increasing relative prices suppressed Canadian defence spending. Moreover, Canada's defence expenditure demonstrates only a weak long-term relationship with GDP, highlighting limited public support for increased military funding. Canadian spending appears to react to NATO allies' expenditures, potentially as indirect threat signals. This complicates the distinction between cooperative spill-ins (reacting positively to ally spending) and reactive responses to perceived threats.

A 2022 study by Skogstad and Compton underscores Canada's post-Cold War spending decline and provides strong evidence of free riding.[28]

The 2% guideline

NATO's Wales Summit decision on boosting defence expenditures over a floor of 2% of GDP may have usefully generated a clear, achievable goal based on the alliance's definition of the defence expenditure[29] for member countries. Moreover, the target was achievable in the short run, as two thirds of member countries had already reached the 2% floor as of 2024. By the Canadian government's own admission, Canada's expenditure is unlikely to reach that level any time soon.

After a leaked report revealed that Prime Minister Justin Trudeau had, on July 11, 2024, privately admitted to NATO allies that Canada would not meet the 2% target,[30] the Government of Canada announced its commitment to meet the military spending target of 2% of GDP by 2032[31]—almost two decades after NATO's 2014 Wales Summit.

Recall that Figure 1 shows Canada's defence burden (military expenditures as a percentage of income [GDP]) for the period from 1951 to 2023. According to the data, Canada met the 2% guideline for most of the Cold War period. After the Cold War, Canada's oversized expectations of a peace dividend, together with fiscal and economic constraints, led to a 25% real (inflation-adjusted) reduction in military spending. Since those cuts, which started in 1992, Canada has yet to achieve the 2% target.

Regarding Canada's ability to reach the 2% target by 2032, the Parliamentary Budget Officer (PBO) is skeptical.[32] The government's own analysis assumes that nominal GDP will grow by less than 2% (implying that real economic growth will be negative for the next three to four years!) and that therefore a defence-to-GDP ratio of 1.76% will be achieved by 2029–2030. The PBO, using similar GDP forecasts from other sources, finds the ratio to be a modest 1.58%, which implies the need to double defence spending from the projected 2024–2025 budget of $41 billion.

In Table 3, the analysis is replicated and extended, using the data provided by the Department of National Defence (DND) for the period 2017–2018 to 2029–2030. If we assume that, during that period, the Canadian economy will grow nominally by 3.8% (the average of private-sector forecasts used by the Government of Canada in Budget 2024), the share of defence spending as a percentage of GDP will equal 1.58% in 2029–2030. This is identical to the PBO's finding. Similarly, if we extend the analysis to 2032–2033, the fiscal year in which the government is committed to spend 2%, the defence budget must equal $81.7 billion. In other words, from the current fiscal year of 2024–2025 to 2032–2033, DND needs to spend an average of $11.45 billion annually in addition to its announced commitments. The recent NATO commitment to increase the guideline to 3.5%, made at the June 2025 Summit in The Hague, further accentuates the fiscal challenges.

Table 3: Progress towards the 2% guideline: simulation

	Actual	SSE 2017	ONSF 2024	Other para-military*	Projected MilEx	Projected burden share	Wales Summit target
2017–18	22,877	20,682		7,884	30,761	1.42%	
2018–19	21,616	21,428		7,409	29,025	1.29%	
2019–20	22,839	21,714		7,109	29,949	1.30%	
2020–21	26,827	24,276		4,462	31,289	1.39%	
2021–22	24,126	25,314		7,850	31,976	1.23%	
2022–23	26,930	26,048		6,777	33,707	1.19%	
2023–24	33,469	29,879		7,906	37,785	1.29%	
2024–25		31,741	**43,800**	**7,300**	**41,100**	1.36%	19,529
2025–26		31,931	**44,200**	**8,100**	**52,300**	1.66%	10,633
2026–27		32,673	**44,600**	**8,600**	**53,200**	1.63%	12,124
2027–28		33,404	**45,000**	**8,500**	**53,500**	1.58%	14,306
2028–29		31,474	**46,000**	**8,900**	**54,900**	1.56%	15,483
2029–30		30,528	**49,500**	**8,300**	**57,800**	1.58%	15,258
2030–31					65,584	1.73%	10,250
2031–32					73,215	1.86%	5,500
2032–33					81,707	**2.00%**	0

Sources: Authors' calculations; Our North, Strong and Free.[33]

Summary of empirical findings for Canada

1. **Concordance between benefits and burden**

   Analyses assessing the alignment of benefits and burdens within NATO consistently identify Canada as a serial free rider, with the benefits it reaps far exceeding the burdens it shoulders. These findings are influenced by benefit measures that include exposed border proxies, which disadvantage Canada due to its vast size.

   Efforts to extend and refine both burden and benefit measures have yet to fully address this disadvantage. Although removing the exposed border proxy marginally improves Canada's standing, the overall impact remains limited.

2. **Demand-based models**

   Results from demand-based models are often ambiguous for Canada, particularly in studies focusing on the Cold War period or those with samples heavily weighted toward it. However, studies examining the post-Cold War era consistently depict Canada as a free rider within the alliance.

Beyond budgetary effort: In-kind contributions, infrastructure, committed troops

Despite these findings, Canada has actively participated in several NATO-sponsored or -led missions, often selecting the most challenging deployments. A notable example is the 2005 deployment to the volatile Kandahar region in Afghanistan. Such tangible contributions to NATO and UN peacekeeping missions are frequently cited to challenge the "free rider" label.

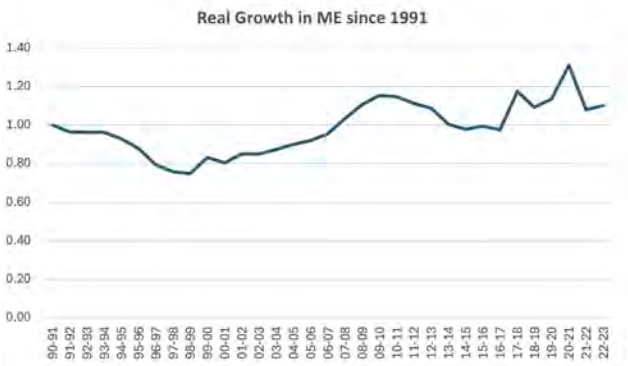
These outcome-based measures are significant because the marginal costs of producing defence capabilities vary among nations. Canada may possess a comparative advantage in generating specific capabilities that are particularly valuable to the alliance. However, estimating military outcomes or outputs is inherently difficult when the objectives—such as deterrence or defending broad regions like Europe or North America—are abstract.

The more pressing question, given the evolving security environment, is whether Canada is equipped to address emerging threats, including those in the Arctic, which affect not only North America but also the European Arctic countries: Denmark, Finland, Iceland, Norway, and Sweden.

Canada's post-Cold War posture

An examination of Canada's military expenditures provides preliminary insights into its preparedness for new and emerging threats. Figure 2 shows the inflation-adjusted growth in military spending by DND and the CAF since 1991, marking the end of the Cold War. Using 1991 as the baseline, the trend traces spending growth over the subsequent decades.

Figure 2: Real (inflation-adjusted) growth in military expenditure, 1991–2023



Sources: Stockholm International Peace Research Institute (2024); authors' calculations.

- From 1991 to 1998–1999, military spending contracted sharply, reflecting efforts to reduce federal debt through austerity measures. By 1998–1999, DND/CAF spending had declined to 25% below its 1990 level.
- Recovery began in the 2000s, with spending reaching its 1990 level in 2007–2008, supported by budgetary surpluses and the CAF's significant deployment to Kandahar.
- Spending peaked at 15% above 1990 levels in 2009–2010 but fell below 1990 levels again by the mid-2010s. Currently, military expenditures are about 10% above their 1990 level.

Over the 33 years since the Cold War, the compound annual growth rate of DND/CAF spending is a modest 0.29%. Defence spending, which accounts for roughly one-quarter to one-third of discretionary spending, is frequently reduced during periods of austerity. While not an outcome measure, this sluggish growth in inputs undermines confidence in Canada's readiness to address emerging threats or contribute to future deployments.

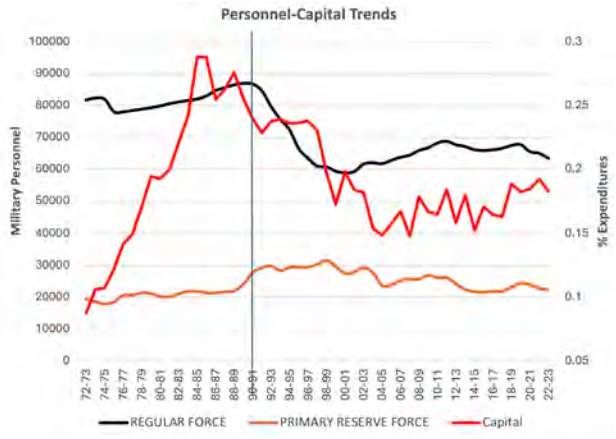
A Canadian Leopard 2 tank with The Royal Canadian Dragoons take part in the Canadian Army Trophy tank gunnery competition during Operation REASSURANCE at Camp Adazi, in Latvia, on May 2, 2024.

Photo: Corporal Bryan Bodo, Canadian Armed Forces Imagery Technician

Trends in personnel and capital investments

A disaggregated analysis of military spending—focused on personnel, capital, and research and development—can provide indirect indicators of military readiness. These components strongly correlate with outcome measures such as deployable force levels.[34] Figure 3 shows trends in personnel strength and capital investment (as a share of total spending) from 1972–1973 to 2022–2023.

Figure 3: Trends in personnel–capital substitutions



Source: Stockholm International Peace Research Institute (2024); authors' calculations.

- The analysis begins in the aftermath of the 1971 White Paper, which cut Canada's forces in Europe by half and eliminated the country's aircraft carrier capability. By 1971, capital spending had fallen to 9% of the budget, the lowest level since World War II.
- Despite these reductions, personnel levels remained stable, and capital spending rose sharply, reaching almost 29% by the mid-1980s. These investments enabled Canada to maintain a European presence and contribute significantly to UN peacekeeping missions.

Post-Cold War reductions, however, were more severe and consequential. Both personnel strength and capital spending were sharply curtailed in the 1990s and have not returned to 1990 levels. These reductions affected military occupational classifications and key capabilities. Some capabilities—such as tactical lift and direct fire—were partially restored through special spending provisions, known as Unforecasted Operational Requirements (UORs), to support operations in Kandahar.

The divergent procurement strategy outlined above is vividly demonstrated in the PBO's study on capital spending trends. According to the study, from 2017–2018 to 2022–2023 there was a cumulative shortfall of nearly $12 billion between actual capital spending and the levels originally planned under the 2017 Defence Policy.[35] Our revised analysis, using the latest publicly available data, estimates this shortfall to be $16 billion. Additionally, the recently announced commitments to NORAD, which allocate approximately $51.5 billion for systems and infrastructure upgrades,[36] are expected to further constrain procurement schedules and reduce purchasing power.[37]

Canada's success in Afghanistan was thus heavily reliant on UORs and primary reserves. However, the lack of sustained investment in personnel and capital since Afghanistan has undermined future readiness and complicated discussions with allies, particularly with the US administrations, even before the Trump presidency.

Conclusions and an epilogue

The full invasion of Ukraine in 2022, with the horrifying Russian objective of obliterating Ukraine, a flourishing democracy, reminded us that alliance members' 2014 Wales Summit decision to set a 2% floor for defence expenditures was an accurate forecast of what was to come. In 2023, the Vilnius Summit decision that the 2% was now a floor left a few members in dire need of catching up.

Canada, still stuck at 1.31% as of 2024, is also being criticized by the US. In May 2024, a bipartisan group of 23 US senators co-signed a letter to then Prime Minister Justin Trudeau indicating their "concern" about Canada's defence spending falling well short of the NATO target floor of 2%.[38] The new Trump administration has been rather blunt, going beyond the traditional nudges of previous administrations and the tone of the senators' letter. However, the domestic resistance to defence expenditure increases, rooted in voters' perception of weak threats and the electorally motivated cognitive dissonance on the part of Canadian political parties, was not expected to wither away any time soon. Until, of course, the April 2025 election!

What explained that lack of interest in and complacency about matters of national defence, given Canada's oversized contributions during the First and Second World Wars? Some of the public choice perspectives and the empirics of the pre- and post-Cold War military postures discussed in this article provide partial answers. Future studies should examine more formally how inertia in military capabilities affects battlefield impact and readiness, and how some countries maintain military traditions, and respect for them, despite declining clear and present threats or long periods of peace.

However, the course of post-Cold War history changed drastically beginning at the 2007 Munich Security Conference with Vladimir Putin's resentful speech. His pivot to autocracy began in 2008, when his presidential swap with Dmitry Medvedev signalled his intentions. Invasions of Georgia, Crimea, and Eastern Ukraine followed, culminating in the full invasion of Ukraine. NATO's defensive awakening started with the 2014 Wales Summit, and The Hague Summit in 2025 punctuated the transition towards a complete "elbows up" effort by almost all NATO countries. Including Canada?

Notes

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21 We use non-parametric tests when we lack information on our data's characteristics, such as distribution (is it normally distributed or skewed, etc.).

22 The benefit measure assumes that the purpose of defence is to protect its citizens, industrial base, and territory.

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The crew of HMCS FREDERICTON stands at attention on the forecastle of the ship, at the port of Helsinki, Finland during Operation REASSURANCE, November 2, 2021.

Photo: Cpl Laura Landry, Canadian Armed Forces photo

Finland's Geostrategic History: Insights for Canada

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Finland's accession to NATO in April 2023 strengthened the Alliance. Together with Sweden's accession in 2024, it consolidated NATO's position in northern Europe through the admission of two of the emblematic "neutral" states of the Cold War. Canada signalled its support by being the first country to ratify Finland's accession.

“ This article will argue that Finland’s strategic history since the end of World War II provides insights and lessons with broader applicability to the conduct of international affairs, including for Canadian decision makers, and that it can be used as a lens to consider opportunities and approaches for Canada’s geopolitics.”

Such support was an obvious choice. Finland is known for its strong democratic institutions, highly educated society, comprehensive social safety net, strong media, and commitment to international law.

But Finland’s conduct from the start of the Cold War until today is also an exemplar of strategic practice. Canadian leaders and officials will now be able to work as close allies with a country that has a distinctive history of foreign, defence, and security policy. This article will argue that Finland’s strategic history since the end of World War II provides insights and lessons with broader applicability to the conduct of international affairs, including for Canadian decision makers, and that it can be used as a lens to consider opportunities and approaches for Canada’s geopolitics.

While Finland’s history and circumstances differ from Canada’s, its example throws into sharp relief the themes of non-major powers in interstate competition, agency, security, and legitimacy. To get to these insights, this article will first provide an account of Finnish strategic history in relation to sovereignty and security since 1945. The account will illustrate the grand themes and the strategic inheritance of contemporary Finnish policy makers by charting how Finland preserved its independence during the Cold War, and the adjustments it made to new geopolitical circumstances after 1991, 2014 and 2022.

To analyze this history, I will look at concepts such as strategic culture, armed deterrence, political leadership, public engagement, and managing major powers, and then draw potential insights for Canadian decision makers. The article, I hope, may also serve as a concise historical primer for officials looking to better understand their new ally.

Theoretical and Historiographical Underpinnings

The justifications for looking at Finland from a strategic perspective are strong. Elements of the academic literature on grand strategy express this. Finland illustrates elements of the definitions of grand strategy as formulated and debated by historians and political scientists, while pushing back against these definitions as a small power. As the political scientist Paul Kennedy has pointed out, grand strategy is as much about managing and keeping peace as it is about winning wars.[2] From that perspective, Finland managed and kept peace while hard-pressed during the Cold War, and its move towards NATO since 2022 was also designed to deter a revisionist Russia and maintain strategic stability in Europe.

Finland reflects the value of a durable core of concepts to successful strategy. Hallmarks of an effective strategy, according to historians Hal Brands and Paul Feaver, are its purposefulness, coherence, and future orientation, as well as its expression of a logic rooted in historical experience which shapes forward-looking goals.[3] Finnish strategic history embodies those elements, albeit at times imperfectly. Finland had a core of concepts that allowed it to keep Soviet military power at bay—for instance, maintaining a strong military—while maintaining and steadily nourishing a political economic leaning towards the West during the Cold War, which was visible, for example, in its trade relationships. During the post-Cold War period, it integrated fully into European political and economic structures, most significantly the European Union and the euro common currency, and made it clear that seeking membership in NATO was an option it could exercise as a sovereign country. This article will discuss, and supports, the idea that strategy is emergent and deliberative, arising creatively from the interface of human intention and external events over which a government and its population may have limited to no control.

Finland exemplifies the success that grand strategizing by a small democratic state can achieve.[4] Many theorists and historians have been skeptical and even dismissive of the ability of small states to reach their strategic goals; for example, Paul Kennedy deemed their interests too “local.”[5] Finland’s history rebuts elements of these positions. According to political scientist Anders Wivel, the post-World War II environment gave smaller states more latitude in international relations, because of the trends towards greater self-determination, more robust international institutions, and a growing preference for peaceful conflict resolution;[6] Finland can serve as a case study of many of these trends. And as Thierry Balzacq and Ronald Krebs observe, having a relatively more limited resource base may in fact make acts of grand strategizing more important for smaller states than for large ones.[7] Over the decades since the end of World War II, Finland has employed a problem-oriented approach to managing

“ If Canada wants to contribute to global security in a manner commensurate with its resources as a wealthy, middle-sized state, it can learn from the Finnish example regarding the value of acting in line with a stable core of strategic objectives.”

an unpredictable and at times coercive neighbour, the Soviet Union and the Russian Federation, while integrating its own politics, economy, and security into European, transatlantic, and international institutions. Insight into Finnish behaviour is captured by Lawrence Friedman’s observation that “it may be better to think of acting strategically than having a strategy.”[8]

The Finnish Example and Its Relevance to Canadian Strategic Practice

What relevance does this have for Canada? After all, Canada is a much larger country, in terms of population and territory. Like Finland, Canada has a very large neighbour—in our case, the United States of America—but that neighbour has (largely) been a cooperative one for well over a century, oriented for most of that period towards mutually beneficial outcomes in North America and beyond.

I will make two high-level points in this regard. First, Finland illustrates the benefits of strategic behaviour and how crucial it is to act purposefully and coherently. If Canada wants to contribute to global security in a manner commensurate with its resources as a wealthy, middle-sized state, it can learn from the Finnish example regarding the value of acting in line with a stable core of strategic objectives. In concrete terms, such a strategy will be centred on ensuring the persistence of a high degree of collaboration with the US, across the full range of government competencies. Part of that coherence emerges from the dictates of geography in a multidimensional fashion, through deft balancing and realism, with a stable orientation to the fundamental values of democracy.

Second, for Canada, Finnish history highlights not just the necessary cognitive dispositions, but also the essential role of means for strategic accomplishment. While this speaks to diplomatic and domestic security assets, the point of real value for Canadian audiences is the importance of military capabilities, which were at the core of Finnish strategic behaviour. In Canada’s case, it is less a question of deterrence than of communicating its full stewardship and responsibility for its extensive land and sea territories, most importantly in the Arctic, as well as signalling its proactivity in contributing to international security in more distant theatres, where Canada has a stake in international stability and security.

In short, Finland’s history since 1945 is a case study in the potential of strategic behaviour for a small state, even in highly unfavourable circumstances. If a small country like Finland can manage such a fraught geopolitical position, then Canada, in far more favourable geopolitical conditions, has considerable latitude. Finland’s example encourages geopolitical imagination in Canada, as this article will argue.

The Strategic Inheritance: Finland in the Cold War

Finland’s strategic history was shaped by its experience in World War II and the Cold War. Finland fought three distinct campaigns between 1939 and 1944: the Winter War from November 1939 until March 1940, which was a defensive war against Soviet aggression; the Continuation War from June 1941 until September 1944, in which Finland attacked the Soviet Union as a co-belligerent of Nazi Germany; and lastly the Lapland War from September to November 1944, in which Finland ejected German forces from its northern territories as part of its armistice with the Soviet Union.[9]

Emerging from these struggles, defeated but not occupied, having largely denied the Soviet Union its maximalist objectives, Finland plotted a delicate course during the Cold War. Its signature foreign policy was the Paasikivi-Kekkonen line, a policy that, under President Juho Paasikivi (1946–1956) and his successor, Urho Kekkonen (1956–1982), evolved into neutrality over the period after 1947. It was upheld by Finland’s final Cold War president, Mauno Koivisto (1982–1994). Under the threat of Soviet aggression and the pressures of interstate competition between the Soviet Union and the US and their respective blocs, it was the product of Finnish calculations of how to preserve its independence, sovereignty, and democratic institutions, as well as a market-guided, trade-oriented economic system.

The essence of the Paasikivi-Kekkonen line was to convince the Soviets that Finland could be trusted to defend its own territory against foreign aggression, thereby denying its use as a corridor for attacks on the Soviet Union, in particular against Leningrad (now St. Petersburg) and the Kola Peninsula. Paasikivi institutionalized that goal in negotiations with the Soviets through the Paris Peace Treaty of 1947 and, more importantly, the Agreement of Friendship, Cooperation and Mutual Assistance of 1948. Under Kekkonen, Finland advanced the goal with diplomacy to convince the US and Western European powers that it was outside their rivalry with the Soviet bloc (and not a Soviet satellite).

The United Nations and peacekeeping became central elements of Finland's efforts to demonstrate its commitment to international stability and peaceful conflict resolution.[10] At the same time, it avoided stands on principle or strong statements on particular human rights issues, in order to distance itself from perceived association with one or the other bloc.

From a historical perspective, Finland's foreign policy during the Cold War enabled it to preserve its political institutions and the growth of its economy, amid great pressure, particularly in the 1940s through the 1960s. Neutralizing the Soviet threat allowed the Finnish leadership to shelter and stimulate internal development of the country. Internationally, it augmented its stock as a convenor and mediator, for instance by hosting the discussions in the 1970s that led to the signing of the Helsinki Final Act and the creation of the Conference on Security and Cooperation in Europe treaty.

In terms of economic policy, Finnish diplomacy strove to depoliticize trade relations, portraying trade as a function of independent economic development. In the early Cold War, this entailed rejecting Marshall Fund aid. Throughout the 1960s, 1970s, and 1980s, it involved carefully ensuring that economic outreach to the other Nordic countries and Western Europe did not upset ties with the Soviet Union. Nonetheless, Finland steadily and determinedly pursued economic integration with Western democracies, quietly diversifying trade to minimize dependency on the Soviet Union.[11]

All of this was not without a cost. Soviet pressure fostered negative dynamics in Finnish politics, such as President Kekkonen's overreach in limiting the Finnish media's coverage of the Soviet Union, and the aggressive policing of political expression by Finnish Stalinists. These were two of the prominent factors that led to self-censorship in the media and academia. Moreover, pressure from the Soviet embassy in Helsinki stimulated a culture of political exclusion in Finnish parliamentary politics: for instance, in showing disfavour for certain Social Democratic Party leaders and sidelining the conservative National Coalition Party from participating in government. Kekkonen in particular invested heavily in ties to senior Soviet leaders and had backchannels to the KGB as part of his personal portfolio of techniques. Questions about the extent to which President Kekkonen managed Soviet leaders or was managed by them tainted his political legacy.[12]

Realignment: Finland After the Cold War

After the end of the Cold War and the collapse of the Soviet Union, Finnish strategy evolved to manage the unwinding of the long shadow of Soviet dominance. Finland's relative success in comparison to most central and eastern European states in weathering the Cold War convinced its leaders of the merits of its self-reliant, independent foreign policy. Finland consciously decided that its democracy, prosperity, and security would depend on the recognized possibility of participating in comprehensive relationships with Europe and other countries; those relationships would be of its choice and not dictated by Moscow. Balancing Russia in this context, however, remained a priority of Finnish policy, based on a sensitivity to Russian concerns and a desire of some politicians and business leaders to bring it aboard the European project.

> "The fact of having navigated the vagaries of the Cold War, on the other hand, inspired confidence in leadership circles that Finland had the right foreign policy instincts."

Overall, two themes from the period between 1939 and 1991 emerge as relevant to the discussion of Finland's international affairs in the subsequent decades. Those themes are wariness and confidence. Finland's inability to generate meaningful alliance or defence networks in the interwar years, its failure to secure external support in the Winter War, and its isolation in the Continuation War's aftermath left the Finnish political class and public wary of promises of support from the outside. The fact of having navigated the vagaries of the Cold War, on the other hand, inspired confidence in leadership circles that Finland had the right foreign policy instincts.

At that point, Finland pursued two main lines in strengthening its security. The first was expressing its unfettered national sovereignty; the second was adjusting its approach to Russia. In terms of expressing its sovereignty, it moved quickly to forge closer integration with the political and economic institutions of western Europe. Acceding to the European Union in 1995 and joining the single European currency in 1999 were the crowning achievements of this line of effort—and they effectively ended Finland's neutrality. Instead, it adopted the term "militarily non-aligned."

For Finland, western European structures were also a source of pressure, creating a dilemma about whether newly won room for manoeuvre should be pooled in the EU. The dilemma coincided with the unleashing of globalization in earnest. It raised basic strategic questions about Finland's ability to compete economically and maintain prosperity. And, at a fundamental level, it was a question of security: Finland's presence in a durable political framework mitigated against geopolitical isolation.[13] In a referendum in late 1994, the Finnish population agreed and voted to join the EU.

The caution was about the depth of defence cooperation with transatlantic institutions—namely NATO. Helsinki opted for

a gradual tightening of relations with NATO and the United States on defence and security, along two prongs of effort: more cooperation and greater interoperability.[14] To do so, Finland joined NATO's Partnership for Peace initiative in 1994. The purchase of F18C fighter aircraft in 1992, replacing its fleet of Swedish and Soviet jets, was a powerful statement. This was not only a question of obtaining one of the world's most advanced aircraft but also one of asserting Finland's right to procure military hardware from NATO sources, an option that had been unavailable to it during the Cold War.

Capping these moves was a statement about sovereignty. Finland's defence choices and alignments, consistent with the Helsinki Final Act, would not be dictated by foreign countries. That became the centrepiece of its policy, framed in the 1990s as the NATO option: the policy that, should circumstances change, Finland was free to pursue membership in the Alliance. This policy lasted until early 2022.

Why take this approach? Primarily, it was because Finland did not jettison a careful approach to Russia. Finland made it clear that it would continue to take Russian concerns in the changing setting of Europe into account in its foreign policy. For instance, under President Koivisto, Finland moved to modify and then abandon the sovereignty limitations of the 1947 Paris Peace Treaty and the 1948 Agreement of Friendship, mixing unilateral moves and negotiating to reach a new bilateral treaty with Soviet and then Russian authorities, which came into effect in 1992.[15] During the presidency of Martti Ahtisaari (1994–2000), Finland began to articulate a policy of having a "NATO option,"[16] as a sovereign state able to choose its foreign policy directions. At the time, it was not an option that Finnish leaders felt they needed to exercise.

Over that period, Finland strove to rebuild a relationship with Russia on liberal foundations, encouraging people-to-people contacts, trade, investment, and economic cooperation. It encouraged Russian integration into European structures through initiatives like the EU's Northern Dimension policy, the Council of Baltic Sea States, and the Arctic Council. Russian and Finnish leaders met frequently, a policy extending from Ahtisaari's tenure through those of subsequent presidents Tarja Halonen (2000–2012) and Sauli Niinistö (2012–2024). Helsinki became a trusted interlocutor, on speaking terms with Moscow and the EU, which was especially valuable once Russia had invaded Ukraine in 2014. Finland also acted as a convenor for the US and Russia: for example, it hosted Russian President Boris Yeltsin and US President Bill Clinton to discuss NATO enlargement and arms control in March 1997.

At the same time, Finnish policy retained a healthy skepticism about Russia's political prospects. Believing that Russia's peaceful future was not assured, Finland decided to maintain a robust military deterrence. Finnish analysts were more likely to see Russia through a historical lens than a normative one, and thus attributed less significance to the idea of the transformative potential of democracy and free-market economics to change Russia than to the likely persistence of its deeply ingrained imperial political culture.[17] A strong military backstop thus remained central to Finnish geopolitical calculations–although not to those of many of its EU partners.

"Beginning in 2014, Russia's actions in Ukraine–annexing the Crimean peninsula and fomenting an armed insurrection in eastern Ukraine–eroded Finland's integrationist policy line towards Russia."

Strategic Consolidation: Finland Since 2014

Beginning in 2014, Russia's actions in Ukraine—annexing the Crimean peninsula and fomenting an armed insurrection in eastern Ukraine—eroded Finland's integrationist policy line towards Russia. Finland's defence policy evolved accordingly, tightening its relationship with NATO, the US, and the Nordic countries (in particular, Sweden).

Finland began enhancing its collaboration with NATO, for instance by participating in the Partnership Interoperability Initiative as of 2014. It tightened bilateral security arrangements with the United States, including the signing of a Statement of Intent in 2016 that enhanced the scope and scale of military cooperation.[18] In the region, it doubled down on defence ties with Sweden and enhanced its connections to Nordic security structures such as the Nordic Defence Cooperation, commonly known as NORDEFCO, which foster military cooperation among Finland, Sweden, Norway, Denmark, and Iceland. It engaged in NATO and EU debates and policy formulation on shared threats, most notably through the creation in Helsinki in 2017 of the European Centre of Excellence for Countering Hybrid Threats.

At the same time, Finland maintained a policy of engagement with Russia, and President Niinistö and his Russian counterpart, Vladimir Putin, were in regular contact, including holding in-person meetings. It supported Russia's continued membership in the Arctic Council, as well as economic cooperation, such as on the construction of the Hanhikivi nuclear power plant. (The project was cancelled in 2022.) All the while, Helsinki gave its public support to Ukraine, citing the illegality of Russia's annexation of Crimea.

Finland's effort to position itself as a convenor and contributor to a stable global environment was manifest in President Niinistö's initiative to revive the "spirit of Helsinki," referring to the gathering of European and transatlantic states in Finland for the negotiations that led to the signing of the Helsinki Final Act in 1975, which provides the foundation for today's Organization for Security and Cooperation in Europe. The idea in the new formulation was to again push the idea of talks, now extended to the global community, to forge a set of principles, confidence-building measures, and areas of cooperation for 21st-century international politics, with its growing Indo-Pacific dimension and the proliferation of revolutionary digital technologies.[19]

Although Russia's full invasion of Ukraine in February 2022 initiated Finland's move to NATO accession in earnest, the immediate impetus occurred in December 2021, when Russia put forward a "plan" for "negotiations" with the US and NATO to avoid war.[20] It advanced extreme Russian positions requiring NATO to withdraw allied forces from countries added to the alliance after 1997—effectively a call to lessen the security of members in central and eastern Europe added since 1999—and committing to no further eastern enlargement. In Finland, that tipped the discussion towards NATO. The leadership in Helsinki and the country's populace saw this as an immediate signal that Russia was failing to recognize the sovereignty of neighbouring states.[21] The invasion of Ukraine in February 2022 confirmed that Russia's lack of respect could entail military aggression and that it would use violent force. Russia did not understand or care to understand the security concerns of its neighbours, seeing them only as appendages of US power.

A principle had been breached. Finland's leaders and population saw the link between their experiences in World War II and the Cold War and Russia's behaviour towards Ukraine. They took exception to the notional limitation of national sovereignty that Russia's poison-pill diplomacy implied. President Niinistö and Prime Minister Sanna Marin led the country in a democratic process involving parliamentary debate and ratification.

Finnish Strategy: Insights for Canada

This history is the strategic inheritance of today's Finnish policymakers—the legacies that shaped the country's path to NATO. More generally, it was the consolidation of a new western-oriented geostrategy focusing on Europe and transatlanticism, a 180-degree turn over 30 years from the Cold War eastward orientation to defanging the threat of Soviet invasion. What insights does this history have for Canadian strategy and decision making?

The particularities of the Finnish experience during the Cold War are many, and replicating policies of other countries or enacting copies of policy from the past are not options. But a few durable points of wider applicability stand out from the Finnish example. The first are general insights into geostrategy, which can be gleaned from the Finnish experience and applied to and contrasted with Canadian experience, imperatives, and obligations. These might inform the ethos of Canadian geopolitics, act as a foil for considering how Canadian circumstances affect its geostrategic decisions, or suggest starting points for Canadian adjustments to the current and evolving international context. These are insights on strategic culture, managing "great power" relationships, the connection of armed deterrence and diplomatic credibility, and the role of leadership.

Strategic Conduct. What was strategic[22] about Finland's conduct? Over time, the Finnish approach evolved from the Soviet focus of the Paasikivi-Kekkonen line, to the western integrationist line of the post-Cold War period, to the exercise of the NATO option in the post-February 2022 era. At each stage, there was a set of premises and logic to Finnish action, with the move from accommodation of Soviet security interests to integration along European and transatlantic lines being the primary shift. During the post-Cold War period, Finnish strategy was scalable to deal with the vagaries of the Russian threat. From 1939 onwards, there was always a clear recognition of what the security challenge to the homeland was.

Finnish strategic practice exemplified the wise use of basic geopolitical techniques for a non-major power. These were the value of having a seat at the table, the power of being a convenor, an awareness of the merits of initiative, and the importance of national self-reliance. At a more specific level, Finland's history illustrates the value of determining the core problem set, devising basic goals, constructing a framework for its execution, and adjusting the framework as necessary.

Geopolitics in Public. A second merit closely related to the first is the importance of engaging the public in geopolitical discourse. This practice in Finland was largely built up from the 1980s onwards. Paasikivi and especially Kekkonen, with his personal cultivation of Soviet leaders and KGB backchannels, perceived limits to a democratic foreign policy. Koivisto, although using those backchannels at times until 1992, invested less in personalizing networks with the Soviets.[23] That trend accelerated after the Soviet collapse. Since 1995, for instance, Finland's government, in a process overseen by its parliament, has published a regular public report on foreign, security, and defence policy, usually one per government.[24]

Finland also produces other ad hoc strategic public documents in response to the issues of the day. A recent example is former Prime Minister Marin's request for an expert report on the future of Arctic policy after Russia's attack on Ukraine in 2022. That report, published in October 2022, did not constitute a consensus document but was commissioned and designed to provide considered material for reconsidering Finland's comprehensive 2021 Arctic strategy. The update report harnessed input from Finland's expert community in universities, think tanks, and the private sector.[25] Those documents, and the culture of government openness that enables them, helped prepare the Finnish public

to adjust to the most prominent break with past policy in the last 30 years.

Leadership. Another component of Finland's strategic experience is the pronounced role of political leadership in guiding the country through geopolitical uncertainty. Finnish leaders, from Paasikivi (with some questionable moments under Kekkonen) to Niinistö, used democracy to their advantage, cleaving to its institutions and craftily deploying them to resist foreign pressure. The Conference on Security and Cooperation in Europe, initiated and hosted by Finland in the 1970s, was an example of such initiative, aspiring to institutionalize consistent democratic and rule-of-law norms during the major-power rivalry of the late Cold War.

The most recent and most pertinent example relates to the domestic politics of Finland's accession to NATO. Opinion polling had shown for years that, left to themselves, Finns were cautious about NATO membership. But polling in January 2022 also showed that they were ready to follow if their leaders determined that, instead of military nonalignment and defence self-reliance, NATO was the best course to protect the nation.[26] When Finland's leaders saw a groundswell of support for joining NATO after Russia's attempt to occupy Ukraine—and polling by late February showed for the first time in Finnish history that a majority supported it—they moved quickly to initiate the process. The fact that a centrist conservative president (whose instincts during most of his tenure had seemed to be against NATO membership) and a progressive left prime minister (who in early 2022 cast doubt on membership) came together to chart this final step in shifting Finland's geopolitical orientation in the post-Cold War era speaks volumes about the power of leadership and a democratic, informed society in making nimble, interest-guided and therefore strategically sound strategic policy.[27] Canada's political elite would do well to model itself on its Finnish counterparts in this regard.

Armed Deterrence and Diplomatic Credibility. Finland is an extreme example of the relationship between armed deterrence and diplomatic credibility. Throughout the Cold War, and especially afterwards, Finland maintained a strong military focused on homeland defence and built around large trained reserves, recruited through conscription. The possession of such a deterrent was essential to the success of the Paasikivi-Kekkonen line.

It also helped pave the way into NATO by demonstrating that Finland would be a contributor to alliance security, an essential point during a period of renewed pressure from the United States on Europe and Canada to take up more of the costs of their security. Finland, with a total population of about 5.5 million and an economy ranked around 60th in the world in terms of real gross domestic product (GDP), entered the alliance with a small professional army that could add up to 280,000 soldiers from its reserves and was investing more than 2% of GDP in its armed forces heading into 2024, much of that in cutting-edge equipment. It was clear that Finland was going to add security to the alliance, not dilute it. Canada would do well to integrate a better-resourced military into its grand strategy.

"Finland is a case study of the small-power politics of dealing with a superpower neighbour. A few dimensions relevant to Canada are its multi-vector approach, agency-based action, and geopolitical mentality."

Managing Major Powers. Finland is a case study of the small-power politics of dealing with a superpower neighbour. A few dimensions relevant to Canada are its multi-vector approach, agency-based action, and geopolitical mentality.

During the Cold War, the Soviet Union was a major consideration in all of Finland's external policies (and some internal ones), be they defence, trade, or political. Yet the success of that policy hinged not only on persuading Russia, but also on convincing Western European countries, the US, and Canada (Kekkonen made a state visit to Canada in the fall of 1961) of that neutrality.[28] Those multi-vectored approaches included economic outreach and planted seeds later harvested in the 1990s.

Notably, Finland's interests in the 1990s largely shifted to the reality of the power and opportunities of the European Union, a policy shift as significant as the later NATO accession, giving it an integrative option that protected its sovereignty and managed national interests in Europe.[29] Geopolitics is not just about dealing with major powers that have hostile intent, but also about finding space amid the interests of other states, relations that are no less charged with importance and demand a high level of commitment and investment. That is an essential message which extends to the importance of dynamic ties with the US on the global stage, as well as in North America, in the achievement of Canadian interests.

Also important is ensuring the attribution and acknowledgement of agency to smaller powers. Finland's history is a testimony to the agency of non-major countries and the merits of self-reliance and national initiative in larger structures and contexts. As Forsberg and Pesu contend, Finland protected a "hard core" of principles and interests consistently throughout the Cold War: they cite "keeping the military intact, avoiding economic dependence, a patriotic spirit of the leadership, and the society at large with cultural distance" as that core.[30] Canada would do well to emulate the identification of a hard core of interests, values and relationships and how protecting them might extend into broader Canadian foreign policy.

A final and related point is the importance of the intellectual fundamentals for smaller states in times of geopolitical rivalry. In a sort of geopolitical realism, Max Jakobson pithily captured the Finnish leadership's unflinching attention to what he called the "facts of power" and the particular circumstances of the home country as essential for success. In Finland's Cold War, the fundamentals were the overwhelming character of Soviet military power and the need to preserve the essential elements of Finnish sovereignty. At a behavioural level, Finnish authorities had to manage the Soviet perception that Finnish territory could be used to attack the Soviet Union. At times, this demanded accepting at face value the often-distorted threat perceptions on the part of the Soviet hierarchy. If the Soviets said they were afraid of German aggression, then they probably were, regardless of whether or not that perception was borne out by the facts of German, Western European, or US intentions.[31]

Conclusion

Finland's and Sweden's arrivals in the alliance bring a host of developments and opportunities to Canada at NATO. These include renewed attention to the Arctic; new perspectives on, debates about, and options for cooperation, burden-sharing, and resource allocation; and opportunities to exercise and train in new settings and with new allies in enhanced ways. The cooperation can also extend to broader political considerations and forms of cooperation, such as in economic security and climate science.

Finland's Cold War and post-Cold War experience shows the irreducible importance of developing strategic thinking oriented towards specific goals and holding strategic assets that provide the means to achieve those goals. This involves making choices that are aligned with national capacities and advantages, developing the strategic and material tools to advance them, and defining an identity amid the tidal forces of geopolitical rivalry. These lessons will help policymakers wrestle with the implications of geopolitical competition today. During the Cold War, Finland carved out a space to survive and build its national vision. It has done so again by joining NATO. Finland's experience is one lens that Canada can apply in developing its own geostrategic solutions to the predicaments of the 21st century.

A CH-146 Cyclone helicopter sits on the flight deck of HMCS FREDERICTON as the ship departs the port of Helsinki, Finland during Operation REASSURANCE, November 2, 2021.

Photo: Cpl Laura Landry, Canadian Armed Forces photo

Notes

1 *The author would like to thank two anonymous reviewers and Helmi Rantala for their comments, which helped fine-tune the article. Conversations with Henri Vanhanen about issues related to the content of this article were also appreciated. Any lingering shortcomings in the argument presented are the sole responsibility of the author. Thanks also to the Canadian Military Journal and its staff for this opportunity and for friendly guidance throughout the process. The paper was drafted in 2023.*

2 Paul Kennedy, "Grand Strategy in War and Peace: Toward a Broader Definition," *Grand Strategies in War and Peace*, ed. Paul Kennedy (New Haven: Yale University Press, 1991), 1–7.

3 Hal Brands and Paul Feaver, "Getting Grand Strategy Right," *The Oxford Handbook of Grand Strategy*, ed. Thierry Balzacq and Ronald R. Krebs (Oxford: Oxford University Press, 2021), 560–561.

4 An argument for the ability of democracies to formulate and execute grand strategy is made persuasively in Hal Brands, "Getting Grand Strategy Right: Clearing Away Common Fallacies in the Grand Strategy Debate," in *Rethinking American Grand Strategy*, ed. Elizabeth Borgwardt, Christopher McKnight Nichols, and Andrew Preston (New York: Oxford University Press, 2021), 38.

5 Kennedy, "Grand Strategy in War and Peace," 186.

6 Anders Wivel, "The Grand Strategies of Small States," in *The Oxford Handbook of Grand Strategy*, ed. Thierry Balzacq and Ronald R. Krebs (Oxford: Oxford University Press, 2021), 493.

7 Thierry Balzacq and Ronald R. Krebs, "The Enduring Appeal of Grand Strategy," in *The Oxford Handbook of Grand Strategy*, ed. Thierry Balzacq and Ronald R. Krebs (Oxford: Oxford University Press, 2021), 9–10.

8 Lawrence Freedman, "Grand Strategy: The History of a Concept," in *The Oxford Handbook of Grand Strategy*, ed. Thierry Balzacq and Ronald R. Krebs (Oxford: Oxford University Press, 2021), 36.

9 This account derives primarily from Max Jakobson, *Finnish Neutrality* (London: Hugh Evelyn, 1968), passim; Max Jacobson, *Finland in the New Europe* (Washington: CSIS, 1998), *passim*; Forsberg and Matti Pesu, "The 'Finlandisation' of Finland: The Ideal Type, the Historical Model, and the Lessons Learnt," *Diplomacy & Statecraft* 27, no. 3, 473–495; Jukka Tarkka, *Karhun kainalossa: Suomen kylmä sota*, 1947-1990 (Helsinki: Ottava, 2012), *passim*; Klaus Törnudd, "Finnish Neutrality Policy During the Cold War," *The SAIS Review of International Affairs* 25, no. 2 (2005), 43–52.

10 As in Canada, peacekeeping came to be seen as a prominent piece of the national identity. See Jukka Pesu, "Suomi, rauhanturvaaminen ja kylmä sota 1956–1990: Rauhanturvaaminen osana Suomen ulko- ja turvallisuuspolitiikkaa sekä YK-politiikkaa" (Turku: University of Turku, 2020), 5–6.

11 Niklas Jensen-Eriksen, "Business, Economic Nationalism and Finnish Foreign Trade during the 19th and 20th centuries," *Revue française d'histoire économique* 2015/1 (no. 3), 40–57. Tuomas Forsberg, "A friend in need or a friend indeed? Finnish perceptions of Germany's role in the EU and Europe," UPI Working Papers 24 (2000).

12 Forsberg and Pesu, "The 'Finlandisation' of Finland," 481–483.

13 Jakobson, *New Europe*, 111–120, 156.

14 *Ibid*., 143–144.

15 Suvi Kansikas, "Dismantling the Soviet Security System. Soviet-Finnish Negotiations on Ending Their Friendship Agreement, 1989–91," *International History Review* 41, no. 1 (2019), 83-104.

16 Jakobson, *New Europe*, 121–144; Klaus Törnudd, "Finnish Neutrality Policy," 50.

17 For instance, see Jakobson, *New Europe*, 127–133.

18 A recent analysis breaks down the evolution of Finnish-US military cooperation into four main phases: partnership start-up (1992–1996), partnership (1996–2013), position and defence partnership (2014–2022), and the alliance (2022–23). See Henri Vanhanen, Charly Salonius-Pasternak, and Ville Sinkkonen, "Suomen ja Yhdyvaltojen Syventynyt Puolustusuyhteistyö," FIIA Finnish Foreign Policy Paper 2023/10 (Helsinki: Finnish Institute of International Affairs, June 2023).

19 Sauli Niinistö, "It's Time to Revive the Helsinki Spirit," *Foreign Policy*, July 28, 2021, accessed at https://foreignpolicy.com/2021/07/08/its-time-to-revive-the-helsinki-spirit/ on August 14, 2023.

20 The documents "Treaty between The United States of America and the Russian Federation on security guarantees" and "Agreement on measures to ensure the security of The Russian Federation and member States of the North Atlantic Treaty Organization," both dated December 17, 2021, were originally found at https://mid.ru/ru/foreign_policy/rso/nato/1790818/?lang=en and https://mid.ru/ru/foreign_policy/rso/nato/1790803/?lang=en, accessed on November 27, 2023.

21 For example, see President Niinistö's comments "Niinistö: Russian propaganda against Finland increasing," dated August 20, 2023, in https://yle.fi/a/74-20046060, accessed on November 27, 2023. For further analysis, see Matti Pesu, "Logical but unexpected: Witnessing Finland's path to NATO from a close distance," dated August 30, 2023, originally found at: https://www.nato.int/docu/review/articles/2023/08/30/logical-but-unexpected-witnessing-finlands-path-to-nato-from-a-close-distance/index.html, accessed November 27, 2023.

22 For the purposes of this article, I will use a tolerant and flexible definition of strategy, one that aligns with my experience as a Canadian public policy practitioner. Strategy is a process of setting goals, determining means, mobilizing assets, and executing, in line with the country's (enlightened) interests. This definition states what it is not: strategy is not transactional or reactive. To the extent that it is reactive to international developments, a strategic approach adjusts within a framework, and when that framework no longer tolerates the realities it faces, the framework is adjusted.

23 See Forsberg and Peru, "Finlandisation," 484–485, for a discussion of the transition from the Kekkonen to Koivisto presidencies. For examples of Koivisto's use of KGB backchannels in the final years of the Soviet Union, see Kanikas, "Dismantling," 91, 95, 98.

24 Henri Vanhanen, "Government Reports on Finnish Foreign and Security Policy: Relevant but not without problems," FIIA Briefing Paper 293, October 2020. Vanhanen notes that in 2016, the process was tweaked to produce separate reports: one on foreign policy and security, and the other on defence; see p. 4.

25 The report, "Arctic cooperation in a new situation: Analysis on the impacts of the Russian war of aggression," Government Report 2022:3, October 2022, can be found as of November 27, 2023, at https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/164521/VN_Selvitys_2022_3.pdf.

26 "MTV Uutisten kysely: Nato-jäsenyyden kannatus on noussut 30 prosenttiin, vastustus laskenut selvästi – "Turvallisempaa olisi lännen kanssa," dated January 26, 2022, at https://www.mtvuutiset.fi/artikkeli/mtv-uutisten-kysely-nato-jasenyyden-kannatus-on-noussut-30-prosenttiin-vastustus-laskenut-selvasti-turvallisempaa-olisi-lannen-kanssa/8340650#gs.rht9ub,accessed on August 14, 2023.

27 Originally found at: Tuomas Forsberg, "Finland and Sweden's Road to NATO," *Current History*, March 2023, 89–94; Matti Pesu, "Logical but unexpected: Witnessing Finland's path to NATO from a close distance," August 30, 2023, at https://www.nato.int/docu/review/articles/2023/08/30/logical-but-unexpected-witnessing-finlands-path-to-nato-from-a-close-distance/index.html, accessed on November 13, 2023. An example of early 2022 leadership on the NATO question can be found in President Niinistö's New Year's remarks, available at https://www.presidentti.fi/en/speeches/president-of-the-republic-of-finland-sauli-niinistos-new-years-speech-on-1-january-2022/, accessed on August 17, 2023.

28 Jakobson, *Finnish Neutrality*, 71–73.

29 I owe this insight to Timothy Snyder's "Integration and Disintegration: Europe, Ukraine, and the World," *Slavic Review* 74, no. 4 (2015), 695–707. Online at https://doi.org/10.5612/slavicreview.74.4.695. See in particular page 701.

30 Forsberg and Pesu, "Finlandisation," 490.

31 Jakobson, *Finnish Neutrality*, 34, 49–50, 73, and 110.

Participating nations for Exercise TRADEWINDS (TW24) including Canadian, American and Barbadian delegates, along with H.E. MS. Lilian Chatterjee, Ambassador of Canada and Małgorzata Wasilewska, Ambassador of the European union, gathered at The Barbados Military Cemetery at Needham's Point, for a small ceremony facilitated by the French Naval command team, in honor of Victory in Europe Day (VE Day), a day celebrating the formal acceptance by the Allies of World War II of Germany's unconditional surrender of its armed forces, on May 8, 2024.

Photo: Warrant Officer Amber Stuparyk

The Club Called NATO and North America

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The North Atlantic Treaty was signed on April 4, 1949. The primary objective was collective defence, principally through deterrence of Soviet expansionism in Eastern Europe. That objective has now been rejuvenated, more than three decades after the collapse of the Soviet Union, to defend the alliance against Russia, the follower state to the Soviet Union. Today's members, perhaps with the exceptions of Hungary and Turkey, remain fully committed to the founding principles of individual liberty, democracy, human rights, and the rule of law.

This article revisits the perennial NATO burden-sharing[1] issue from the perspectives of the US and Canada. We use two economic concepts, club goods and outside options, to analyze choices made by those two countries in their contributions to NATO.

1. Mutual Security, Clubs, and Outside Options

In retrospect, the post-Cold War "peace dividend" period in Europe and the North Atlantic began to end between 2007 and 2014 with several incidents preceding the Russian invasion of Ukraine in 2022. NATO-Russia cooperation sustained a first bruise when Dimitri Medvedev became a placeholder for Vladimir Putin in 2008, clearly signalling the beginning of the end of whatever democratic path had existed in Russia after the implosion of the Soviet Union in 1991. Ominously, Russia invaded Georgia that same year. The NATO-Russia Council, initiated with the 1997 NATO-Russia Founding Act and established in 2002, continued a while longer, even including cooperative training, such as the 2011 Vigilant Skies counter-terrorism exercise. However, those came to an abrupt end in 2014 when "little green men"—Russian soldiers without insignia—occupied Crimea, and Russian-backed separatists founded the Donetsk and Luhansk People's Republics.

With the full invasion of eastern Ukraine in 2022,[2] the European strategic environment entered a new era. NATO declared Russia "a direct threat to Euro-Atlantic security," and the NATO-Russia Council was declared defunct at the 2022 Madrid summit. NATO's 2025 summit in The Hague declared that Russia poses a long-term threat to Euro-Atlantic security.

With a well-defined threat, the current NATO alliance clearly meets the definition of a collective entity providing a "club good" to members, which is to say a public good—in this case, mutual security—accessible only by members. As in the Cold War era, mutual security is achieved mainly through deterrence, which is a pure public good (i.e., not diminished by use) as long as threats are deterred. Importantly, deterrence through alliances is much more cost-effective than deterrence by individual states, and stunningly preferable to a costly war. Hence the attraction of NATO membership in the face of a direct threat, which Russia now generates.

Another useful economic concept is "outside options," which help us understand entry, exit, and contributions. A potential member considering joining an alliance would compare its situation outside to that within, at some contribution level. Symmetrically, the alliance would consider how a member's contribution compares with the additional costs of extending security to that member. Should both the potential entrant and the alliance benefit from entry, then it will occur, with the entrant's contribution negotiated to split the surplus between the entrant and existing alliance members.[3] The accession of Sweden and Finland following Russia's invasion of Ukraine can be understood

"With the full invasion of eastern Ukraine in 2022, the European strategic environment entered a new era. NATO declared Russia "a direct threat to Euro-Atlantic security," and the NATO-Russia Council was declared defunct at the 2022 Madrid summit."

in those terms: Although neutrality may have felt safer for those two Nordic countries before 2022, the increased "direct threat" created a surplus for them if they joined, when compared with the option of remaining outside. Additionally, Sweden and Finland were capable, attractively situated partners for the rest of NATO in deterring Russia, when compared to an alliance without them. In particular, their accession adds NATO neighbours for the Baltic States, who were previously joined only to Poland through the narrow "Suwalki gap" at the Lithuanian border, sandwiched between Belarus and (Russian) Kaliningrad.

Of course, the outside options of the US and Canada are not nearly as affected by Russia's invasion of Ukraine, a point we return to below, in discussing contributions.

How does an alliance affect non-members? Russia's invasion of Ukraine may suggest to some that deterrence failed. Technically, that is incorrect: Ukraine was not a member of NATO, so Article 5 did not apply. However, the support provided to Ukraine (just short of boots on the ground) indicates that some commitment (beyond rhetoric) implicitly existed. That commitment would go beyond an explicit Article 5 promise, but makes strategic sense if it deters Russian attacks on members, or if it protects members by exhausting Russian capacity in fighting Ukraine. In that sense, it can be considered part of the club good activity which benefits members indirectly and non-members directly. Again, the benefits of military support to a non-member are greater for proximate members in Europe than they are for Canada and the US, whose security is much less affected by deterring or exhausting a Russian threat in Europe. NATO's 2025 summit in The Hague introduced a novel expansion of the alliance by agreeing to count military aid to Ukraine, a potential member, towards members' defence spending. The fact that such members as Hungary, Slovakia, and Turkey, which were potential dissenters,

did not veto the resolution is rather encouraging in terms of alliance solidarity and integrity against what the Summit characterized as a long-term threat posed by Russia.

In this context, it is worth distinguishing between congestion of the benefits from a public good to members and the resources required to pay for it. A deterred Russia (vs. Ukraine) was nonrival in use, as all members benefited. Supporting Ukraine's resistance against Russian invasion generates nonrival benefits to members. The exhaustion of Russian capacity to attack members of the alliance, for example the Baltic States, and hence the emerging deterrence outcome, may be well worth the cost of supporting Ukraine.

As of spring 2024, nearly all NATO countries faced a preparedness emergency in ammunition stocks, due to their donations to Ukraine and a deficient capacity to replenish their desired stocks. Recently, other deficiencies arose, such as air defence batteries. For example, even though keeping Russian forces far from the Polish border benefits Poland most, the alliance provides some mutual aid in preparedness by spreading the munitions burden across members.

In this context, one might consider a proposal for a shared inventory for immediate response. Under such an institutional arrangement, less "surge-able" capacity and a smaller inventory are required to maintain desired stocks. Given that NATO already operates the Strategic Airlift Capability and the Multinational Multi Role Tanker Transport Fleet, there is a reasonably successful precedent for this new arrangement with direct implications for burden-sharing.

With the two above-mentioned concepts—club goods and outside options—in place, we are almost ready to take on pressing questions: Ukrainian accession, US threats to exit the alliance, and Canadian contributions. However, first, there is a tension to address with a founding-principles approach to membership and contributions.

The smaller NATO during the Cold War had an easier time clustering around the four founding principles: individual liberty, democracy, human rights, and the rule of law. In fact, one of today's exemplary democracies, Spain, was not permitted to join NATO until 1982, well after the fall of its dictatorship in 1975. (Ironically, Portugal and Turkey were among the founders in 1949. However, whereas the former was not a democracy at the time, the latter was a fresh one. Today their roles are reversed.) Post-Cold War NATO has become more heterogeneous with regard to those founding principles, despite the fact that the fundamental threat is still blowing from the autocratic east. Membership reached 32 early last year, and three other countries, including Ukraine, are partners.

Is NATO in 2025 best understood as a values-based alliance, perhaps with a secondary objective of promoting democratic principles, or strictly as a mutual defence club? The distinction matters when considering accession of democracies with weak institutions, such as Ukraine, or of eroding democracies, such as Hungary.

There is less tension between those approaches to understanding NATO than one might think. A key point about mutual defence alliances is their vulnerability to defection or even just low effort by members.[4] Should Article 5 be triggered by an external attack, and should members *not* immediately spring to aggressively defend the targeted member, the results could be catastrophic. Less dramatic but still serious vulnerabilities would arise from an ally leaking classified intelligence to an enemy, or simply investing low effort in counterintelligence, training or munitions production. Given such sensitivity to defection or to low effort, an alliance must be discerning in its choice of members, choosing those who are least likely to defect—due perhaps to pressures from powerful neighbours, stakes or war-weary electorates. Yet, as the "democratic peace" literature has established, countries sharing a commitment to NATO's founding principles are more able to commit to not defecting from the club in time of need. So one would expect that an alliance requiring a commitment to those fundamental principles would in fact be a stronger mutual defence club.

As a corollary, such an alliance creates incentives for aspiring members to develop institutions consistent with those founding principles, even if that were not the original intent of NATO.

Currently, member countries' heterogeneous preferences regarding the four founding principles do in fact correlate with different attitudes towards the Russian threat. This correlation is evident not only among the new members such as Hungary and Slovakia but also among founding members such as Turkey and potentially even the US under the second Trump presidency. These observations suggest that, perhaps, the regress of democracy in a member country correlates with the possibility of breaking ranks with the alliance, currently at the intensive margin of compliance, but perhaps eventually at the extensive margin.

Returning now to Ukraine, an additional argument for supporting its defence against Russia is that it is a relatively *attractive* potential NATO member. From the Ukrainian perspective, the calculation is clear: Article 5 protection would mitigate an existential threat. From NATO's perspective, there are both benefits and costs. Ukraine is highly unlikely to defect, having experienced Russian hegemony and developed democratic institutions in order to reject it. In addition, it has demonstrated military capacity, innovation, experience, and commitment. The cost, though, is a festering dispute over its contested eastern border for which the domestic politics of committing to concessions may be infeasible. An alliance based on mutual defence commitments must be wary of moral hazard—in this case, the incentive to pick a fight over contested territory with a powerful foe.

Would admitting Ukraine as a member make sense?
Mobilizing nearly the whole Alliance in support of Ukraine was seen as following a path towards NATO's founding principles. This enlargement of the alliance would directly boost the security of the members at the eastern margins of the alliance and of all members in general. The club's benefit-cost principle for admissions, beyond adherence to the founding principles, suggests that the Alliance would be cautious in admitting countries that may not be ready to contribute to the security of members at a reasonable incremental cost arising from the security guarantee as codified in Article 5.

> "The admission of Ukraine stands as a project because it is still at war and it has yet to satisfy the founding principles."

NATO as a security alliance coordinates the provision of security against external threats, just as a gated community offers security to its resident members. In this sense, we understand security as the absence of breaches thanks to credible deterrence that member countries' contributions and the NATO organization produce. The admission of Ukraine stands as a project because it is still at war and it has yet to satisfy the founding principles. We also note that its admission of Finland and Sweden was held up by Hungary and Turkey, the two members with weak democratic records and for whom transactional gains were revealed to be more important than the increase in overall security due to new members' significant geopolitical contribution to the alliance. By extension, whereas contiguity is a facilitator for expansion, remoteness may require a higher benefit-cost value provided by new adherents to the alliance. A case in point is AUKUS, the new Australian, British and American alliance in the making, where Japan and Korea, which are detached but high-security contributors to countering China's threat to its neighbours as well as its expansionism in the South China Sea, may well be the next members. Georgia is another struggling democracy threatened by Russia.[5] In comparison, it comes with mostly costs: contested borders, weak institutions, non-contiguous supply lines, and the potential to strengthen the current Russian government by pursuing an aggressive response.

2. A Club Within a Club: Canada and the US

Considering clubs and outside options, the US and Canada are each special cases, within a special relationship. Canada and the US started discussing potential aerial threats originating from the Soviet Union in the immediate aftermath of World War II. The Bear (Tupolev95), a Soviet strategic bomber and missile launch platform, entered service in 1952. The Soviets then developed the first intercontinental ballistic missile, R7 Semyorka, in 1957. In response, Canada and the US built the Distant Early Warning (DEW) system of radar stations close to the Arctic and formed the North American Air Defense Command (NORAD), which became North American Aerospace Defense Command (still NORAD) in 1981, against the Soviet threat. The DEW line was modernized and became the North Warning System (NWS) around 1990 and will be modernized again shortly—particularly to provide distant and beyond-the-horizon detection of hypersonic glide vehicles and cruise missiles. That alliance is extremely cost-effective: once the NWS was deployed in northern Canada and Alaska, the marginal cost of protecting Montreal once New York was secure was minimal, and vice versa. Outside options are dominated.

What is the implication for NATO of this special relationship? Although Canada and the US are fully committed to the NATO club good,[6]—i.e., collectively produced mutual security for members as coded in Article 5—the two countries together have an excellent outside option through NORAD and the NWS. In addition, the two countries of course have oceans separating them from major conventional threats. So one might think that Canada and the US face less domestic political pressure to make NATO contributions than do other members. However, NORAD/NWS arguably also has *positive* spillovers for the European members of NATO. An effective NORAD/NWS lessens missile attack risk from the Arctic and hence releases American military power to assist European members in a crisis.

Even within this special relationship, the US is a special case. As the largest economy, it has the strongest incentives to secure global peace and prosperity through trade, which benefit its exporters and major corporations. Its outside option, going it alone (even with Canadian partnership in NORAD/NWS) would leave it without NATO partners in freedom of navigation actions in the South China Sea, or in some future counterterrorism effort in the Middle East or Asia, or in intelligence sharing (with NATO members) in opposition to Russia, Iran or China. That would seem to be a poor choice.

Even if there is an enthusiastic domestic constituency that would like to see the US quit NATO, making America isolated again makes even less sense in an era of intercontinental missiles and grey zone threats (which we return to below) than it did in the early 20th century. In the 21st century, US citizens, investments, and government representatives are present and visible in all but the worst-governed corners of the planet, projecting US influence and especially promoting US exports. It is difficult to see how the US economy could operate at its current efficiency without keeping those assets safe, which is achieved most efficiently in partnership with allies. More importantly, the US is already committed to nuclear rivalry with Russia, and increasingly with China, in addition to an AI arms race with China. Those commitments

> “So, Canada actually has far less to gain from Article 5 guarantees than most countries, and far less reason to project power and influence abroad.”

to security research and to military capacity already require a budget of about 3.5% of GDP, now at par with the new NATO target of 3.5%.

Canada is a special case for largely the opposite reason. While it shares with the US a favourable geography and an effective missile defence system, it has a much less important role to play in global exports, and none at all in nuclear rivalry. So, Canada actually has far less to gain from Article 5 guarantees than most countries, and far less reason to project power and influence abroad. Hence, it is hard to explain to Canadian voters why national defence should meet the new 3.5% of GDP target,[7] which it falls far short of, or why foreign aid should meet European Union averages, which it does not.

Canada, the US, and Ukraine

Considering this geography, the benefits of resisting Russia in Ukraine accrue much more to European members than they do to Canada and the US. Even though Canada is home to the world’s third-largest Ukrainian population (after Ukraine and Russia), the invasion alone cannot be expected to noticeably increase Canada’s military/GDP commitment, as it has little effect on its security.

For the US, the stakes in Ukraine are much higher, not because of its own domestic security but because of the message its actions send in relation to US rivalries with China, Russia, and lesser powers such as Iran. NATO’s efforts in defence of Ukraine have so far demonstrated technological superiority, logistical prowess, successful training of foreign forces, and a remarkable ability to coordinate allies to pursue a common purpose. Though economic sanctions on Russia have been a disappointment so far, and the Ukrainians have lately suffered reversals due to lack of supplies and personnel, the reputational effect has been a net positive and a credit to US leadership. Whether the US and NATO will demonstrate stamina in the longer term remains an open question which allies will surely speculate on feverishly in the coming months, nowhere more than in Kiev and Taipei.

Grey zone threats

Other salient threats to the US and Canada exist in the grey zone. When the North Atlantic Treaty was negotiated, kinetic weapons of conventional warfare were dominant, but since then new threats have arisen. Article 5 covers conventional threats such as invasions, bombardments, sabotage, and attacks on a country’s citizens, but not election interference, disinformation campaigns, cyber attacks, ransomware attacks, theft of private data and other online threats, or state-sponsored terrorism. In a sense, US and NATO superiority in conventional warfare forced a switch to methods now favoured by authoritarian great powers (China and Russia) and by lesser powers as well (e.g., Iran and North Korea). Article 5 does not cover these.

Two salient facts about these nonconventional threats are particularly relevant to the US and Canada: First, deterrence against them has been incomplete, even when state actors are clearly implicated. Second, the geographical barriers that protect North America—vast expanses of ocean and tundra—offer no security in cyberspace. Particularly troubling on this continent is the 2016 Russiagate and Pizzagate election interference in the US, and Chinese interference in Canada’s 2019 and 2021 elections. Of course there are plenty of European targets as well, including Russian financing of France’s National Front (now known as National Rally), but on this continent we are more accustomed to being secure. Online, Ottawa and Washington may as well be Kiev.

So one might think that the US and Canada would be particularly interested in expanding Article 5 protection to grey zone attacks. NATO militaries are building and using these capabilities, including more than cyber-defence and cyber-attack tools, but no mutual defence obligation exists in treaty to use them.

Geoeconomic threats

Of course, Canada and the US are not the only special cases. Even among democracies, member countries’ economic and security interests do not always align, thus forcing tradeoffs. Misalignment yields compromises in members’ defence policies, reducing contributions and resulting in weakened provision of security within the alliance. Two recent examples illustrate unequal

HMCS William Hall flies the Canadian flag while alongside in Key West, Florida, for a scheduled port visit during Operation CARIBBE on May 19, 2025.

Photo: Canadian Armed Forces Imagery Technician

incidence of supporting NATO policy among members. Prior to the Russian invasion of Ukraine, the heavy German dependence on Russian energy restricted Germany's sphere of action in defence. Dissonance on potential Russian aggression produced two alarming consequences, which boomeranged to haunt not only Germany itself but also the alliance. First, Germany scrambled to satisfy its population's heating needs and its industry's energy needs. Second, the depleted resources available to the German forces compromised Germany's military aid to Ukraine as required by NATO policy. More recently, a Russian blockade of Ukrainian grain exports from the Black Sea forced a reorientation of Ukrainian exports to land transport. Poland, which had already borne enormous costs in refugee absorption and integration, then found its farmers' grain prices undermined by Ukrainian exports. Fortuitously, this rift did not escalate to divide the member countries involved, in part due to the governments in power in the two countries.

Another dimension of the NATO member countries' differential commitment to North Atlantic security stems from their commitments elsewhere. Of the various out-of-area commitments of member countries, British and French legacy commitments to Africa and Asia are prominent. Yet the largest is the US commitment to Pacific security, upgraded by President Obama's "pivot to Asia-Pacific" in 2011.[8] The pivot envisaged not only force commitment but also energy devoted to establishing bilateral relationships with East Asian democracies and also with other countries to prevent Chinese hegemony in the region. It preceded China's sharp escalation of interventions and its hardening posture in the South China Sea, which now affects international shipping lanes and could eventually affect shipping in the Arctic too by generating support for Russia in its North East Passage. American leadership of NATO is inevitably weakened because of its divided attention and reduced commitment of force to the North Atlantic region. Moreover, member countries capable of projecting power abroad have followed the American lead, participating in this Asia pivot by reallocating their naval and other forces to Asia. The Royal (UK), Canadian and French navies have been navigating with Americans in the South China Sea to assert the freedom of navigation. While these actions strengthen European economies by supporting international trade, they are a drain on the capacity available for European security.[9]

Threats against NATO and its members

During the Cold War, NATO members and other democracies faced the ideological and military might of the Soviet Union. The current geopolitics presents the ideological and military might of China and the military might of Russia devoid of ideology. Both countries pose geopolitical threats, especially towards their neighbours, and both intensively use grey zone warfare to undermine NATO's influence and exploit democracy's openness for their political purposes.[10]

"Although Ukraine is not a member, Baltic members may have revised their own abandonment probabilities upwards in response to that incident."

Alliances may become more than the sum of their parts, especially if the solidarity codified in Article 5 is credible and the intra-alliance relations progress towards efficiency improvements, not only in political and military realms but also in technological improvements through joint industrial projects. For instance, whereas military and other aid to Ukraine has remained solid since the invasion, the recent hold-up attempts by the small group of populists in the US Congress undermined that credibility and stoked fears of abandonment for Ukraine. Although Ukraine is not a member, Baltic members may have revised their own abandonment probabilities upwards in response to that incident. The abandonment probability may have already been revised upwards again with the second Trump presidency.

Trying to sever the weakest links in an alliance may be effective, especially when their democracies have been weakened by populism such as in Hungary and Turkey. Russian use of economic warfare, through cheaper natural gas for both countries and the sale of the S400 air defence system for Turkey, undermined both countries as reliable members of the alliance.

Whereas 2016 US election interference by Russia was investigated and the FBI has twelve Russian intelligence officials on its publicly available wanted list, there is no guarantee that the same malevolent actors or their proxies are not preparing to interfere in future elections. One of the grey zone attacks on a US election, the so-called Pizzagate scandal targeting Hillary Clinton, was triggered by false news circulated on social media. If that attack and the unidentified or unattributed ones affected the outcome of the 2016 presidential election, they certainly damaged US leadership in NATO due to Trump's various actions that undermined trust in the US's leadership of the alliance.

Most NATO member countries do not possess critical natural resources. One way Russia exploits this vulnerability is through the late Yevgeny Prigozhin's Wagner mercenary group that infiltrates countries in the Sahel, particularly Niger, a country endowed with uranium deposits. Russia's challenge on such a critical resources empowers it against NATO. The actions of Wagner, a non-state actor, certainly remain below the open conflict threshold. Another similar attempt is currently playing out in New Caledonia, a French overseas territory endowed with one

of the world's largest known nickel reserves. Apart from Russia's warfare in the grey zone, similar Chinese activity encourages the New Caledonian secession movement.

3. Understanding the burden sharing

If—and this is an assumption that should not be taken lightly—every NATO country enjoys the public good known as Article 5, the US is always the pivotal player in the assurance of Article 5. Whereas this role is crucial to most NATO countries, and especially to those at the periphery due to a bellicose Russia, the exposure of the US to Russia necessitates Canadian involvement when there is a major missile threat from over the Arctic or possible military surveillance and even attacks from a navigable Arctic and the Northwest Passage.

The past "2% of GDP" debate and the new 3.5% agreement

At the 2014 Wales Summit, NATO countries agreed to spend 2% of their respective GDPs on defence.[11] It was expected that more than 20 member countries would reach or exceed that target by 2024. By the end of 2024, 19 of the 32 members had reached the target. However, the 2025 NATO summit in The Hague raised the target to 3.5%. This increase, when achieved, should boost member capabilities, preparedness, deployability, and interoperability to a level necessary for deterring Russia but insufficient in terms of member country particularities. One might add the participation in collective security missions as an indication that would complete the previous four components of force generation towards collective security. For example, a country like Estonia under severe threat must understandably invest in its own border protection and defend in the grey zone rather than thinking about taking a full part in a mission like the International Security Assistance Force (ISAF) in Afghanistan (2001–2014). By contrast, a country like Canada with an advantageous geopolitical environment enjoys more leeway in allocating its resources to deployed NATO missions. Canada currently leads a fully equipped brigade in Latvia as part of NATO's Enhanced Forward Presence and a full battle group to the Baltic Republics as a deterrent against Russia's threatening posture in the region. Therefore, the threat distribution is a major factor determining the composition as well as the level of defence expenditures.

> "At the 2014 Wales Summit, NATO countries agreed to spend 2% of their respective GDPs on defence. It was expected that more than 20 member countries would reach or exceed that target by 2024. By the end of 2024, 19 of the 32 members had reached the target."

Other factors include scale and scope economies that also affect member countries' contributions to collective security. The Baltic airspace policing mission, carried out by fourteen participating NATO countries, shows that there would be diseconomies of scope if the tiny Baltic countries expanded their range of military capabilities to run squadrons of combat jet aircraft, but that even the combination of all three countries would not generate economies of scale. Similar missions cover Luxembourg and Slovenia.

NATO's 2% of GDP target is supposed to be a synthetic measure of a member country's defence posture. It does not assess how a country spends its limited resources beyond satisfying the force generation. In addition to a country's willingness to participate in deployed missions, a more refined criterion might be the exposure to threat. For example, whereas NATO countries participated in ISAF in Afghanistan, a small subset willingly deployed to war zones and lost significant numbers of personnel. If one were to use the loss of life as a synthetic measure of threat exposure and hence as a measure of contribution to collective security provided, of course, the preparedness levels are similar.

Reconsidering the 3.5% for a more efficient burden-sharing rule

There are advantages to such a simple rule as a member country allocating 3.5% of its GDP to well-defined defence expenditure. First, it is a clear and transparent criterion for a member country in good standing.[12] Second, member countries collectively agreed to 2% at the 2014 Wales Summit and to 3.5% at the 2025 summit in The Hague, to a focal threshold clear to all members. This phenomenon itself has strengthened the alliance by motivating member countries to work towards a collective goal. Third, coalescing around a goal may motivate member countries to collaborate in building the capabilities achievable through joint projects.[13]

However, whether 3.5% of GDP corresponds to an efficient threshold in terms of burden-sharing remains an open question.[14] Based on the economic analysis of club goods, it is tempting to suggest that a country's marginal contribution ought to be equal to its marginal benefit from the alliance.[15] This would mean a positive net benefit to the member, old or new. The remaining challenge is to operationalize this general idea. In the absence of direct defence output measurements, burden-sharing remains elusive but not impossible.[16]

The 3.5% rule does not take into account members' incremental net contributions to narrowly defined deterrence by the alliance, namely military capabilities. A country's incremental net contribution (INC) exhibits three important components. The first is the security threat a particular member country is facing: some countries may be generating a negative INC, i.e., the alliance's contribution to that country's security exceeds the country's contribution to the alliance. The Baltic countries immediately come to mind but, under different circumstances, they might not be under so great a threat as they are currently facing. Second, some members possess assets on a global scale and are thereby exposed to threats. Such a global spread may explain their superior capabilities, but the existence of their forces also generates positive externalities for fellow members. Britain and France, with their colonialist pasts, have such global exposures, but they may also have greater capabilities. The US is in this category, albeit without a colonialist past. Lastly, three member countries in the preceding category possess nuclear capabilities, which is a major component of NATO's nuclear deterrence in particular but also its deterrence in general.[17] Their INC far exceeds those of fellow members.

Based on this three country groups classification, we can think of a potential scenario as a pure example where one, two, or three countries intervene to respond to threats. One can think of Operation Unified Protector in 2011 in Libya where the British-French coalition intervened, with significant support from the US. Under different conditions, different coalitions may intervene on behalf of NATO. We note that, if the US had happened to lead Unified Protector, with support from Britain and France, such a coalition would have had a different impact than the actual one. If one considers all permutations of members and computes the contributions of a country to different coalitions obtained from the whole group of member countries, then one can find a given country's relative contribution to the alliance.

These relative contributions may yield a spectrum of results, from one country's uncontested pivotal role to weaker countries' minor effects on the overall performance of the alliance. The resulting country effectiveness relative weights can then be used to modify the simple 3.5% of GDP policy towards higher shares for countries with weaker contributions. To summarize, this new burden-sharing proposal aims at improving the new 3.5% policy of burden sharing by incorporating a rigorous mechanism that internalizes the positive externalities generated by countries with positive incremental net contributions to alliance deterrence.

4. Expanding the club contract?

NATO, at its founding in 1949, was the product of the Second World War and the security threat emanating from Stalin's deeply ideological Soviet Union. Hence, the alliance contract aimed at countering the threats of the period, mostly warfare between regular armies. The nuclear age came and stayed, but the 21st century brought a fundamental necessity to review and expand the contract in the light of grey zone threats enabled by digital technologies. NATO Club Contract, pointedly Article 5, focuses on conventional threats, such as "attack on our citizens" or "violation of our borders," whereas some grey zone threats are new and not covered by the contract.

Vertical expansion of the contract

The vertical expansion would cover hitherto existing threats to countries' national security and seek more effective counter-measures. However, with the advent of new technologies such threats may now be more ominous, thus requiring collective effort. Disinformation, assassinations, election interference, terrorism, and disruption of trade and of the freedom of navigation all existed prior to the new technologies but now appear reinforced. For example, the recent disruptive missile attacks by the Iran-proxy Houthis required collective anti-missile action by the US, French and Royal navies. It brought back memories of the 2009 anti-piracy action through the Combined Task Force deployment off the coast of Somalia and in the Gulf of Aden, although the piracy was a spontaneous and entrepreneurial threat to world trade rather than a plan carried out by any major or regional power's proxies.

Addressing the issues surrounding election interference and supporting the rise of populism is part of the grey zone warfare. The 2016 Russiagate and Pizzagate election interference in the US, Chinese interference in Canada's 2019 and 2021 elections, and the 2014 Russian financing of France's National Front (National Rally since 2018) are all hybrid warfare against NATO democracies by autocracies.[18]

Horizontal expansion of the contract

The horizontal expansion of the club contract beyond Article 5 has been happening mostly at the input level. However, the grey zone warfare has risen to threatening levels and the alliance has to update the club contract to strengthen the deterrence signals in the grey zone.[19]

At the strategic level, the alliance must go all out to counter Russia's dangerous hybrid warfare, including direct and indirect proxies like Wagner and Syria. As for China, which has a significant risk of economic loss, a new perspective of projecting deterrence has recently been suggested. The standard "if you attack, then …" signal may be complemented by the "if you don't attack, then …" promise, with business-as-sort-of-usual economic relations. This may be implicit in the new Taiwanese president Lai's message to China quoted at the end of this article. As discussed above, AUKUS is a response to China's aggression in its vicinity, challenging its neighbours' sovereignties and endangering the freedom of navigation in international waters. Since there is already a precedent for out-of-area expansion, namely the ISAF in Afghanistan, the NATO pivot to Asia-Pacific can be envisioned

as the generation of a new hub with NATO and AUKUS, with overlapping memberships.[20]

As for horizontal expansion in terms of inputs into the collective security, NATO Strategic Airlift Capability, Baltic Air Policing (Quick Reaction Alert mission), and the Multi Role Air Tanker Transport Capability are three of the recent collective security projects under the NATO umbrella. In addition, there is the Joint Strike Fighter program, with Australia, the UK, and the US as partners overlapping with AUKUS. Further potential collective measures, currently being built, are common ammunition stocks and European defence industrial policy to avoid costly duplications in equipment production.

NATO's expansion, whether of its membership or of its club contract horizontally and vertically, will necessarily entail a continuing discussion of burden-sharing, as it will trigger a reconsideration of members' contributions as reflected in their burdens towards shared threat perceptions as well as their national threat perceptions. In this regard, French President Emmanuel Macron's prophetic question on the future of Article 5 still persists in the light of potential isolationist tendencies.

We end with a reminder of NATO's founding principles through the threats faced by such countries as Estonia, Latvia, Lithuania, Georgia, and Ukraine. They would wholeheartedly sign the following quotation from the inaugural speech of Taiwan's new president: "I also want to call on China to cease their political and military intimidation against Taiwan, share with Taiwan the global responsibility of maintaining peace and stability in the Taiwan Strait as well as the greater region, and ensure the world is free from the fear of war." (President Lai of Taiwan, May 20, 2024.)

Notes

1 This issue is discussed in sections 1 and 3.

2 NATO, "NATO-Russia Relations: The background," Media Backgrounder, March 2020, originally found at: https://www.nato.int/cps/en/natohq/144032.htm.

3 In the study of cooperative games, the Shapley value provides rules to split that surplus to set contributions for each member. L.S. Shapley, "Stochastic Games," *Proceedings of the National Academy of Sciences* 39, no. 10 (1953), 1095-1100.

4 For example, see Berman and Laitin on terrorist clubs: Eli Berman and David D. Laitin, "Religion, terrorism and public goods: Testing the club model," *Journal of Public Economics* 92, no. 10-11 (2008), 1942-1967.

5 In retrospect, it is safe to assume that, as evidenced by his role swap with Dmitry Medvedev, Putin had already decided by 2008 that Russia would return to autocracy under his personal rule and that Russia's honeymoon with NATO had to end. Russia's slide from potential ally to adversary was thus self-generated and caused not by NATO moving its border eastward but rather by Putin portraying NATO as offensive in order to solidify his rule at home. For a similar deterrence phenomenon, see Bonnie S. Glaser, Jessica Chen Weiss, and Thomas J. Christensen, "Taiwan and the True sources of Deterrence: Why America Must Reassure, Not Just Threaten, China," *Foreign Affairs*, January/February 2024.

6 Despite exceptional fluctuations under the second Trump presidency.

7 Despite potential economic benefits. See U.G. and O. Secrieru, "NORAD Modernization: Private Benefits to Canada," *Defence and Peace Economics* 35, no.5 (2023). Also, see the Solomon and Berkok article in this issue on the dynamics of Canada's defence expenditures: "Canada: A laggard in reaching the NATO burden-sharing target, then and now?".

8 K.G. Lieberthal, "The American Pivot to Asia," December 21, 2011, https://www.brookings.edu/articles/the-american-pivot-to-asia/.

9 *The Economist*, "What is the AUKUS pact?" April 13, 2023; and *The Economist*, "War and peace in Asia," April 13, 2024; *The Economist*, "French president's message was two-fold, weakening Euro defences due to Asia pivot and the emergence of an autocratic Russia" (2019); *The Economist*, "Emmanuel Macron warns Europe: NATO is becoming brain-dead," November 7, 2019; and J. Dobbins, "Is NATO brain dead?" RAND Commentary (2019), https://www.rand.org/pubs/commentary/2019/12/is-nato-brain-dead.html).

10 A. Bilal, "Russia's hybrid war against the West," April 26, 2024, The Politics of 2 Percent: NATO and the Security Vacuum in Europe | Carnegie Endowment for International Peace

11 NATO, "Funding NATO" (2024) https://www.nato.int/cps/en/natohq/topics_67655.htm.

12 NATO, "Defence expenditures and NATO's 2% guideline" (2024), https://www.nato.int/cps/en/natohq/topics_49198.htm.

13 J. Techau, "The Politics of 2 Percent: NATO and the Security Vacuum in Europe" (2015), https://carnegieendowment.org/research/2015/09/the-politics-of-2-percent-nato-and-the-security-vacuum-in-europe?lang=en&center=europe.

14 Derek Chollet, Steven Keil, and Christopher Skaluba, "Rethink and replace two percent" (2020), https://www.atlanticcouncil.org/content-series/nato20-2020/rethink-and-replace-two-percent/.

15 There is a large literature on NATO burden-sharing: K. Hartley and T. Sandler (1999), "NATO Burden-Sharing: Past and Future," *Journal of Peace Research* 36, no. 6 (1999), 665-680; W. Kim and T. Sandler, "NATO Security Burden Sharing, 1991-2020," *Defence and Peace Economics* 35, no. 3 (2024), 265-280; U. Pilster, "Western alliances in times of power politics – a review," March 28, 2023, origiinally found at: https://www.nato.int/docu/review/articles/2023/03/28/western-alliances-in-times-of-power-politics-a-review/index.html; F. McGerty, D. Kunertova, M. Sargeant, and A. Webster (2022), "NATO burden-sharing: past, present, future," *Defence Studies* 22, no. 3, 533-540; T. Sandler and H. Shimizu (2014), "NATO Burden Sharing 1999-2010: An Altered Alliance," *Foreign Policy Analysis* 10 (2014), 43-60; T. Sandler and J.C. Murdoch, "On Sharing NATO Defence Burdens: 1990s and Beyond," *Fiscal Studies* 21, no. 3 (2000), 297-327.

16 M. Bogers and R. Beeres, "Mission Afghanistan: Who Bears the Heaviest Burden," *Peace Economics, Peace Science and Public Policy* 19, no. 1 (2013), 32-55; and K. Hartley (2012), "Conflict and defence output: An economic perspective," *Revue d'économie politique* 122, no. 2 (2012), 171-195.

17 In terms of nuclear deterrence, the US, British and French nuclear capabilities do not constitute a single unified force in terms of force aggregation.

18 Bilal (2024).

19 The ex-ante deterrence is often coined as "deterrence by denial" and the ex-post deterrence as "deterrence by punishment." The latter falls short in expressing the concept because the punishment actions must be credible ex-ante to have the deterrent effect. (See Dobbins, "Is NATO brain dead," op cit.)

20 The Economist, "The strategic reverberations of the AUKUS deal will be big and lasting," September 19, 2021.

Members from 1 Princess Patricia Canadian Light Infantry (1 PPCLI) dismount a W3W Falcon helicopter in Drawsko Pomorskie Training Area, during Operation REASSURANCE on September 14, 2016.

Photo: CCpl Jay Ekin, Operation REASSURANCE Land Task Force Imagery Technician

A Polish Perspective on NATO Burden-Sharing

ANDRZEJ GRZYB

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The process of political and political system change in Poland, which began with the formation of Solidarity in 1980, led to the formation of the Coalition Government of Poland on August 24, 1989, with the first non-communist Prime Minister, Tadeusz Mazowiecki, who was designated by Solidarity. Solidarity, a large trade union movement of 10 million people, initiated a historic process of peaceful political system change in Poland, the first in Central and Eastern Europe.

Prime Minister Tadeusz Mazowiecki made a clear declaration that Poland wanted to join the European Communities (now the European Union). Prime Minister Mazowiecki could not announce Poland's desire for NATO membership in 1989, because the Warsaw Pact was still in effect, and the last troops of the former USSR did not leave Poland until September 17, 1993.

At the time, there was strong public support in Poland for Polish NATO membership. On November 2, 1992, Prime Minister Hanna Suchocka stated in a government exposé that Poland's strategic goal was to become a member of NATO. There were also voices of support in the US administration and the German government. However, there was reticence on the part of some NATO countries regarding Poland's aspirations.

Polish efforts for NATO membership also involved a change in Russia's position, as raised by President Lech Wałęsa during a visit to Moscow in August 1993. Russian President Boris Yeltsin stated at the time that Russia would not announce a veto on the issue. However, a few weeks later, Russia changed its position and announced its opposition to plans for NATO enlargement, and President Yeltsin sent letters to the presidents of the US, France, the UK, and Germany stating that enlargement would be contrary to the provisions of the 2+4 conference on the terms of German reunification.

A particular impetus to intensify efforts to join NATO was provided by the visit of NATO Secretary General Manfred Wörner, who said in Warsaw on March 12, 1992, "the door to NATO is open." President Wałęsa wrote in a letter to the NATO Secretary General on September 1, 1993, that NATO membership was one of the top priorities of Polish foreign policy. In October 1993, US Secretary of Defense Les Aspin, at a conference of defence ministers of NATO member states in Travemünde, Germany, proposed a "Partnership for Peace" defence cooperation agreement with Central and Eastern European countries. A mechanism for cooperation among NATO aspirant countries on order, security, and stability in Europe was introduced. An invitation to participate in the Partnership for Peace was extended to all European countries interested in cooperation with NATO. In 1995, 25 countries participated in the program. The signing of the agreement took place on January 10, 1994, in Brussels.

The document defined the objectives of cooperation within the framework of the Partnership for Peace, which included the following:

- developing security cooperation,
- ensuring stability on the continent by increasing transparency in defence budgets,
- resuming civilian control over the military, joint exercises and defence planning, and
- enabling partners to interact with NATO in the area of peacekeeping operations and humanitarian operations.

Within the framework of the Partnership for Peace, Poland was the first to sign an individual program of cooperation with NATO, which was the basis for, among other things, joint military exercises. The first joint NATO exercises on Polish territory within the framework of the Partnership for Peace took place on September 12, 1994, at the training ground in Biedrusk near Poznan, less than a year after the last Russian troops had left Poland. Poland, in order to join NATO, was specifically required to introduce civilian control of the army and its complete reconstruction.

US President Bill Clinton, in a conversation with Prime Minister Waldemar Pawlak during a visit to Poland in July 1994, stated that NATO enlargement was no longer a question of "if," but of "when and how." Two years later, President Clinton confirmed that adoption would take place by the 50th anniversary of the NATO alliance, at the latest. Negotiations with NATO alliance authorities lasted three years and had the full support of all political parties. The consensus also included a process of changes and reforms in the army.

"Within the framework of the Partnership for Peace, Poland was the first to sign an individual program of cooperation with NATO, which was the basis for, among other things, joint military exercises."

At the NATO summit in Madrid in July 1997, NATO member states decided to invite Poland, the Czech Republic, and Hungary to join the structures of the North Atlantic Treaty Organization, and the official invitation to join came in January 1999. Poland's efforts to become a member of NATO were the subject of full consensus among all political forces in Poland. That consensus was evidenced by the efforts to gain support for Poland's NATO membership from all member states, with particular emphasis on the US, both at the government level and in the parliaments of NATO member states. Four rounds of negotiations on Poland's membership took place in 1997, and on October 14, 1997, Foreign Minister Bronislaw Geremek handed over to the NATO Secretary General a letter expressing Poland's will to join the North Atlantic Treaty. The letter also confirmed its readiness to accept the obligations associated with membership. The accession protocols of Poland, Hungary, and the Czech Republic were signed by the foreign ministers of NATO countries on December 16, 1997, and the process of ratification of the Accession Protocols by NATO member states began.

Lobbying for Poland's NATO membership

Was lobbying for NATO enlargement to include Poland in NATO member states, especially in the US Congress and Senate, necessary? In Washington, it was stated unequivocally that lobbying efforts were necessary because there were many questions and doubts: for example, how Russia would react to NATO enlargement to include Poland; whether Poland's democracy was mature; and what Poland's relations with Ukraine and the Baltic states were. Precise and professional information about Poland's efforts to join NATO achieved the expected result: in the US Senate, 82 out of 100 senators voted in favour of NATO membership for Poland. That was 15 more than the required two thirds of the Senate

(67 votes). A major factor in swaying the decision was the presentation of Polish efforts to the US administration, influential think-tanks, and university centres.

An important role in promoting Polish membership in NATO was played by, among others, Professor Zbigniew Brzezinski, former National Security Advisor to US President Jimmy Carter; US Congress members of Polish descent; and the Polonia (the Polish diaspora), which collected 9 million signatures in support of Poland's membership in NATO. Lobbying groups in the United States kept accurate maps that showed growing support from senators starting in 1994. Poland, the Polish government and parliament, and Polish diplomats knew that the most important thing in the process of promoting Poland's membership was to prove that enlarging NATO to include Poland, the Czech Republic and Hungary—former Warsaw Pact countries—was not contrary to the interests of the United States and the other members of the North Atlantic Alliance.

> "It was not enough to change the political system, make democratic changes, introduce civilian control of the armed forces, and declare a desire to join the alliance."

I have described at some length the efforts made to expand NATO to include Poland, as well as Hungary and the Czech Republic. It was not enough to change the political system, make democratic changes, introduce civilian control of the armed forces, and declare a desire to join the alliance. In addition, it was particularly important to build alliance members' confidence in the candidate states: that we were ready to subject the army to civilian control, to finance and carry out modernization of the armed forces in accordance with NATO standards, and to demonstrate the ability to integrate fully into NATO.

Participation of the Polish Armed Forces in international exercises and missions

A good example demonstrating the ability to fully integrate with NATO is Poland's involvement in the exercises of NATO units since joining the Partnership for Peace. The Polish Armed Forces have participated in international missions since 1953 (UN peacekeeping missions in Indochina, Lebanon, and the Golan Heights). They have participated in difficult missions in Iraq and Afghanistan. The Polish Military Contingent participated in the international operation in Iraq in 2003–2008, which was the most serious challenge the Polish army has faced since the end of World War II. Although Poland had acquired considerable experience while operating around the world under the UN and NATO flags, the operation in Iraq required a completely new approach: 15,000 soldiers were involved and 22 were killed. In the Iraqi mission, Poland commanded, for the first time, an international structure in the strength of a division. It was a very demanding test of soldiers' training, service in an international environment, command skills, and the quality of equipment and supplies. In 2007, there was a shift in the nature of the tasks Polish soldiers performed.

Poland joined "Enduring Freedom," the US-led international coalition against global terrorism, in 2002. In 2007, participation in Operation Enduring Freedom ended and the first rotation of the Polish Military Contingent under the International Security Assistance Force (ISAF) in Afghanistan began. A major challenge was the assumption of responsibility for Ghazni province by the Polish Task Force. Polish soldiers were present in Afghanistan for almost 20 years, and more than 33,000 soldiers and Ministry of Defence personnel took part in the operation. Forty-three Polish soldiers were killed and 200 wounded in Afghanistan. Currently, the Polish Armed Forces participate in international operations conducted under the auspices of NATO, the European Union, and the United Nations. The Polish Armed Forces have taken part in 89 operations since 1953. Soldiers of the Polish Armed Forces are currently present in these locations:

- the Balkans: in Kosovo as part of the NATO-led KFOR mission and in Bosnia and Herzegovina as part of the EU's EUFOR mission,
- the Middle East and Africa (UN missions), and
- Turkey (NATO mission and EUNAVFOR MED IRINI mission in the Mediterranean Sea).

Increasing the size of the Polish army

Poland has decided to increase the size of its army. In 1999, the year Poland joined NATO, the Polish armed forces numbered 226,000 soldiers, including 95,000 professional soldiers. The remainder were conscripted soldiers under compulsory military service.

At the time, we, like the rest of Europe and partly the US, were entering a decade of disarmament due to the belief that there was no likelihood of a global conflict. That was also the result of a reset in relations with Russia, which was established not in Poland, but throughout NATO with the hope of a new peace order in Europe. Significant savings in defence spending were allocated to necessary infrastructure investments and social spending.

On January 1, 2010, Poland abandoned military conscription and began building a professional army. The size of the army in 2010 was 95,500 professional soldiers, and by 2020 that number had increased to 110,100.

Beginning in 2021, there has been a surge in the size of the Polish army, following a hybrid attack involving immigrants from Belarus on the Polish border. Since then, the military has been and continues to be used to reinforce the Border Guard forces and protect the border with Belarus. Another impetus was Russia's aggression against Ukraine, which began on February 24, 2022.

In 2017, the Territorial Defence Forces were created, the size of the army was systematically increased, and the formation of new units began. Based on the Homeland Defence Act of 2022, voluntary basic military service was introduced for those interested. Some soldiers, after training under voluntary basic military service, continue to serve in the professional army. A new idea of an active reserve has also been introduced, based on American models. Under these arrangements, specialized cadres for the military are being built for the future. The program begins with high schools, through the creation of uniformed classes as part of military preparation. A volunteer military training program has been introduced within the framework of the Academic Legion program, aimed at university students and graduates. The program aims to connect students and graduates with the Polish Armed Forces, while supporting their career development. Personnel training for the Polish Armed Forces also takes place at five military colleges and non-commissioned officer schools. For a number of years, we have noted in Poland the creation of training courses related to state security at public and private universities—courses which are popular with students.

According to "Defense Expenditure of NATO Countries," in 2024 the Polish Armed Forces comprised 216,100 soldiers, placing Poland third in NATO in terms of numbers. According to the Global Firepower – Military Forces 2024 ranking, Poland's Armed Forces rank 21st in the world in number of members. In 2023, the Polish Ministry of National Defence announced a plan to increase the size of the armed forces to 300,000 soldiers.

European Union Battle Groups: European Union Group and NATO's Enhanced Forward Presence initiative

Poland participates in both NATO and EU initiatives to strengthen defence structures and enhance capabilities in crisis and threat conditions. Defence ministers of EU member states in 2004 established tactical unions as rapid reaction forces. The construction of EU battle groups was the result of an acceleration in the creation of a common security policy and defence in the immediate aftermath of the 2003 Iraq War, although the September 11, 2001, attack on the World Trade Center in New York was also a significant impetus. Twenty-four countries, including Poland, are participating in the creation of the battle groups.

Poland also hosts NATO's Enhanced Forward Presence (eFP) and has the status of an eFP contributor country. The Enhanced Forward Presence initiative, established at the 2016 NATO Summit in Warsaw, enhances defence and deterrence capabilities through the establishment of battalion battle groups composed of contingents from NATO member states in Poland, Lithuania, and Latvia. Following Russia's full-scale invasion of Ukraine, member states decided to increase the forces involved in the eFP and to expand it to Slovakia and Hungary, as well as an adapted enhanced presence in Romania and Bulgaria. Each battle group has between 1,000 and 2,000 troops stationed on a rotating basis, and one of the countries has framework state status.

> "Following Poland's entry into NATO, the Polish government, in consultation with the President of Poland, decided to legally regulate defence expenditures."

Since the beginning of its NATO membership, Poland has been making efforts to establish a permanent presence of US troops in Poland. An expression of the permanent presence is the construction by the United States of the US Navy's AADMS Military Support Base in Redzikowo, which, together with a similar base in Devesel, Romania, is part of the US anti-ballistic missile system. Camp Kosciuszko, which houses the 5th Corps forward command, has been located in Poznan, and a total of about 10,000 US soldiers are stationed in Poland as part of a rotational presence.

Defence spending in Poland in relation to GDP

Until 2001, there were no legal regulations specifying how much of the state budget should be allocated to defence. Between 1991 and 1999, the share of the Ministry of Defence's budget expenditures fluctuated from 2.25% of GDP in 1991, to a record 2.47% in 1993, to 2.00% of GDP in 1999.

Following Poland's entry into NATO, the Polish government, in consultation with the President of Poland, decided to legally regulate defence expenditures. To that end, on May 25, 2001, the "Act on Reconstruction and Technical Modernization and Financing of the Armed Forces of the Republic of Poland in 2001-2006" was adopted. The purpose of the law was to "create conditions for stable financing of the armed forces over a multi-year time horizon, taking into account the state's economic capabilities," and to "ensure conditions for at least 1/3 of the Armed Forces to achieve full interoperability within the framework of the North Atlantic Treaty Organization and the standards of the other member states of the organization in terms of armaments, equipment,

mobility and the ability to conduct military operations in all conditions."

The law stipulates that "the state budget shall allocate budget expenditures of no less than 1.95% of GDP annually for the implementation of the program in 2002-2006." It also established that the share of property expenditures, mainly relevant to ongoing construction investments and purchases of military equipment and armaments, would be at least 19% of total defence spending in 2003 and at least 23% in 2006. In 2004, the title of the law was amended to read "on reconstruction and technical modernization and financing of the Armed Forces of the Republic of Poland."

In 2016–2017, as a result of another amendment to the Law of July 2015, the minimum level of defence spending was set at 2.00% of the GDP of the previous year. Another amendment to the law dated September 29, 2017, "The Law on Amendments to the Law on Reconstruction and Technical Modernization and Financing of the Polish Armed Forces and the Law – Public Procurement Law," established that the financing of the defence needs of the Republic of Poland would be allocated annually for expenditures from the state budget in an amount "not less than:

- 2.0% of GDP – in 2018 and 2019,
- 2.1% of GDP – in 2020,
- 2.2% of GDP – in 2021-2023,
- 2.3% of GDP – in 2024 and 2025,
- 2.4% of GDP – in 2026-2029,
- 2.5% of GDP – in 2030 and subsequent years."

In doing so, it reinstated the rule in effect from 2002 to 2004, consistent with NATO methodology, that "current year" GDP is used to calculate minimum defence outlays (and not "the previous year," as was the case from 2005 to 2017).

From 2000 to 2017, a total of US$104.4 billion was spent on national defence. In 2000, the realized expenditures were US$3.3 billion, while in 2017 they were US$9.3 billion. This means that the annual level of incurred defence outlays during that period nearly tripled, increasing by 273% to be exact. That increase is proportional to GDP growth, which increased by 289% over the same period.

> "Since 2022, according to the provisions of the new Law on Defense of the Fatherland, which was passed unanimously by the Polish Parliament, 3% of GDP has been allocated for defence spending."

The start of Russia's war against Ukraine has accelerated the comprehensive regulation of the country's defence, in the new Law on Defense of the Fatherland. From the point of view of the development and modernization of the Polish Armed Forces, the new solutions and regulations on financing and modernization of the armed forces are particularly important. Since 2022, according to the provisions of the new Law on Defense of the Fatherland, which was passed unanimously by the Polish Parliament, 3% of GDP has been allocated for defence spending. Many international bodies dealing with security and defence issues have repeatedly stated that Polish rearmament is a phenomenon worth noting. Crucial to the increase in defence spending is the Armed Forces Support Fund, operated by Bank Gospodarstwa Krajowego, whose spending authorization does not expire at the end of the fiscal year. Thanks to the Armed Forces Support Fund, the defence budget was increased by US$5.1 billion in 2022 and by about US$12.1 billion in 2023. It is planned that in 2024 an additional US$11.8 billion will be designated from the Armed Forces Support Fund for the technical modernization of the army. As a result, Poland will allocate 4.2% of GDP to defence in 2024, which clearly exceeds allied commitments. The defence spending plan in the draft budget for 2025, together with the Armed Forces Modernization Support Fund, amounts to 4.7% of Poland's GDP, which is US$46 billion.

National Reconstruction Plan: The Republic of Poland's efforts to link EU funding with resilience-building processes

The European Union, in order to assist the economic recovery and rebuild the resilience of EU member states after the COVID-19 epidemic, launched the NextGenerationEU" Reconstruction Fund, a temporary economic recovery instrument worth €750 billion. The implementation of the planned reforms in the National Reconstruction Plan (NRP) will help shift the economy to a new growth trajectory. The goal is to respond to demographic challenges and climate change, as well as participate in the creation and use of new technologies. In Poland, funds from the NRP have also been earmarked for investments aimed at increasing our country's security.

The NRP focuses on six thematic components, including Resilience and Economic Competitiveness. The Ministry of Defence is one of the entities responsible for the "Resilience and Competitiveness of the Economy" component, and, as the institution responsible for the implementation of investments under the NRP, it is responsible for "[e]xpansion of the national system of monitoring services, products, analytical tools and services and accompanying infrastructure using satellite data for the Satellite Earth Observation System."

The scope of the investment includes the construction of satellite capabilities for acquiring Earth imagery for national

security and defence and to meet the needs of public administration. The system, with an architecture that allows military-civilian applications, will make it possible to respond to the most urgent needs for access to high-resolution imaging for defence, security, and public administration. The task is interdisciplinary in nature, and the results of its implementation will serve to meet selected needs of the defence sector and public security, crisis management, civil protection and fire protection, as well as those of the national economy in terms of access to satellite imagery data (agriculture, education and science, spatial management, infrastructure, environmental protection and climatology, monitoring, statistics, and others).

EU-NATO cooperation is an integral pillar of EU activity to strengthen European security and defence. It contributes to transatlantic burden-sharing, in keeping with the principle that a stronger EU and a stronger NATO mutually reinforce each other.

Under the 1993 Maastricht Treaty on European Union, an integral part of the European Union's Common Foreign and Security Policy is the Common Security and Defence Policy, which aims to develop the military and civilian capabilities of the EU and its member states to manage external crises.

Missions under the Common Security and Defence Policy are aimed at improving security, supporting third countries in the fight against terrorism, human smuggling and organized crime, and monitoring international agreements. The budget of the Common Security and Defence Policy funds civilian missions, special representatives, and stabilization activities. An example of such missions is EUFOR Althea (European Union Force in Bosnia and Herzegovina), which replaced the NATO mission in 2004. The purpose of EUFOR Althea is to ensure the security of the population and fulfill the Dayton Accords. The mission involves 1,100 soldiers from various European countries, including Poland.

The issue of financing defence spending at NATO's forum

Following Russia's illegal annexation of Crimea, NATO members approved the defence investment commitment at the 2014 Wales Summit, which remains the political foundation of their commitment to increase defence spending today. The commitment was carefully formulated to deliver results within a decade (by 2024): it was demanding, but realistic. Not only was a target of 2% of GDP set for defence spending, but an additional target was set for Alliance members to devote more than 20% of their defence budgets to essential equipment, including related research and development—which is equally important because it encourages Alliance members to invest in new defence capabilities.

Although the overwhelming majority of Allies have increased their defence spending as a share of GDP, there are still significant differences among them. The members generally fall into one of three groups, each representing about one-third of the Alliance: those who have already achieved or are close to achieving the 2% target; those who are moving rapidly toward it and are expected to achieve it in the near future; and those who plan to achieve the 2% target but have not done so yet. Looking ahead, much remains to be done to rebuild strength and regain capabilities across the Alliance.

The war in Ukraine has publicly shown that many Allies have had difficulty finding available stocks of ammunition to transfer to Ukraine or to re-equip their own forces. This requires restoring the capacity to produce ammunition, especially large-calibre ammunition, in the arms companies of the member states. Restoring production capacity in this area is not limited to financing purchases, but also to building new ammunition calibration lines, which is subject to numerous constraints, especially in the supply of technological lines and raw materials.

The members of the Alliance are dealing with capability gaps in domains that have been neglected for many years, because we have been dealing with completely different threats, mainly terrorist threats. Russia's war against Ukraine has also verified previous assumptions regarding the course of armed conflicts. It is worth mentioning the use of migration pressure on the borders of neighbouring countries, which we are dealing with on the borders of Poland, Lithuania, and Latvia with Belarus, the last being an ally of Russia. The fight against threats in cyberspace plays a huge role. The war in Ukraine is not the first conflict in which uncrewed aerial vehicles have been used, but their effectiveness and relatively low production costs have led Ukraine to create a separate structure of armed forces: drone troops. A similar decision was also made by the Polish Minister of Defence.

The NATO Defence Planning Process has enabled Allies to identify key capability gaps and thus begin to rebuild high-end capabilities in the land, sea, and air domains by acquiring advanced platforms and enablers. NATO Allies are therefore focusing on rebuilding industrial capabilities across the Alliance. Priorities vary among Allies depending on their size and geographical location, but the most important priority for NATO as a whole is to regain military and industrial capabilities to meet the challenges of high-intensity war scenarios, given the long-standing constraints on rebuilding stockpiles. Specific areas of focus include the land domain (armour, artillery, and enablers), integrated air and missile defence, and submarine operations. Increased defence spending enables Allies to better prepare for the future. NATO's technological advantage has always been a key advantage for the Alliance. Each of these priorities in itself justifies renewed defence spending efforts.

Polish President Andrzej Duda has proposed that NATO member states consider raising defence spending to 3% of GDP to meet defence challenges in Europe and the world.

How much is enough for defence in the current geopolitical conditions?

The security environment in Europe and beyond will remain unstable for the foreseeable future. The longer the war in Ukraine lasts, the more it is turning into a protracted conflict requiring long-term support for Ukraine, in the form of both military equipment and macro-financial support for state institutions. The experience of Russia's war against Ukraine has clearly demonstrated the need to build solid deterrence and defence measures to prevent the conflict from spreading to NATO territory. Increasing defence spending is largely within the fiscal capacity of NATO member states, which are among the most economically developed countries in the world.

Public opinion within the member states, especially those in Northern and Eastern Europe, supports defence spending, and public support is also growing in Poland. Excluding the United States, which is the global leader in defence spending, the remaining countries of the Alliance have increased their total spending by one-third over the past decade, as a result of Russia's 2014 attack on Ukraine. According to public opinion polls in NATO member states, the majority of citizens of the Allied states support an increase in defence spending. Trust in the armed forces is also growing in Poland and has reached 83% among respondents in the general public—the most positive result in the history of research conducted on the subject. In addition, data from a survey conducted in 2023 among citizens of the member states indicate that 80% of them believe that North America and Europe should continue to cooperate for common security. However, citizens' sensitivity on the topic of defence spending must be taken into account, because sustainable efforts for defence require a strong democratic consensus. It is therefore necessary to constantly present the security arguments that justify these efforts. It is also crucial to show the real economic benefits for domestic industry and technology development, and thus for the economies of the member states and their societies.

> "Among NATO members, Poland has become the country with the largest expenditure as a percentage of GDP on the army and modernization of military equipment. In 10 years, we have doubled the size of the army."

Among NATO members, Poland has become the country with the largest expenditure as a percentage of GDP on the army and modernization of military equipment. In 10 years, we have doubled the size of the army. In Poland, about half of the budget expenditure for defence purposes is allocated to equipment modernization. As noted in British daily *The Times*, Poland is conducting the fastest and most ambitious program of expansion of the armed forces, the like of which has not been seen in continental Europe for decades. Władysław Kosiniak-Kamysz, Deputy Prime Minister and Minister of Defence, upon taking over the leadership of the Ministry of Defence in December 2023, emphasized that all contracts for equipment and supplies concluded with suppliers will be fully implemented. At the same time, some orders for equipment and supplies are to be combined with technology transfer and Polonization of equipment production. Ultimately, the intention of the current Polish government is to allocate half of orders for military equipment and supplies to the Polish arms industry.

Challenges for NATO in the wake of Russia's war against Ukraine

The Russian invasion of Ukraine has become a turning point in international security. NATO countries' actions regarding defence, deterrence, and alliance cohesion in the coming period have been revised. Russia's invasion of Ukraine has significant implications for NATO and is likely to influence changes in the alliance. The war in Ukraine, in the opinion of many experts, is a failure of deterrence, while on the other hand it has united the transatlantic alliance. At the same time, we hear many opinions that the NATO community is stronger than ever. NATO's core mission is still collective defence, and the Alliance must adapt to the changing threat landscape, in which Russia will remain one of the main threats to NATO in the coming decade. "The world has become more dangerous, but at the same time NATO has become stronger," said Jens Stoltenberg, Secretary General of the North Atlantic Alliance, during the presentation of its annual report on its activities in 2023. "The Alliance has not only maintained its unity, but it continues to be attractive to European states and societies. Last year, Finland joined our family, last week Sweden, and Ukraine is closer to NATO than ever before." The report clearly emphasizes that the residents of the countries belonging to the Alliance stand in solidarity with Ukraine and are in favour of further support for Ukraine. This is extremely important, because 99% of military aid from abroad comes from NATO. Several member states have concluded bilateral security agreements with Ukraine. At the same time, the report emphasizes that defence spending has increased by a record 11%. In 2024, it was expected that NATO members would invest $470 billion in their armies, and two thirds of the member states would reach a level of defence spending equal to or exceeding 2% of GDP.

"This commands great respect that many countries are following Poland. I am not talking only about the countries of NATO's eastern flank, (...) the countries of Southern Europe are also changing their strategy," said Kosiniak-Kamysz at a meeting of NATO defence ministers on October 18, 2024, in Brussels.

At that October 2024 meeting, the "victory plan" presented by the President of Ukraine was discussed. Kosiniak-Kamysz emphasized that Poland is a leader in aid for Ukraine and supports actions for its accession to NATO, but that the invitation had to come from the entire Alliance.

> "NATO must consider further strengthening its presence along the Eastern Flank to provide additional support and security to Allies concerned about Russian intentions."

NATO must consider further strengthening its presence along the Eastern Flank to provide additional support and security to Allies concerned about Russian intentions. The conflict in Ukraine has highlighted the importance of modernizing NATO's defence capabilities to effectively deter and counter hybrid threats. NATO must prioritize investments in a number of areas to address the emerging security challenges resulting from hybrid warfare tactics.

NATO's response to the Russia-Ukraine conflict must include enhancing deterrence of further aggression against member states. That includes increasing the readiness and responsiveness of NATO forces, conducting exercises to demonstrate NATO's ability to defend its territory, and strengthening the Alliance's commitment to collective defence under Article 5 of the NATO Treaty. The war in Ukraine has prompted NATO to strengthen its partnerships with the countries of Eastern Europe and the Black Sea region. NATO must deepen cooperation with partner countries such as Ukraine, Georgia, and Moldova to increase their resilience to Russian aggression and support their efforts to implement democratic reforms and modernize their defence capabilities.

The conflict in Ukraine has underscored the importance of resilience and citizen preparedness in countering hybrid threats. NATO must prioritize efforts to strengthen resilience measures, including strengthening critical infrastructure, improving energy security, and strengthening civil-military cooperation to mitigate the effects of potential aggression. The adoption by the Polish parliament of a new law on civil defence and the process of implementing it are examples of such efforts.

Poland assumed the presidency of the Council of the European Union on January 1, 2025. The foundation of the Polish presidency in 2025 is security in seven dimensions: external, energy, economic, food, health, information and internal. That is why the motto accompanying the Polish presidency is "Security! Europe."

The Polish presidency of the Council of the European Union coincides with the new Trump administration taking over the White House. The new administration will need good information about the situation in Ukraine and the scope and forms of assistance provided by Poland and other democratic countries. About 90% of military aid reaches Ukraine through Poland. Poland has also helped provide information for American businesses on the reconstruction of Ukraine. It is estimated that the value of investments related to the reconstruction of Ukraine could reach US$1 trillion.

During the Polish presidency, an informal meeting of the EU Foreign Affairs Council with the participation of Defence Ministers was held on April 2 and 3, 2025. The main topic was the implementation of the White Paper prepared by Commissioner for Defence Andrius Kubilius and approved by the European Commission. Poland was the initiator of the appointment of the Commissioner for Defence in the current composition of the European Commission. The White Paper was recognized as a landmark document on the Common Security and Defence Policy, especially in terms of developing the production potential of the defence industries of EU member states. Included in the White Paper was Poland's Shield East project, a key investment to defend a more than 700-kilometre stretch of the border with Russia (Kaliningrad Oblast) and Belarus. The Shield East project will include a belt of military installations extending up to 50 kilometres into Polish territory. In the White Paper, the European Commission identified seven critical areas whose fulfillment is key to strengthening defence:

- air and missile defence,
- artillery systems,
- ammunition and missiles,
- military mobility,
- use of artificial intelligence and innovative technologies,
- strategic enablers of combat capabilities, and
- critical infrastructure protection

Poland, as part of its EU Council presidency, led the creation of a special fund, Security Action of Europe (SAFE), in the amount of €150 billion to finance defence objectives and support the defence industry and investment in security in order to strengthen the potential of European NATO member states, which are also members of the EU. At the same time, it was decided that EU-associated states would also be able to benefit from the fund.

The NATO summit in The Hague: 5% of GDP for defence

The Hague summit, according to commentators, was modest in both form and content, yet significant decisions were made there regarding defence spending. During the summit, the allies decided to increase defence expenditures to 5% of GDP by 2035. Of that amount, 3.5% is to be allocated to equipment and armaments, and 1.5% to defence-related investments, including dual-use infrastructure, protection of critical infrastructure, development of the defence industry, cybersecurity, and societal resilience. Funds provided in support of Ukraine will also be counted as part of that expenditure. This proposal was put forward by Poland and was supported by the summit participants. The allies committed to annual planned increases in spending, outlined through to the year 2035.

Achieving the second goal of allocating 1.5% of GDP to defence-related investments will be easier for allies on the eastern flank, who are making numerous dual-use investments, and for the Nordic countries, which have a well-developed civil defence system.

Despite general agreement on establishing the new defence spending target, Spain broke ranks by declaring a commitment of only 2.1% of GDP. Member states have set varying timelines for reaching the additional 1.5% of GDP in defence-related expenditures. The Baltic States are prepared to reach this spending threshold as early as 2026. Spain's refusal to allocate 5% of GDP to defence was met with criticism from its allies. NATO Secretary General Mark Rutte stated, "Spain believes it can meet these objectives with spending at 2.1% of GDP. NATO is absolutely convinced that Spain will need to spend 3.5% of GDP to achieve these goals." Poland (4.7% of GDP) and Lithuania (4.0% of GDP) have already surpassed the proposed 3.5% defence spending target for 2025. Latvia, Estonia, Denmark, and Norway are close to reaching that level. A potential adjustment to the US military presence in Europe, currently under consideration, is seen by experts as a strong incentive for accelerating defence spending among European allies.

From the perspective of the US administration, the outcomes of the summit in The Hague are considered a success, which is expected to have a positive impact on transatlantic relations. The summit conclusions did not include references to relations with China, nor to hybrid threats from Russia in the Baltic Sea region–issues of particular concern to the Baltic States. The conclusions also did not contain any statements regarding the strengthening of nuclear deterrence policy.

On the occasion of the Hague summit, NATO highlighted the Defense Production Action Plan adopted in February 2025, which outlines eight initiatives focused on joint procurement, production, and industrial base development, interoperability, and the implementation of innovative technologies.

Poland is satisfied that the efforts to increase defence spending by NATO member states were adopted at the Hague summit. That decision represents the fulfillment of proposals made by the President of the Republic of Poland and the Polish government to the Allies. During the summit, President Andrzej Duda thanked US President Donald Trump and NATO Secretary General Mark Rutte for supporting Poland's proposal to raise defence expenditures among NATO countries. Poland particularly emphasizes the clear statement made by President Trump regarding Article 5 of the North Atlantic Treaty, in which he declared, "It is absolutely clear that the United States is fully committed to NATO and to Article 5 of the North Atlantic Treaty."

Polish Deputy Prime Minister and Minister of National Defence Władysław Kosiniak-Kamysz called the outcomes of the summit "Very good and important decisions for Poland." Other outcomes of the summit were bilateral agreements with Germany, Norway, and Australia aimed at strengthening Poland's defence capabilities, including:

- extension of the deployment of German Patriot systems in Jasionka near Rzeszów, where a logistics hub supporting Ukraine is located,
- deployment of Norwegian F-35 fighter jets in Poland, and
- relocation to Poland of an Australian Airborne Warning and Control System (AWACS) reconnaissance and early warning aircraft.

Kosiniak-Kamysz also emphasized that NATO, through the decisions made at the summit, is enhancing its capabilities in military mobility, which is crucial for the rapid movement of troops and equipment across allied borders, both on land and at sea. The decisions at The Hague summit confirmed Poland's growing role as a pillar of the eastern flank of the North Atlantic Alliance.

HMCS Charlottetown's embarked CH-148 Cyclone helicopter "OSPREY" performs a flare countermeasure shoot during flight operations in the Mediterranean Sea while deployed on Operation REASSURANCE on August 19, 2024.

Photo: Aviator Gregory Cole, Canadian Armed Forces Photo

CE QUI NOUS ATTEND – L'effet papillon des conflits mondiaux

General Dominique Trinquand
Robert Laffont, 12 October 2023. ISBN-13: 978-2221272534

REVIEW BY LIEUTENANT-GENERAL (RETIRED) J.O. MICHEL MAISONNEUVE

Michel Maisonneuve served as Academic Director of RMC Saint-Jean from 2007 to 2018. He completed 35 years of service in the Canadian Armed Forces in 2007. He was named the 30th laureate of the Vimy Award in 2020. In addition to his Canadian decorations, he is an Officer of the French Legion of Honour, an Officer of the U.S. Legion of Merit and a recipient of the NATO Meritorious Service Medal. He published his first book in 2024: "In Defence of Canada : Reflections of a Patriot".

Dominique Trinquand is an officer in the Arme blindée cavalerie française (French armoured cavalry) whom I have known for 47 years. We met as young lieutenants when I was serving as a Canadian Exchange Officer with the 12e Régiment de chasseurs at Sedan in the Ardennes (which, at the time, was paired with the 12e Régiment blindé du Canada). His extraordinary career led him to be present at a number of politico-military events of the past few decades and to influence them. His experiences have made him an important commentator, able to discuss events and issues in plain language, and he is much sought after by Francophone media. This book provides an excellent overview of the events of the 20th century and up to the present day. It is also peppered with anecdotes from his own experience that illustrate his role in the events, or as an observer, and his direct experience lends credibility to what he has to say.

The author identifies the Russian invasion of Ukraine as the primary element which demonstrates the breakdown of the global order, but he also goes back in time to point out the signs that should have alerted us to that situation. This is the "butterfly effect" he describes, with the support of a series of excellent maps at the end of the book.

The lack of international reaction following the annexation of Crimea in 2014 undoubtedly emboldened Putin to invade Ukraine eight years later. Like Trinquand, I did not believe it at the time: surely he would not try to invade a country whose armed forces had 200,000 members, when Russia's had only 150,000 troops massed along the border? But Putin was likely counting on being welcomed as a savior.

Trinquand comments on the decline of the United States, saying that the country is continuing to disrupt the global order and no longer knows how to re-establish it. The problem is ongoing, and even worsening: "the global policeman" now seems incapable of successfully playing that role. Trinquand tells the story of France's refusal to associate itself with the actions of the U.S. in Iraq, which reminds us that Canada took the same position. When I arrived in Norfolk, Virginia, in 2003 as Chief of Staff of NATO's Supreme Allied Command Atlantic, there was still tension among the generals and admirals there regarding the positions of our two countries … and "freedom fries" were still being served in restaurants.

Trinquand writes about the French fighter pilots en route to Syria after Obama's "Red Line" had been crossed. They had to turn around in mid-mission because Obama lost his nerve. The author also comments on the rise of China after a stay there, sharing his impressions of Taiwan and of China's ability to annex that "province."

Trinquand served as Military Advisor to the French diplomatic mission to the United Nations (a position that was created after he demonstrated its value). His accounts give us a front-row seat at the often-difficult debates in which he participated. He worked with Kofi Annan, Sergio de Mello, and successive French ministers and ambassadors, and that part of the story is compelling, especially now that we have witnessed the results of the decisions made there.

Trinquand comments positively on France's actions in Africa, and he shows by example that France is able to accomplish more than the United States in Africa by means of its agility and the relationships it has there. He even organized a visit by the entire UN Security Council to Bunia, which was certainly an excellent way to demonstrate France's ability to accomplish a high-profile mission with tact.

Regarding Iran, he believes that President Trump's withdrawal from the Joint Comprehensive Plan of Action (JCPOA) was a mistake. I do not share his opinion, but Trinquand provides good arguments to support his views. France has always had a particularly close

Tanks from various countries wait patiently for the final run of the Canadian Army Trophy competition in the training area at Camp Adazi in Latvia on May 3, 2024.

Photo: Lt Jennifer Kusche, Canadian Forces Combat Camera, Canadian Armed Forces Photo

relationship with Iran. During my service in France with Dominique in 1979, the Shah's wife (the Shabanou) had ordered Hermès scarves with a cavalry motif. After the couple's exile, the scarves were offered to members of the Regiment at a reduced price.

Trinquand warmly relates his service as the personal advisor to the French general Jean Cot, the Commander of UNPROFOR, in 1993. That is where Trinquand and I met again for the first time since my departure from France in 1980. We were both personally involved in the actions at Medak Pocket, where a Canadian battalion group supported by two French companies had driven back Croatian forces from a salient they had just captured. Cot, an operational general and a strong leader, commanded UNPROFOR superbly and Trinquand supported him brilliantly in his heavy responsibilities.

He describes his early years as a student at the École spéciale militaire de Saint-Cyr. Later, he was appointed to command a regiment in Bitche that had to be disbanded the following year, and he explains how he motivated his troops. That is a typical example of Trinquand's leadership: using a crisis as an opportunity.

The final chapters of the book comment on France's current position, which also applies to Canada: decline; citizens' apathy and complacency; poor budget management; rising deficit and debt—all while both countries have so much potential. He mounts a frontal attack on authoritarianism and relates his experiences during the events of September 11, 2001, when he was in the United States for large-scale manoeuvres. That leads to a discussion of the dangers that religious extremism and question of identity pose for France and the world. Are youth attracted to the certainty that Islam offers when their identity is contested?

The discussion segues into the last section, which focuses on the peril of individualism that is threatening the West. Individualism is fed by social media, which reduces personal contact to virtual messages and TikTok videos and which was taken to a new level during the pandemic. He reiterates the idea of "service" to country; not necessarily obligatory military service, but that would prioritize service to others and to country. In my view, an important prescription for France as well as Canada: There are many ways to serve!

Ce qui nous attend is an important overview that also delivers interesting anecdotes and fascinating reflections. The book is timely and applies equally to France and Canada, and it offers useful perspectives for any engaged citizen. I strongly recommend it.