The Biden Transition and Reshaping U.S. Strategy:
Replacing “Burden Sharing” with Meaningful Force Planning

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The Biden transition faces major challenges in rebuilding every aspect of U.S. strategic partnerships and alliances. One of the most serious, however, is the need to replace the current U.S. political emphasis on burden sharing with a meaningful emphasis on joint force planning in order to shape the mixture of deterrence and war fighting capabilities that both the U.S. and its strategic partners really need.

This is especially true of NATO, where the political focus on pushing allied states to spend 2% of their GDP on defense – and 20% of that money on procurement – has led the NATO alliance to focus on spending rather than capability for nearly a decade, and in doing so at the expense of efforts to build-up real military capabilities.

The White House and Burdensharing Bullying

The White House has focused on allied compliance with these goals for burden sharing even though U.S. intelligence estimates and NATO reporting both indicate that NATO European states are already massively outspending Russia. It has done so without any public analysis of where and how each member needs to spend more on defense, and without any analysis of whether their spending actually leads to cost-effective increases in added deterrent and defense capabilities.

For the last four years, the White House has pressed America’s allies and strategic partners to spend more on military forces without any public net assessments of how well Russia is developing its forces and capabilities relative to those of the U.S. and NATO. At the same time, the senior policy levels in the White House have pursued an equally dysfunctional approach to burden sharing in dealing with its Arab strategic partners, in dealing with threats like Iran and extremism, in dealing with its key strategic partners in Asia like Japan and South Korea, as well as in dealing with China and North Korea.

As public opinion polls of the allied impressions of the United States make all too clear, the end result of this burden sharing bullying has done more to alienate than persuade. Furthermore, it has largely overshadowed the far more relevant efforts of the major U.S. military commands that focus on the changes in national forces and strategy which the U.S. and its partners really need.

The end result is that the most senior levels in the U.S. government have focused on the price of everything and the value of nothing. The pressure coming from the White House has not addressed the need to respond to key ongoing changes in military strategy and tactics such as the emergence of high technology; all-domain warfare; and the developing capabilities of potential threats like Russia, China, Iran, North Korea, and violent extremist movements. It has also failed to address the need for common efforts to find the most cost-effective ways to allocate U.S. and allied capabilities.

The Real Challenge Is to Spend Wisely on NATO-Wide Priorities

The detailed analysis of the impact of NATO’s burden sharing efforts that follows draws on NATO’s latest reports on the result of its burden sharing efforts since 2014. It shows that U.S. emphasis on burden sharing bullying has been largely destructive, and that NATO – and NATO
Europe alone – is sharply outspending Russia. At the same time, it indicates that NATO badly needs to focus on spending that actually improves its collective level of deterrence and defense, and that its current spending patterns do not serve the interests of its members.

NATO needs to focus on finding an integrated and fully interoperable approach to force modernization and force quality – not simply increasing national spending. NATO needs to create net assessments of NATO and Russian capabilities, and it needs to develop country force plans, programs, and budgets that consistently allocate resources to key areas and mission priorities and that put collective security first. It needs to build upon NATO’s new strategic concept and multinational security concepts at the Ministerial level, rather than on burden sharing as defined by arbitrary spending goals like 2% of GDP and the subsequent 20% of total defense spending on equipment.

The challenge NATO faces is not to have member countries individually increase their spending to meet arbitrary goals that have nothing to do with force structure or force quality. It is rather to make alliance-wide improvements in force quality and the level of modernization in key areas. It is to shape member country’s spending in ways that fully account for the need of new joint all-domain capabilities, new tactics, and new forms of warfare. The challenge the U.S. – and the incoming Biden Administration – faces is to support these efforts, treat America’s allies as real strategic partners, and support such efforts on a Transatlantic basis.

**Key Areas for Reform, Force Planning, and Dealing with Russia**

This requires fundamental reforms by:

- *Carrying Out Comprehensive Net Assessments*
- *Developing Real Strategies with Plans, Programs, Budgets, and Progress Reports*
- *Creating Full-Scale Rolling Five-Year Plans and Progress Reviews*
- *Focusing on Joint All-Domain Future Requirements*
- *Providing Transparency and a Forum for Independent Analysis*

Finally, NATO and other U.S. strategic partnerships need to pay closer attention to the emphasis that the new NATO strategic concept places on finding ways to cooperate with Russia and outside partners and arms control. Important as creating better levels of deterrence and defense are, there should always be clear options for reducing the level of competition and confrontation.

Quite aside from the costs and risks of any actual from of combat or larger-scale war, one of the most cost-effective ways to reduce the need for military spending is to reduce the level of the threat. As past arms control treaties, agreements like the Treaty on Conventional Armed Forces in Europe (CFE), and various confidence building exercise have shown, no strategic partnership should fail to provide options to even the worst potential threat or to lock itself into the equivalent of an open-ended arms race.
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The Challenge is Effective Force Planning, Not Total Spending

NATO focus on “burden sharing” at the national political level has meant that national leaders and defense ministers have become trapped in debates over total defense spending at a time when military planners and intelligence analysts have made it clear that the U.S. and its strategic partners need to focus on the major challenges in reshaping their strategies and forces.

There is a clear need to properly financing the right forces and mission capabilities. This cannot be accomplished, however, by throwing money at the past by setting arbitrary spending goals that can easily waste massive resources on financing outdated forces, on a lack of integration and interoperability, on the wrong missions, and on national fix mixes that do not support common strategies.

While the U.S. has focused at the White House level on bullying America’s strategic partners into spending more in largely arbitrary ways, both the major U.S. military commands and virtually all studies and analyses have shown that the real challenge is to find and actually implement new approaches to gray area competition, all-domain deterrence and warfare, and key mission areas that are far more important than simply increasing totally spending.

The U.S. and its partners need to reshape their force mixes and capabilities to deal with new major challenges like all-domain warfare, missile defense, hypersonic and precision guided weapons, space, and cyberwarfare. Spending more on divided national versions of yesterday’s forces is not a credible goal. Spending on the common forces the U.S. and its partners need today and for the years to come is a productive strategy.

A Serious Examination of Total Defense Spending Shows that “Burden Sharing” Does Not Address NATO’s Core Needs and Problems

The U.S. focus on arbitrary spending goals, selling more arms, cutting U.S. forces overseas, and blackmailing partners into spending more on U.S. deployments in their country are not ways to achieve these goals. Neither is constantly demanding more money without providing a clear assessment of what potential threats are spending or analyzing the comparative cost and investment options.

The White House has pushed for an Oliver Twist approach to defense budgeting – “More, please!” One that ignores the real-world needs for other forms of spending and the need to provide detailed net assessments of what potential enemies are actually doing. The U.S. and its partners’ goals should also be based on finding the most cost-effective and affordable solution to dealing with potential threats. Worse, it ignores the fact that most estimates of comparative military spending indicate that the U.S. and its allies are already spending enough, and that what they buy is the core problem.

Russian vs. NATO European Total Military Spending

NATO – which has been the focus of the worst U.S. bullying and the most needless increases in tension with strategic partners – is a good example. The U.S. has spent at least the last four years attacking its allies for underspending at the White House level without ever addressing U.S. and other estimates of what Russia – the one threat to NATO with serious resources – is spending.
If one compares official U.S. estimates of Russian defense spending like those of the Defense Intelligence Agency (DIA) and estimates by key non-government research centers with the NATO reports on member country spending, *NATO Europe alone has long been spending far more on military forces than Russia*. Experts may argue over how valid such comparisons are, but this mostly highlights the need to focus on finding the right answers. It does not justify the lack of any meaningful public study of comparative spending on the part of the United States.

Part of the problem is that the U.S. and Europe have given Russian spending (and the Russian threat) surprisingly little official attention. DIA last reported publicly on “official” Russian spending in 2017 – and this estimate seems to allude that the DIA made little or no effort to correct for any spending that Russia conceals.

**Figure One** shows that the DIA put Russian military spending at $60.825 billion in 2016 and only $42.278 billion in 2017 – with spending driven down by dropping petroleum export revenues. DIA then estimated that Russia was already spending some 3-4% of its GDP on military forces, and that it probably could not come close to its future spending goals if oil prices remained low – as they did. It stated that,¹

The 2016 budget, which was initially to decrease defense spending, was amended late in the year to increase defense spending to $61 billion, a 4.5% defense burden on GDP… By contrast, in 2006 defense spending was $27 billion, and the defense burden was 2.4%...

Moscow’s ambitious rearmament program has driven the increase in defense spending. The Strategic Armament Program (SAP) called for spending 19.4 trillion rubles (equivalent to $285 billion) to rearm Ministry of Defense forces from 2011 through 2020. Each year the SAP is implemented through the State Defense Order (SDO), Moscow’s purchase of new weaponry, investment in weapons-related research and design, and expenditure on modernization and repair of existing weaponry… Funding for the 10 year program was heavily back-loaded such that just 31% was to be spent in the first 5 years (2011–2015) and nearly 70% was to be spent from 2016 to 2020… In order for Moscow to meet its original target for SAP spending and maintain its operational spending at current levels, defense spending from 2016 through 2020 will have to increase substantially over 2011–2015 levels.

Russian defense spending, however, is poised to decrease in 2017… The 2017 budget calls for 2.8 trillion rubles to be spent on national defense, equivalent to $42 billion… This constitutes a 30% real cut in defense spending from 2016 levels, and if it is not amended to increase funds mid-year, it would be the lowest budget for national defense since 2013… According to Russian press and Ministry of Finance announcements, from 2017 through 2019 Russian defense spending will be essentially frozen in nominal terms—and therefore declining in real terms...

Russian government revenues are highly dependent on oil prices, and Moscow’s decision to base its budget for 2017–2019 on low projected oil prices in 2017–2019 is largely responsible for the glum outlook for government revenue and low projected GDP growth rates… According to the Inter- national Monetary Fund and a number of prominent economists, Russia faces a growth ceiling; absent structural reforms, Russian GDP growth would probably reach only 1 to 2 percent per year, even were oil prices to increase significantly.
Figure One: DIA Estimate of Russia's Official Defense Spending
2006-2017
(billions of 2017 U.S. dollars)

Source: DIA, Russian Military Power, 2017, pp. 20,
**Figure Two** shows estimates from a RAND study in 2019, drawing heavily on exchange rates and GDP for 2000–2015 from World Bank World Development Indicators; GDP data for 2016–2019 from Cooper; and national defense spending from official executed Russian budgets, except for future projections. These data track broadly with the DIA estimates. They also, however, indicate the severe economic challenges Russia now faces, as well as the extent to which Russian spending is limited by the loss of income caused by the break-up of the former Soviet Union (FSU) and the lack of growth in the Russian economy.

If one looks at key European estimates of Russian defense spending, they do not agree. For example, the figures in the defense expenditure database of the Stockholm International Peace Research Institute (SIPRI) does add in an estimate of Russia’s unreported military expenditures and estimated that Russia actually spent $65.1 billion in 2019 – notably higher than the DIA’s estimate. The 2020 edition of the IISS Military Balance estimated total real Russian spending in 2019 as $48.206 billion – probably higher than the DIA’s projections made in 2017, but much lower than SIPRI – warning that a real net assessment would require a significant intelligence effort.

**Figure Three** shows NATO’s estimate of U.S., European, and Canadian total spending in 2015 prices and exchange rates – where the use of 2015 dollars makes the figures about 4% lower than they would be in the 2017 dollars used in **Figure One** – understate the NATO figures. If one only counts the numbers for NATO Europe, NATO reports that NATO Europe alone spent $243.7 billion in 2017, $253.6 billion in 2018, $267.5 billion in defense in 2019 and is estimated to spend $280.5 billion in 2020.

Even if one accepts the high estimate for Russian spending of $65 billion, NATO Europe alone is spending some four times as much as Russia – whose only tenuous equivalent of a strategic partner is Belarus – a country that SIPRI estimates spends well under $200 million a year on military forces. This means that even if one totally ignores what the U.S. and Canada spend on defenses, NATO Europe alone spends well over three times as much as Russia.

There are some individual experts whose estimates of Russian spending go as high as $150–$180 billion. Even if one accepts the highest total of $180 billion, however, NATO Europe alone is still spending some 1.6 times more than Russia. Given the added forces and capabilities provided by the role of the U.S. and Canada, this should be more than enough spending to allow NATO to decisively deter and defend against Russia if the money is wisely and effectively spent. If it is not spent wisely and effectively, it is unclear that any level of spending will be high enough to compensate.
Figure Two: RAND Estimate of Russia's Official Defense Spending Relative to Russian GDP: 2000-2019

Past and Projected Russian GDP and Spending on National Defense in Constant 2015 Rubles

![Graph showing past and projected Russian GDP and spending on national defense in constant 2015 rubles from 2000 to 2019.]


Russian GDP and Spending on National Defense in Inflation Adjusted Dollars

![Graph showing Russian GDP and spending on national defense in inflation adjusted dollars from 2000 to 2019.]

Figure Three: NATO Estimate of Total NATO Defense Spending

(Billions of 2015 U.S. Dollars and Exchange rates)

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<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>NATO Europe and Canada</th>
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<tr>
<td>2020</td>
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<td>313</td>
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</table>

*Note: Figures for 2019 and 2020 are estimates. The NATO Europe and Canada and NATO Total aggregates from 2017 onwards include Montenegro, which became an Ally on 27 March 2017.*

Exaggerating the U.S. Burden and Grossly Misstating the European Commitment to 2% of GDP

Instead of focusing on creating effective forces, however, the White House has focused on bullying and lies. It has repeatedly criticized European countries for not spending 2% of their GDP on military forces (with 20% of this on procurement), rather than seeking to make NATO an effective alliance. Unlike the U.S. military and some elements of the Department of Defense, it is hard to find any White House reference over the last four years that makes a serious effort to ensure that each country buys the right forces, right mission capabilities, and right levels of modernization, while using its defense spending effectively.

The White House has sometimes gone even further. It has claimed that any past and current failure to spend this 2% of GDP since NATO agreed to this goal in 2014 has somehow become part of a growing debt to NATO. This is a fundamentally dishonest approach to the actual NATO agreements to seek a 2% of GDP goal, since the 2% level was only to be reached in 2024, and no pledge was ever made to reach higher levels in the interim.

Moreover, as Figure Three shows, the U.S. has compounded this dishonesty in the U.S. interpretation of NATO reporting on defense spending by tacitly taking credit for spending the entire U.S. defense budget on NATO in spite of the fact it has many other global commitments and has been fighting two wars outside the NATO region. The lower table in Figure Three shows that the U.S. is estimated to spend $716,886 million in 2015 U.S. dollars on defense in FY2020. This is 69.6% of the NATO total of $1,029,880.

As the graph above it implies, these numbers have sometimes led the U.S. to claim it is spending some 70% of the NATO total – and far more than the European total of $290,617 million – which is only 28% of the total for 2019 in Figure Three.

An August 2020 report by the U.S. European Command (EUCOM) makes it clear, however, that the reality is very different – although EUCOM also states there is currently no official U.S. estimate of the real total cost of the U.S. contribution to NATO that includes forces based in the United States:5

DOD budget documentation does not break out total funding by combatant command. Forces and operations assigned to the commands are, in general, funded by the military services (either in their regular, or base, budgets or with funding designated for Overseas Contingency Operations, or OCO). Combatant command funding is, with some exceptions, largely limited to Operation and Maintenance (O&M) accounts for headquarters and mission support activities. In the case of EUCOM, the U.S. Army is the Combatant Command Support Agent (CCSA) and primarily responsible for funding its headquarters. For FY2021, the Army requested approximately $280.8 million in the O&M budget subactivity group (SAG) for U.S. European Command, including $160.8 million in base funding and $120.0 million in OCO funding.

...EDI was established in 2014 with funding designated for Overseas Contingency Operations (OCO). For FY2021, the Trump Administration requested $4.5 billion in OCO funding for European Deterrence Initiative (EDI), including the Ukraine Security Assistance Initiative (USAI). Appropriations associated with EDI are located in multiple titles and budget lines. Some observers contend that EDI should be made part of the “base” defense budget rather than part of OCO. Doing so, in their view, has two primary advantages. First, it would signal to allies that U.S. security commitments to Europe are enduring, and second, programs and capabilities that EDI supports are no longer “contingency” operations, but rather a part of DOD’s regular programming. Others counter that shifting EDI to the base budget would subject EDI to inter-service rivalries and priorities within the Pentagon, which may differ from those of EUCOM.


**Exaggerating U.S. Personnel Totals for NATO as well as U.S. Dollars**

Reporting on military personnel is a further indication of the extent to which the U.S. sometimes takes credit for contributions to NATO that it does not actually make. **Figure Four** shows that NATO reports that the total military personnel assigned to NATO in 2019 included 1,906,000 for European countries; 69,400 for Canada; and 1,339,000 for the U.S. – for a NATO total of 3,245,000. (This compares to an IISS estimate of only 900,000 for Russia.) If these figures could be taken seriously, the U.S. would have contributed 41%, Canada contributed 2%, and Europe 57%.

The end result is that **Figure Four** tacitly gives the U.S. credit for its entire force strength, rather than its far smaller portion actually devoted to NATO. And here, reporting by the U.S. military is far more honest and relevant than the reporting coming out at senior political levels. The U.S. European Command (EUCOM) reported in August 2020, that the U.S. had a peak total of 400,000 active military personnel in Europe at the height of the Cold War, but only 74,000 U.S. military personnel were now assigned to EUCOM.

EUCOM also announced that the U.S. was reactivating V Corps in Poland to provide a forward base to command U.S. forces in Europe, but that the U.S. was cutting its forces in Europe – cuts that did not reflect the full level of cuts in Germany later called for by President Trump.

During the Cold War, the European theater was a primary focus for U.S. defense and national security and EUCOM was focused almost exclusively on deterring, and if necessary defeating, the Soviet Union. At the height of the Cold War, there were more than 400,000 U.S. troops stationed in Europe.

The collapse of the Soviet Union led to a withdrawal of the bulk of forward-deployed U.S. troops in the European theater. Decisions to do so were arguably based on a number of strategic assumptions held by successive administrations after the end of the Cold War, including that Europe could be stable, whole, and free; Russia could be a constructive partner in the Euro-Atlantic security architecture; and particularly prior to September 11, 2001, threats posed by terrorism and migration from the Middle East/North Africa region were limited.

EUCOM subsequently focused its activities on non-warfighting missions, including building the security capacity and capability of former Soviet bloc states, prosecuting “crisis management” operations in the Balkans, andlogistically supporting other combatant commands (by providing, in particular, critical medical evacuation facilities at Landstuhl), including U.S. Central Command (CENTCOM) and U.S. Africa Command (AFRICOM).

Over the past 25 years, decisions regarding U.S. basing and posture in the European theater have largely reflected these assumptions. The bulk of U.S. forces in Europe have been withdrawn and many bases and outposts were either consolidated or closed. However, two Brigade Combat Teams (BCTs) were retained (in Italy and Germany) as were some naval bases, particularly those along NATO’s southern flank, and a number of Air Force bases that were deemed critical for supporting operations in the Middle East, Africa, and Europe.

…In 2014, EUCOM began transforming itself back into a warfighting command, while retaining its missions to support CENTCOM and AFRICOM, perform crisis management operations, and build partner states’ security capacity.

…The United States fields two primary types of forces in Europe: permanent and rotational. “Permanent” refers to those U.S. personnel who live in Europe and are assigned to U.S. European Command. The length of these assignments for most service members is between three and five years. Approximately 74,000 personnel are permanently assigned to EUCOM. These include 34,000 Army personnel, 27,000 Air Force personnel, 3,000 Marine personnel, and 10,000 Navy personnel (these figures subject to change; more below). An additional 20,000 permanent DOD civilians are also authorized for EUCOM and its supporting commands.
On February 11, 2020, DOD announced the reactivation of the V Corps headquarters in Fort Knox, KY, which will provide command and control for U.S., allied, and partner formations in Europe. Poland has been selected as the forward site for V Corps; approximately 200 V Corps personnel will rotate to that site, likely beginning in the latter half of 2020.

…On July 29, 2020, Secretary of Defense Mark Esper announced a series of significant changes to EUCOM’s posture. As part of these plans, approximately 11,900 military personnel and their dependents will be withdrawn from Germany. Of these personnel, slightly less than half (5,600) will be repositioned within other NATO countries; the remainder, including the 2nd Cavalry Regiment (a Stryker unit), will return to the continental United States.

According to DOD, many of the latter forces will subsequently return to Europe as part of the “heel-to-toe” force rotations. Some observers question the cost and efficacy of these moves, pointing out that they are estimated to cost several billion dollars. They also express concern about the extent to which U.S. deterrence in Europe vis-à-vis Russia could be undermined by such a shift in force posture. Congress may seek to restrict the proposed changes. The House-passed version of the FY2021 National Defense Authorization Act (H.R. 6395) would limit use of authorized funds to reduce the number of U.S. forces in Europe until DOD assesses potential cost and other impacts, and certifies that the shift will not significantly undermine the security of the United States or its allies in the region.

If the data in Figure Four are revised to only count a total of 74,000 personnel for the U.S., the NATO total changes to 1,980,000 and the U.S. percentage is only 3.7%. This then compares with 3.5% for Canada. Europe, at 1,836,600, becomes 93% of the total. These figures, however, as unfair to the U.S. as the previous figures were to Europe, do not count any U.S. power projection capabilities in the U.S. and the rest of the world.9

To put the actual U.S. manning levels for NATO in perspective, the previous EUCOM report states that the real level of U.S. power projection capability in both scenarios is dependent and changing. These U.S. contingency plans are classified, but it seems reasonable to assume that it would normally take at least 30 days to deploy a full additional division slice from the U.S. to combat ready positions in Europe, and it would take 7 to 10 days to deploy a full brigade slice even under emergency conditions. Barring a crisis that gives the U.S. ample time to make far larger deployments, the maximum quick reaction of the U.S. deployment capability in Europe seems likely to be only 150,000 personnel. This is more than twice the figure EUCOM reports for the U.S. forces now in Europe, but it is still far short of the European personnel figure of 1,836,600. It is also worth noting that the European total is more than twice the total of 900,000 reported for Russia.
### Figure Four: NATO Estimate of Total NATO Military Personnel

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*Notes: Figures for 2019 and 2020 are estimates. The NATO Europe and Canada and NATO Total aggregates from 2017 onwards include Montenegro, which became an Ally on 5 June 2017, and from 2020 onwards include North Macedonia, which became an Ally on 27 March 2020.*

Meeting (or Not Meeting) the Goal of Spending 20% on Equipment Has Failed and Serves No Clear Purpose

Figure Five provides another indication of just how silly the NATO burden sharing exercises really are and helps to show how pointless the 20% of all defense spending for equipment has proved to be. The equipment spending shown in the second half of Figure Five shows all too clearly that there are no consistent patterns in NATO member country spending on equipment expenditures in spite of the 20% goal.

Some of the increased NATO member country defense spending activity shown in Figure Five must have improved the forces of the nations involved. However, there is no way to link such data on which aspects of spending actually went to improving key mission capabilities, key areas of modernization, and creating more interoperable forces and higher levels of collective deterrence.

Moreover, no other open source data on NATO defense spending provide a clear way to assess the problems most NATO countries face in adapting to new forms of force structure of all-domain warfare and in making suitable advances in battle management; C4I; and intelligence, surveillance, and reconnaissance (IS&R).

There are no unclassified sources that clearly identify the lack of capability and interoperability in each nation’s forces or in the sharp differences in national tactics, logistic and support structure, and training. The same is true of readiness and sustainability, of investment in modern munitions and total levels of munitions, and of supplies that can sustain prolonged combat.

Various sources of unclassified data on national force structures, readiness, and major weapons holdings do, however, provide broad warnings as to how many member countries are short of key weapons and how they continue to invest in outdated systems and poorly structured force elements that have key gaps in basic military capabilities like air defense.

A quick look through recent editions of the IISS Military Balance and the IHS Janes country reports on given national forces makes it all too clear that many countries have actually cut force levels while increasing spending – spending that many have used for national priorities rather than collective defense and deterrence.

The unclassified data on NATO country major weapons holdings also provide clear warnings about how many countries are short of key weapons and are investing in outdated systems and poorly structured force elements. A quick look through editions of the IISS Military Balance and the IHS Janes country reports on given national forces from 2014 to 2020 also makes it clear that some countries have actually cut key force and/or readiness levels since 2014 while increasing spending. Most have spent on national priorities rather than collective defense and deterrence, and there is little cohesive focus on improving forward defense and deterrence in much of NATO’s central region and southern flank.

It is equally clear from such unclassified reports that far too many member countries are lagging in acquiring and/or modernizing key weaponry, C4ISR systems, and other equipment. The same is true of funding AI efforts, drones and robotics, the software needed for all-domain warfare, expanding interoperability, and actually implementing full cooperation in deterrence and defense.

Spending adequate resources is a real issue, but one where the failure to actually implement a common strategy, to focus on key missions, and to move towards interoperable forms of all-domain operations makes knowing how to make effective spending difficult to impossible. Put
simply, what NATO nations buy is a more critical issue than what they spend. In far too many cases, spending more means a further nation-by-nation commitment to spending on ineffective portions of their forces – ones that do not meet NATO priorities and ones more suited to past needs than those of the future.

**Looking at the Impact of Different Spending Levels on NATO Deterrence and Defense in the Northern Flank, Central Region, and Southern Flank**

A detailed examination of IISS and IHS Janes reporting on individual member countries also makes it clear that there has been little cohesive focus on improving forward defense and deterrence in much of NATO’s northern flank, central region, and southern flank.

Even a brief review of these unclassified country-by-country force data will show that countries in the northern flank face serious challenges. Norway has made good use of its limited resources and allied power projection capabilities, but its relatively isolated location means it would depend on the posture of Sweden and Finland, both of which have quietly increased their levels of cooperation with NATO and the United States. However, states like Estonia, Latvia, and Lithuania are facing major challenges relative to Russian capabilities near their border areas. Estonia, Latvia, and Lithuania have only token armored forces and no real combat aircraft or land-based air defenses.

There is a similar lack of consistency in NATO’s central region. Poland has concerted large portions of its forces to Western weapons, but it still depends heavily on aging Russian armor and combat aircraft.

The three largest and most advanced central region European powers – France, Germany, and the United Kingdom – have forward defense against Russia that is particularly unclear. Britain’s plans now seem to be better funded, but they are affected by the uncertainties of Brexit and a vague emphasis on an expanded “global” role that does not yet seem to be effectively defined.

In recent years, Britain has cut and only carried out limited modernization of its heavy land forces. France has advanced good concepts like the European Intervention Initiative, but it faces serious maintenance and modernization challenges. Germany has steadily cut force levels and readiness to critical levels. Germany does have interesting plans but also a terrible history of actual performance.

Other central regional challenges include a Belgium that has cut back its forces to minimal levels, and Czech forces whose modernization and readiness seem to be critically low. Danish land forces are down to minimal levels, and Denmark lacks effective land-based air defenses. The Netherlands has increasingly committed to composite forces with Germany, Denmark, and Belgium, but it has also made major force cuts and no longer has main battle tanks.

The Southern flank states closest to Russia face serious problems in creating forces that are truly interoperable with NATO forces, and they are moving away from dependence on Russian equipment that Russia will have an exceptional technical base to counter. Hungary has very limited armor and only 14 combat capable aircraft. Romanian readiness is limited, and it can only afford a slow conversion to Western combat aircraft and modern land weapons. Slovakia seems to have good modernization plans, but it remains dependent on aging Russian systems. Slovenia remains a token military power. Serbia has experienced force cuts and faces serious modernization
challenges – and its uncertain role in cooperating with both NATO and Russia presents obvious problems.

Bulgaria, Greece, Hungary, Poland, Romania, and Slovakia remain highly dependent on Russian designs of land-based air defense equipment. Croatia, Romania, and Serbia remain dependent on older Russian combat aircraft. In several cases, they have bought older U.S. combat aircraft as replacements that require major modernization efforts to remain competitive even in the near term. Macedonia has token levels of land and air forces.

Italy has ambitious force modernization plans, and it is shifting to a narrower focus on the southern flank but faces serious resource issues and – like most NATO European states – has no clear plans for full-scale, land-based air and missile defense modernization. Spain has relatively effective forces, but it is focusing on out of area operations as much as it is on NATO.

Portugal has an effective force structure for a nation its size, and it has emphasized cooperation with other NATO and EU states, but it has to project its forces to be effective while it does face serious problems in interoperability. Greece has a large force structure for a country with its size and resources, but it faces major funding problems in dealing with a long history of underspending. Turkey has purchased the Russian S-400, and its future role in NATO is steadily less clear.
Figure Five: Comparative National Performance in Meeting NATO Goals
(Billions of 2015 U.S. Dollars and Exchange rates)

Defence expenditure as a share of GDP (%)

- United States: 3.87
- Germany: 1.63
- North Macedonia: 1.33
- Luxembourg: 0.64

Equipment expenditure as a share of defence expenditure (%)

- Luxembourg: 37.5
- United States: 29.2
- Greece: 28.9
- Netherlands: 25.2

Spending on the Past Rather Than on the Future

The gross overall differences in the ways that member countries allocate expenditures that are shown in Figure Six make it even more clear that there is no consistency to member country spending that will improve either member country or NATO-wide military performance.

NATO needs a coherent way to invest efficiently in the future. It needs to spend on equipment in ways that allow NATO countries to adapt to new forms of force structure of all-domain warfare, and that make suitable advances in battle management, C4I, and intelligence, surveillance, and reconnaissance.

The same is true of relative capability to use space systems, conduct cyber warfare, and conduct information warfare. It is obvious, however, that countries like the U.S., Britain, and France are far more advanced in these areas than most NATO countries, and that most countries are still investing in outdated systems in many areas or on ones that have a very limited future.

Russian Coherence in Investment versus NATO Incoherence

The current lack of any consistency in the way NATO countries now spend is even more striking if the NATO data in the top half of Figure Six are compared with the data on Russia military spending in the second half of Figure Six. Russia may spend far less than NATO Europe, and NATO as a whole, but – as a single country controlling all of its resources – Russia can make coherent choices as to how it spends and as to how it modernizes.

The RAND study, from which these estimates are taken, notes that,\(^\text{10}\)

Much of the increase in Russian defense expenditure since 2000 has gone toward acquisition of new materiel. Russia’s military acquisition is specified under Russia’s long-term procurement plans known as State Armaments Programs (SAP)…with yearly procurement carried out under the State Defense Order (SDO)…

…The most recent SAP was instituted in 2011 and was planned to run until 2020. Russia allocated around 20 trillion rubles (about $348 billion at September 2017 exchange rates), significantly above prior levels of spending, and senior Russian leaders, including President Putin, played central roles in its implementation.

While the RAND study warns that there are serious problems in estimating how well Russian executes such plans, it can at least create force plans with clear priorities. The RAND study notes that the 2011 plan call for 15% of spending to be spent on ground forces, 25% on the navy, 24% on the air force, 5% on strategic missile forces, 17% on aerospace defense forces, and 14% on multiservice C4ISR.\(^\text{11}\)

Russia’s state-controlled economy gives it other advantages that further highlight the need for net assessments that examine the relative effectiveness of defense and military spending, rather than the total quantity. Russia can also take advantage of dictating its levels of conscription and has more flexibility in controlling wages and other costs. The IISS Military Balance for 2020 notes that Russia still has a broadly consistent 12-month conscription period. The resulting quantity may come at the expense of the quality of all volunteer forces – but this is another aspect of net assessment that also needs examination.

All Too Often, Spending More Does Not Make Things Better

In far too many cases, it is clear that member countries are lagging in key aspects of the key weaponry needed for all-domain warfare, for expanding interoperability, and for actually implementing full cooperation in deterrence and defense. It is clear that resources are a real issue,
but one where the lack of a common strategy, focus on key missions, and moving towards interoperable forms of all domain operations makes effective spending difficult to impossible.
Figure Six: The Gross Inconsistencies in How Member Countries Spend Their Defense Budgets vs. Russia

Main Categories of NATO Country Expenditure: by Percent of Total Defense Expenditure in 2020e


Russian Procurement Expenditures Compared to Other Military Expenditures in 2015 Constant Rubles

Refocusing on Military Effectiveness and Force Planning

There are many ways that the U.S. can correct these problems and give priority to spending on the right forces and mission capabilities – rather than meeting arbitrary spending goals. In spite of the White House and Ministerial focus on burden sharing, NATO has already taken important steps to focus on the right military priorities, and it has done so in cooperation with the EU.

A U.S. focus on supporting such collective efforts to create real collective military capabilities is a key first step in replacing burden sharing bullying with serious collective efforts at force planning and creating an effective alliance at an affordable cost.

Building on Existing NATO Efforts: The New NATO Strategic Concept

Such a U.S. focus could begin by giving full U.S. priority to actually implementing NATO’s latest efforts to revise and update its strategy with the new strategic concepts that all member countries agreed to in November 2020. While much of this document consists of broad strategic rhetoric with no clear priorities for tangible action, it does provide clear agreed priorities in many areas. These areas include efforts to:12

- Maintain an appropriate mix of nuclear and conventional forces;
- Maintain the ability to sustain concurrent major joint operations and several smaller operations for collective defence and crisis response, including at strategic distance;
- Develop and maintain robust, mobile and deployable conventional forces to carry out both our Article 5 responsibilities and the Alliance’s expeditionary operations, including with the NATO Response Force;
- Carry out the necessary training, exercises, contingency planning and information exchange for assuring our defence against the full range of conventional and emerging security challenges, and provide appropriate visible assurance and reinforcement for all Allies;
- Ensure the broadest possible participation of Allies in collective defence planning on nuclear roles, in peacetime basing of nuclear forces, and in command, control and consultation arrangements;
- Develop the capability to defend our populations and territories against ballistic missile attack as a core element of our collective defence, which contributes to the indivisible security of the Alliance. We will actively seek cooperation on missile defence with Russia and other Euro-Atlantic partners;
- Further develop NATO’s capacity to defend against the threat of chemical, biological, radiological and nuclear weapons of mass destruction;
- Develop further our ability to prevent, detect, defend against and recover from cyber-attacks, including by using the NATO planning process to enhance and coordinate national cyber-defence capabilities, bringing all NATO bodies under centralized cyber protection, and better integrating NATO cyber awareness, warning and response with member nations;
- Enhance the capacity to detect and defend against international terrorism, including through enhanced analysis of the threat, more consultations with our partners, and the development of appropriate military capabilities, including to help train local forces to fight terrorism themselves;
- Develop the capacity to contribute to energy security, including protection of critical energy infrastructure and transit areas and lines, cooperation with partners, and consultations among Allies on the basis of strategic assessments and contingency planning;
- Ensure that the Alliance is at the front edge in assessing the security impact of emerging technologies, and that military planning takes the potential threats into account;
- Sustain the necessary levels of defence spending, so that our armed forces are sufficiently resourced;
• Continue to review NATO’s overall posture in deterring and defending against the full range of threats to the Alliance, taking into account changes to the evolving international security environment.

The new strategy document also provides a far better set of priorities for allocating resources than setting arbitrary burden sharing goals. It stresses that:

NATO is a security Alliance that fields military forces able to operate together in any environment; that can control operations anywhere through its integrated military command structure; and that has at its disposal core capabilities that few Allies could afford individually.

NATO must have sufficient resources – financial, military and human – to carry out its missions, which are essential to the security of Alliance populations and territory. Those resources must, however, be used in the most efficient and effective way possible. NATO will:

• Maximize the deployability of our forces, and their capacity to sustain operations in the field, including by undertaking focused efforts to meet NATO’s usability targets;
• Ensure the maximum coherence in defence planning, to reduce unnecessary duplication, and to focus our capability development on modern requirements;
• Develop and operate capabilities jointly, for reasons of cost-effectiveness and as a manifestation of solidarity;
• Preserve and strengthen the common capabilities, standards, structures and funding that bind us together;
• Engage in a process of continual reform, to streamline structures, improve working methods and maximize efficiency.

The new strategy document emphasizes cooperation in crisis management at both the military and civil-military level. It addressed the need for multinational cooperation in extended nuclear deterrence; in arms control, disarmament, and non-proliferation; in expanding NATO and creating partnerships outside NATO; in working with the EU and UN; and in seeking ways to cooperate with Russia where this proves possible.

Meeting All Key Needs with Actual Implementation Is the Real-World Test of Success

At the same time, strategic rhetoric describing broad future goals is far easier to write than to implement. A real strategy must be based on net assessment of each side; on the current forces of each member country; and on the practical plans, programs, and budgets to achieve those goals. Both NATO and national strategy documents have failed again and again over the years to go from intentions to actual capabilities.

This has been especially true since 2014, when the Russian invasion of Ukraine forced NATO to again focus on a single major threat. In most cases, member country defense white papers, force plans, and actual budgets have also focused on national, rather than NATO, priorities. They have done so although no NATO European state can create an effective deterrent and defense capability separately from another or allocate its resources efficiently in isolation from its neighbors.

The new strategy’s emphasis on “deployability” does not stress the need to provide effective deterrence and multinational build-up capability and interoperability in the forward areas near Russia. It does not stress the need to create regional deterrent and defense capabilities and to tie the efforts to states in the rear areas to forward defense – although NATO has previously focused on making progress in improving the speed with which the U.S. and European nations in the rear can deploy forward deployment, and it has succeeded in deploying at least token levels of forces from the U.S. and European states in the rear to locations closer to Russia.
It does not address gray area threats and operations or the need to tie military strategy to economic strategy.

Moreover, while the new NATO strategy does focus on several key priorities, it has critical omissions, and some aspects of its wording are badly dated. While other NATO efforts have done so, the new NATO strategy fails to highlight the major advances taking place in many areas of tactics and technology and to expand on the nation-by-nation efforts to address them on a NATO-wide basis. It fails to address the creation of interoperable force structures that reflect the emphasis the U.S. and its most advanced European partners are now placing on joint/all-domain warfare.

**Building on Existing NATO Efforts: Multinational Security Cooperation**

NATO has, however, addressed a number of key issues at the professional, military, and force planning level in spite of these problems. It has set specific priorities for spending on multinational security cooperation that make far more sense than calling for percentages of GDP and spending on procurement. Once again, these efforts are not tied to anything approaching cohesive force plans, programs, and budgets.

NATO has created a list of multinational security cooperation “projects to identify, initiate and advance opportunities for multinational capability cooperation in key areas that include air-to-air refueling, ammunition, maritime unmanned systems, command and control, and training,” and efforts to “drive down costs through economies of scale while improving operational values through increased commonality of equipment, training, doctrine and procedures.”

As of late 2020, NATO had 13 ongoing multinational cooperation projects to “address key capability areas: command and control, training structures, ammunitions and high-end acquisition to are intended to deliver improved operational effectiveness, economies of scale, and connectivity among NATO Allies and partners.” NATO describes these projects as follows, and most reflect similar priorities in modernizing U.S. forces and mission capabilities.

These included:¹³

- **Command and control:** Command and control (C2) consists of the leadership and direction given to a military organization in the accomplishment of its mission. C2 is key in carrying out any NATO operation successfully and makes the operation work smoothly and efficiently. The projects below present examples of how C2 can be handled at multinational level.

  - **Composite Special Operations Component Command (C-SOCC):** Special Operations Forces today increasingly operate in a multinational context. This is why having a multinational headquarters for their management is key. NATO Allies Belgium, Denmark and the Netherlands agreed to create a tri-national command – C-SOCC – which, once fully operational at the end of 2020, will participate in the NATO Response Force and could also be responsible for supporting multinational missions as well as NATO operations.

  - **Regional Special Operations Component Command (R-SOCC):** Four Allies – Croatia, Hungary, Slovakia and Slovenia – have agreed to put together, under Hungarian leadership, a regional deployable headquarters to manage Special Operations. Regional NATO Special Operations Forces across the Alliance will provide clear benefits in terms of speed and resilience to respond to arising crises.

- **Training structures:** All Allied forces – whether on land, in the air or at sea – need good training to confront a variety of security challenges and to perform their duties. Multinational training enables forces of different Allies to train together, improve coordination and cooperation and increase their readiness.
• **Multinational Special Aviation Program (MSAP):** Special Operations Forces are a highly valuable and versatile tool for effectively responding to evolving security threats. In order to further strengthen NATO in this domain, four Allies – Bulgaria, Croatia, Hungary and Slovenia – have decided to create a Multinational Special Aviation Program (MSAP) dedicated exclusively to training air crews who will conduct the insertion and extraction of Special Operations Forces: This training facility stationed in Zadar, Croatia will be established in a gradual manner, expanding the training opportunities offered over time. The new aviation training center officially opened its doors on 11 December 2019, contributing to NATO’s adaptability and readiness.

• **NATO Flight Training Europe (NFTE):** Delivering state-of-the-art pilot training is an increasingly costly and challenging endeavor. For many European Allies, the national pilot requirements needed each year are too small to justify the establishment or maintenance of national flight centers. To overcome this challenge NFTE initiative aims to create a network of multinational training facilities for fighter jet, helicopter, fixed wing, and drone pilots across Europe, leveraging to the maximum extent possible already existing structures. The establishment of the NFTE will significantly decrease the current reliance on US training facilities by making European Allies capable of training their own flight crews in a multinational context. As such, the NFTE serves as an excellent example of transatlantic burden-sharing. The NFTE was launched by 11 Allies – Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Montenegro, North Macedonia, Portugal, Spain, Romania and Turkey – in the margins of the June 2020 Defence Ministerial Meeting.

**High-end acquisition:** Equipment used in NATO operations and missions differs in size and cost. While some is small and affordable, there are capabilities that may be too big or too expensive for one nation to take on. Nations are cooperating on several high-end projects they could not afford individually.

• **Multi Role Tanker Transport Capability (MRTT-C):** The MRTT is a multi-function aircraft that can serve to transport cargo, troops and as an aerial refuel tanker. Air-to-air refueling tankers are especially critical for the projection of air power. As they are a pooled asset, interoperability is essential. The MRTT-C project enables the six participating Allies – Belgium, the Czech Republic, Germany, Luxembourg, the Netherlands and Norway – to collectively acquire Airbus A330 Multi Role Tanker Transport aircraft and establish a multinational owned and operated fleet of MRTTs. The first aircraft was delivered in June 2020 and the last delivery is scheduled in 2024. For this initiative, NATO and the European Union (EU) joined forces, as both organizations identified shortfalls in air-to-air refueling and the participating Allies, with the exception of Norway, are also members of the EU. As such, it is an example of the close cooperation between NATO and the EU.

• **Maritime Multi Mission Aircraft (M3A):** When it comes to maritime defence and security, it is vital for NATO to provide continuous situational awareness and anti-submarine warfare capabilities. As a shared starting point for future implementation activities, eight NATO Allies – Canada, France, Germany, Greece, Italy, Poland, Spain and Turkey – created under the Maritime Multi Mission Aircraft project (M3A) a common set of requirements. France and Germany took a first step forward by starting to develop a Maritime Airborne Warfare System (MAWS), which will serve as a maritime situational awareness tool.

• **Maritime Unmanned Systems (MUS):** An increasingly important capability to secure NATO’s ability to actively respond to threats in the maritime area is unmanned systems. To facilitate multinational cooperation in this area, 14 NATO Allies – Belgium, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Poland, Portugal, Spain, Turkey, the United Kingdom and the United States – have joined forces via the MUS initiative to develop tailor-made solutions including, but not limited to, systems for detecting and clearing mines, and tracking submarines.

• **Next Generation Rotorcraft (NGRC):** Helicopters – or, broader, vertical lift capabilities – are an integral enabler for the operations of Allied forces. Yet a large percentage of helicopters in service are based on models introduced as far back as the 1960s. To ensure NATO’s technological edge, five Allies – France, Germany, Greece, Italy and the United Kingdom – signed a Letter of Intent in October 2020 to develop and acquire the next generation of medium multi-role helicopters, ready for an in-service date in the 2035-2040 timeframe. Through NGRC Allies will benefit of advances not only in airframe or propulsion technology, but also the digital infrastructure of the capability in order to make sure the capability will be ready to serve Allied forces for the next decades.
• **Modular Solution for Ground Based Air Defence Capabilities (Modular GBAD):** NATO has been working for years to strengthen its air and missile defence capabilities in order to protect its populations, territory and forces against increasingly sophisticated air threats. The Modular GBAD effort initiated in October 2020 by 10 Allies – Belgium, Denmark, Germany, Hungary, Italy, Latvia, the Netherlands, Slovenia, Spain and the United Kingdom – aims to jointly develop and acquire a flexible and scalable GBAD system to counter very short, short and medium-range air threats. The system will be designed around a common Command and Control backbone. Due to its modular nature participants will be able to design tailored GBAD force packages for individual operations.

• **Rapidly Deployable Mobile Counter Rockets, Artillery and Mortar (C-RAM):** Effective protection of Allied forces and forward deployed bases against rockets, artillery and mortar threats is a key requirement to ensure NATO’s readiness. The C-RAM initiative launched in October 2020 by four Allies – Germany, Greece, Hungary and the United Kingdom – aims to develop and procure a rapidly deployable capability to detect and destroy incoming rockets, artillery and mortar rounds in the air, before they hit the ground. A particular focus may be on exploring highly innovative solutions to reduce operational cost while increasing resilience of the systems against high-volume attacks.

• **Air-to-Ground Precision Guided Munition (A2G-PGM):** The supply of sufficient inventories of air precision munitions is necessary for enabling NATO operations. This project is a multinational framework for acquiring air-to-ground munitions and aims to increase the flexibility in stockpile management by reducing legal and technical obstacles for sharing and exchanging munitions among the 13 participating Allies – Belgium, the Czech Republic, Denmark, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Slovakia, Spain, the United Kingdom – and partner country Finland. This will enable the Alliance to bridge the interoperability gap in this area, which NATO first encountered during its operation in Libya, as well as support the European Allies in reducing dependence on the United States when it comes to air missions. This framework has so far already delivered significant cost and time savings to its participants through several rounds of multinational acquisition.

• **Land Battle Decisive Munitions (LBDM):** Modelled after its parent project above, the LBDM project creates a multinational framework for acquiring munitions for land domain. It currently gathers 20 Allies and three partner countries – Belgium, Croatia, the Czech Republic, Denmark, Estonia, France, Germany, Italy, Latvia, Lithuania, Montenegro, the Netherlands, North Macedonia, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, the United Kingdom, as well as Austria, Finland and Sweden – making it the largest of the High Visibility Projects. It will increase the Alliance’s ability to share munitions and work more smoothly in the field. Over time, this initiative will help troops increase their interoperability and effectiveness, harmonize munitions inventories and enable participants to operate seamlessly and effectively together.

• **Maritime Battle Decisive Munitions (MBDM):** NATO Allies Belgium, France, Italy, the Netherlands, Poland, Portugal, Spain, and partner country Finland agreed to combine munitions purchases in the maritime domain, including surface-to-air and surface-to-surface missiles, torpedoes and gun shells. The potential establishment of common warehousing solutions could lower costs even further. This effort presents an important first step towards creating European stockpiles of high-quality maritime munitions that meet the Alliance’s evolving needs.

Once again, such efforts illustrate the kind of spending efforts NATO really needs without being integrated into any kind of NATO force plan or national force plan. Multinational cooperation in given areas does not mean NATO has established NATO-wide spending priorities, developed effective plans for action at the member country level, or pursued any coherent links between action in given areas and in enhancing the overall structure of forward deterrence and defense.

No mention is made of the many tools and technologies necessary to implement all-domain warfare on multinational, joint, or service-by-service level. Key shifts in weapons like hypersonic missiles and major extensions of the conventional precision-strike range of land-naval-air forces are not mentioned. Along with the use of AI, robotics, and advanced “smart” drones. No mention is made of systems and cooperation to deal with extremist threats or the aid in NATO out-of-area operations.
Like NATO’s strategy document, no mention is made of any net assessment effort to help link NATO rarities to advances and changes in the Russian threat. No mention is made of the need to develop cohesive and well prioritized force plans or the need to have wealthier states in the rear support forward states with more limited resources.

There will always be limits to such cooperation, and nations will always focus to some extent on their own priorities and domestic political and economic needs. However, setting effective NATO priorities will always mean giving priority to investing in collective deterrent and defense capability, and a failure to focus on this priority – like spending fixed percentages of GDP on defense – can lead to no resources or a waste of what is actually spent.

Fortunately, extensive additional cooperation in analyzing and planning does take place at the NATO international staff, Military Committee and staff, Supreme Headquarters Allied Powers Europe (SHAPE), NATO major command, and nation-to-nation level. However, it is all too clear from the kind of review of even unclassified IISS and IHS Janes data on member country forces that this has not led to effective force planning, interoperability, and cooperation.

**Looking at the National Efforts of NATO Countries: The U.S. and the European Deterrence Initiative (EDI) as a Case Study**

Like the lack of open source net assessments of NATO and Russia, there is a surprising lack of comparative analysis of individual member country defense white papers, strategy documents, and military budgets; their implications for defense spending; whether their goals really meet NATO needs; and whether any of the goals they set are ever properly funded and implemented.

Worse, much of the analysis and reporting that does exist on national defense plans and strategies focuses on nation-by-nation statements of national intentions without any analysis on the potential impact on NATO-wide levels of deterrence and defense, and with only limited regard to how often previous plans have only been implemented at limited levels. Moreover, most such documents state future goals with little or no assessment of current weaknesses and shortfalls, and with no comparisons of the most advanced trends in /Russian and other modern military forces.

For all its criticism from its allies, the United States is a case in point in spite of its high levels of defense spending. Most open-source U.S. reporting focuses on military service-wide efforts on a global level, and not on U.S. strategies, forces, and power projection capabilities by major regional command. As noted earlier, EUCOM reports that the U.S. does not have an unclassified estimate of what it spends on NATO and the Defense of Europe, and this seems to be true of every major U.S. regional command.

At the same time, such national efforts can be far more productive than simply calling for higher levels of spending without setting any clear and NATO-driven goals. It is clear from EUCOM reporting that EUCOM has worked closely with NATO and with member country militaries in spite of the White House’s emphasis on burden sharing and efforts to cut U.S. deployments overseas. It is also clear from press reporting that ex-Secretary of Defense Esper and the U.S. Joint Staff were focusing on developing new regional as well as military service strategies before Esper’s dismissal.

For example, the U.S. European Deterrence Initiative (EDI) lists a wide range of positive U.S. actions in support of NATO. It is a clear demonstration that the U.S. is paying to make progress in meeting some important short term goals, in spite of the fact that the White House was pressuring its allies to spend fixed percentages of GDP without providing broad overall goals for what they
should spend the money upon, for what the spending will be in the future, or for any assessment of how effective its improved power projection capabilities would be in enhancing the overall level of deterrence and defense in NATO’s forward area once deployed.

The exact state of current European Deterrence Initiative is uncertain, given the range of issues impinging on the U.S. budget. However, a Congressional Research Service summary of the EDI program through FY2021 shows that the EUCOM and the Department of Defense did focus on some of NATO’s key needs at the same time the White House was focusing on burden sharing bullying.14

EDI began as the European Reassurance Initiative (ERI) in June 2014. The Obama Administration launched it primarily as an effort to reassure U.S. allies in Europe of a continued U.S. commitment to their security in the wake of Russia’s 2014 invasion and occupation of Ukraine’s Crimea region and instigation of conflict in eastern Ukraine. As tensions with Russia mounted, the focus of the program broadened from reassuring allies to deterring Russian aggression. DOD began referring to the program as EDI in 2018.

Today, EDI is a key funding source for U.S. European Command’s (EUCOM) posture adjustments in response to the evolving European security environment. EDI has enabled the first increase in U.S. military forces in Europe since the end of the Cold War. This includes the rotational deployment of an Armored Brigade Combat Team (BCT), mostly in Central and Eastern Europe. Two BCTs, one Stryker-equipped and one airborne infantry, are permanently stationed in Europe—in Germany and Italy, respectively.

A prominent objective of EDI has been to enable rapid military mobilization to Central and Eastern Europe in order to respond quickly to military aggression in the region. EDI began in FY2015 with $985 million in funding. Between FY2016 and FY2019, Congress authorized significant annual increases in EDI funding as requested. Funding for the effort peaked at $6.5 billion in FY2019 and was $5.91 billion in FY2020.

Since its inception, EDI has divided its funding into five categories. The following are descriptions and selected highlights based on the FY2021 EDI budget request.

**Enhanced Prepositioning** ($2.34 billion in FY2020, $1.94 billion in FY2021) is the largest funding category and supports the prepositioning of equipment and material to allow military forces to increase readiness and rapidly deploy if needed.

- The largest component of Enhanced Prepositioning is the Army Prepositioned Stocks ($452.8 million), which stores large sets of equipment to reduce the demand on strategic transportation assets in the event of a conflict. APS locations currently exist in Belgium, Germany, Poland, and the Netherlands. Increased Presence ($2.05 billion in FY2020, $1.45 billion requested in FY2021) provides EUCOM with a larger military presence that is capable of deterring and responding to regional adversaries.

- The largest component of this line of effort is for the Army Rotational Forces, which would receive almost 25% of the overall budget. The Army Rotational Forces create a constant U.S. military presence in Central and Eastern Europe through a nine-month rotational deployment of an Armored BCT.

**Improved Infrastructure** ($539.6 million in FY2020, $436.4 million requested in FY2021) is intended for the construction and improvement of infrastructure and facilities to support military readiness and operations. These improvements apply to U.S. airfields, bases, and training ranges in Europe. The FY2021 improvements focus on Germany and Romania, totaling $264 million.

**Building Partnership Capacity** ($424 million in FY2020, $384 million requested in FY2021) is designed to build and strengthen the capacity of European allies to defend themselves and respond to regional crises.

- The Ukraine Security Assistance Initiative falls under this category. EDI has included separate funding for Ukraine each year since the inception of the program. The FY2021 EDI budget requests $250 million in security assistance to Ukraine in the forms of “intelligence support, personnel training, equipment and logistics support, supplies, and other services.” Despite funding for EDI decreasing, funding to Ukraine has increased and remained at $250 million for the past two years.

**Exercises and Training** ($608.7 million in FY2020, $293.8 million requested in FY2021) supports U.S. involvement in exercises to increase cohesion between U.S. and NATO forces and serve as a deterrent to
aggressive regional actors. This focus area funded the “Defender-Europe 20” exercise, which intended to mobilize the largest deployment of U.S. troops to Europe in the past 25 years. The exercise began in early 2020 but was cut short due to the COVID-19 pandemic.

Other reporting by EUCOM indicates that the priorities for each military service included:

- **U.S. Army**: Continue presence of an Armored Brigade Combat Team (ABCT) with enablers, a Combat Aviation Brigade (CAB), and a Battalion to support NATO’s Enhanced Forward Presence (EFP).
- **U.S. Air Force**: Retain F-15C aircraft in Europe; Continue Intelligence, Surveillance and Reconnaissance (ISR) interoperability to enable intelligence sharing with NATO and European partners; Continue aviation rotational forces, Air Policing and Surveillance activities, Flying Training Exercises, and Airlift support; Fund improvements to airfield infrastructure and prepositioning in Europe.
- **U.S. Navy**: Upgrade Theater Anti-Submarine Warfare infrastructure.
- **U.S. Marine Corps**: Enhance scale and scope of rotational and deployed force element participation in exercise and training events in support of USEUCOM priority lines of effort; Intra-theater movement of prepositioned equipment and forces.

If one compares these billets with the large meaningless numbers in Figures Three, Four, and Five, it is clear that NATO would be far better off with annual assessment of what countries need and what they are actually buying rather than reports on the progress in meeting arbitrary spending goals.
Burden Sharing in Other Key Regions: MENA and Asia

The U.S. has taken a far less structured approach to burden sharing in other regions, but it is worth noting that its efforts to maximize partner spending and minimize U.S. commitments, forces, and costs have not been more productive. The U.S. has the same need to end its efforts in squeezing as much as possible out of its partners. I

Once again, the U.S. also needs to stop acting at the White House level as if it were a child whose strategy was the equivalent of grabbing his baseball and threatening to go home if the other children in the partnership did not play the game his way. A “spoiled brat” strategy is not the road to strategic success anywhere in the world.

Burden Sharing Bullying in the Gulf

Bad as the U.S. approach to burden sharing has sometimes been in Europe, the U.S. approach to the Persian/Arab Gulf has sometimes been just as bad or worse. The U.S. has not had a sound foundation for its strategic positions in the region since at least 2003. The U.S. fought two wars against extremism in Iraq. It has now done so without successfully helping to bring unity and effective governance, to build a stable set of security forces, and to successfully support economic reform.

Once again, the U.S. military and the Department of Defense have set sounder goals at the military-to-military level. At the White House level, however, the U.S. has made premature claims about defeating Islamic extremism and movements like ISIS, and it has focused on ISIS and Iran without showing that it has a clear strategy to deal with Syria, Hezbollah, or Yemen. Increasing the unity and interoperability of America’s strategic partners in the Gulf is a critical priority. The U.S., however, has emphasized burden sharing and arms sales over creating an effective set of partnerships instead of pushing for unity among its Arab partners.

The White House was far too slow to effectively push a reconciliation between Qatar with Bahrain, Saudi Arabia, and the UAE, although it eventually did play such a role. The Saudi-Emirati-Bahraini-Egyptian boycott of Qatar, which began on June 5, 2017, does seem to have ended on January 5, 2021, but the resulting agreements seem to do little to correct the sharp divisions between member country forces, their lack of interoperability, and their lack of key mission capabilities.

The Gulf Cooperation Council – which should bind Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE together in an effective alliance – has never developed an effective security structure, and many key aspects of Gulf security now depend on the U.S. efforts to integrate and support the Arab states at a time when the U.S. is not sending clear signals that it intends to keep adequate forces in the region.

Qatar stands alone and is dependent on the United States. Oman has distanced itself from Saudi Arabia and the UAE, and it has not participated in the war in Yemen. Saudi Arabia and the UAE have divided over some critical aspects of their once joint campaign in Yemen and counter-extremism. Kuwait – the strategic partner that arguably has the most vulnerable location in the Gulf – did try to end the boycott but remains partly isolated in terms of integrated command capabilities and real-world military support.

While U.S. CENTCOM has pushed for effective forces and strategic partnerships, the White House has pushed for money, for U.S. arms sales, and for more military spending by Arab Gulf
states. It has done so in spite of the fact that they have long spent an average of more than twice the 2% of GDP the U.S. asks of its NATO allies, and in spite of the fact that some of which have spent 8% to 10% of their GDP.

The U.S. has executed this burden-sharing bullying even though the latest unclassified DIA estimate of Iranian spending is $27.3 billion in 2018 and $20.9 billion in 2019. To put this spending in perspective, SIPRI estimates that a single strategic partner like Saudi Arabia spent over $61.9 billion in current dollars in 2018, and $61.9 billion in 2019. Qatar and the UAE do not report official defense spending figures. However, if one looks at their past spending rates and at SIPRI estimates for spending in current dollars in 2019, the six Arab strategic partners in the Southern Gulf – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE – probably spent over $110 billion in 2019 – some five times as much as Iran.\(^\text{16}\)

These Arab states are some of America’s wealthiest strategic partners, but they are also countries whose growing population means that their “oil wealth” is steadily more limited in per capita terms, that they face additional pressure from reduced demand due to Covid-19, that they need money for economic reform, and that their focus should be on effective deterrence and defense – not on increasing the total volume of security spending or U.S. profits from arms sales.

The U.S. cannot ignore their strategic importance in spite of U.S. increases in petroleum production. The U.S. still falls far short of true energy independence. These Arab Gulf partners are countries whose petroleum exports to Asia keep key economies like those of China, Japan, South Korea, and Taiwan running. The merchandise trade between these Asian states and the U.S. is now far more important to the U.S. economy as a percentage of total trade and to the U.S. GDP than direct Gulf oil imports to the U.S. ever were.

Moreover, Gulf oil provides some 21% of the world’s petroleum supplies, 30% of its seaborne crude exports, and 15% of its product exports. The steady flow of this oil at peacetime prices is critical to global economic growth and stability, and the U.S. strategic role in the Gulf gives the U.S. strategic influence on imports critical to China.

**Burden Sharing Bullying in Asia**

In the case of Asia, the U.S. has been attempting to articulate a new mix of military and civil strategies as well as new military force plans for its strategic partnership in Asia for over two decades. The Department of Defense, Joint Chief, and INDOPACOM – the main U.S. command for Asia – have made real progress at the expert level, have developed new strategic plans, and have developed a Pacific Deterrence Initiative matching the EDI described earlier.\(^\text{17}\)

The White House, however, has created a trade war in place of a major effort to create a Pacific trade partnership, and it has put pressure on South Korea and Japan to spend more and replace U.S. forces, rather than developing effective strategic partnerships of the kind advocated by INDOPACOM. It has focused more on confronting China than competing with it, and it has given far too little attention to the value of its strategic partners.

China is spending far more on military forces than Russia, and Asia is a case where the main threat does outspend America’s strategic partners in the region. However, this scarcely means that the U.S. should push them to spend more, rather than create effective collective security efforts. They already are making serious defense efforts.
SIPRI estimates that in 2019 Australia spent $25.9 billion on military forces, New Zealand spent $2.9 billion, Japan spent $46.7 billion, Singapore spent $11.2 billion, and South Korea spent $43.89 billion – for a total of $130.6 billion versus an official level of military spending of $261.1 billion for China. These are major contributions to collective security.\(^{18}\)

Moreover, the role of other potential strategic partners is worth noting. SIPRI estimates that India spent $71.1 billion in 2020, Indonesia spent $7.7 billion, Malaysia spent $3.8 billion, the Philippines spent $3.5 billion, Taiwan spent $10.4 billion, Thailand spent $7.3 billion, and Vietnam is not reported.\(^ {19}\) Moreover, their economies, trade, and technology base is worth far more in most cases in economic competition with China, and, ultimately, economic competition with China will matter as much as military competition.
Focusing on Real Defense Needs: Replacing Burden Sharing with Force Planning

There are no miraculous solutions that will lead NATO countries – or America’s strategic partners in the Middle East and Asia – to find quick solutions to correcting the problems in their current force structures, to agree on future force plans and strategies, and to allocate the resources required. The U.S. will need to rebuild trust and acceptance on the part of its strategic partners.

The United States will need to work with its partners to find the most cost-effective real-world solutions to correcting the current defects in the forces in each country and to modernizing in the ways that will do the most to deter and defend. It will need to create forms of dialogue and force planning that can produce the best real-world solutions. This will require major new efforts that are needed to assess current and future threats, to find practical programs to deal with them, and to agree on plans and budgets that lead to actual implementation.

At the same time, the moment one looks beyond the narrow limits of the White House’s recent burden sharing efforts and NATO’s Ministerial focus on 2% of GDP, the previous analysis of new NATO strategies and of the U.S. efforts at cooperation and programs – like the EDI – shows that there is much to build upon. The U.S. and NATO have moved forward at the institutional, military-to-military, and professional levels.

NATO and member countries also have practical tools that can replace the focus on burden sharing with effective force planning. NATO has used some of these tools in the past, and the U.S. is scarcely the only nation in its strategic partnerships that has creative leaders, senior officers, and defense analysts. To be specific, there are certain main key tools that the U.S. and its partners can use to go from burden sharing bullying to effective force planning.

Carrying Out Comprehensive Net Assessments

There is nothing new about tying NATO force planning to net assessments of NATO capability to comparative analysis of NATO and the threat. The NATO Military Committee and international staff started such efforts as parts of the NATO force planning effort in the mid 1960s. These efforts expanded to include detailed war gaming and planning efforts by the SHAPE technical center and by U.S., British, and German centers in the late 1960s as part of the Mutual and Balance Force Reduction (MBFR) studies that were the predecessors to the studies that led to the Conventional Forces in Europe Treaty (CFE).

Virtually every aspect of the net assessment process has improved since that time, including studies of the Russian defense planning and budgeting system as well as the ability to model the impact of the different force postures, plans, and budgets of individual NATO states in given contingencies and the ability of Russia to counter them. The same is true outside of NATO for examining partnership and potential threat capabilities in the MENA region and Asia. These not only include dynamic war gaming and scenario analysis, but static analysis of spending; modernization efforts; and planning, programming, and budgeting options.

These tools should be the key to setting force planning priorities based on actual country-by-country forces, capabilities, and real-world resources. They should take full account of both real-world capabilities and limits as well as the fact that larger states and higher levels of defense spending will often have to support smaller and poor states in dealing with serious threats –
although most can still deal with local terrorist and extremist threats while contributing force elements and other support to out of area missions.

The key, however, is to examine both capabilities and resources as well as the actual national capabilities. Generic net assessment models and “one-size fits all” approaches to individual countries cannot be an effective approach to NATO force planning and other strategic partnerships.

**Developing Real Strategies with Plans, Programs, Budgets, and Progress Reports**

A second key tool is to go beyond setting broad strategic priorities – many that approach hollow rhetoric until they are defined in detail – and creating specific recommendations and plans on both a NATO-wide and country-by-country level. NATO has maintained the key elements of such a force planning process since the early 1960s, and the current NATO Defender Planning Process (NDPP) has expanded these efforts to include longer-term planning, and a focus on fourteen different planning domains which NATO describes as: “air and missile defence; aviation planning; armaments; civil emergency planning; consultation, command and control; cyber defence; force planning; intelligence; logistics; medical; nuclear deterrence; resources; science and technology; and standardization and interoperability.”

In theory, it has five steps that should provide the kind of plans, programs, and budgets (PPB) that NATO needs:

- Step 1 - Establish political guidance;
- Step 2 - Determine requirements;
- Step 3 - Apportion requirements and set targets;
- Step 4 - Facilitate implementation;
- Step 5 - Review results.

In practice, the level of country-by-country review and detailed guidance for national plans, programs, and budgets can be limited; avoid embarrassing member states; fail to address the degree to which overall capabilities are properly funded; and avoid pressing countries to move toward full interoperability and resolve differences with their neighbors. In practice, this has been true through most of NATO’s existence.

A RAND study that James C. Wendt and Nanette Brown carried out in the mid 1980s, entitled *Improving the NATO Force Planning Process – Lessons from Past Efforts* addressed issues that the authors indicated had raised problems since the 1970s. In practice, however, they have been all too apparent in the late 1950s, in the NATO force planning exercise in the early 1960s, and in the planning for CFE. They seem to apply just as much to current NATO efforts:

In its current form, the NATO planning system does serve three useful functions: It facilitates the consideration of Alliance-wide defense needs, it encourages military exchanges across the Alliance, and it monitors the meeting of force planning requirements. However, because NATO is an alliance of sovereign nations, its ability to define force requirements is limited by national preferences and even more by its lack of leverage over national programs. In most cases, national planning takes precedence over NATO planning; indeed the latter is mostly a reflection of the former. Member nations insist on preserving their sovereign right to plan for their national security and have different interpretations of NATO strategy. In addition, organizational problems undermine the smooth moving of conventional defense initiatives through the NATO system. The result is often a broad statement of need without a proper sense of priorities, an inability to agree on long-term requirements, a lack of mechanisms for carrying out the force goals, a lack of coordination of different NATO planning efforts, and inadequate follow-through.
These are issues that the NATO International Staff has recognized, and where the current NATO process has been improved and is far better than the current Ministerial focus on burden sharing. However, real success does depend on shaping actual national spending, readiness, force structures, and overall nation-by-nation priorities for modernization and interoperability – and achieving this kind of planning is what the U.S. should have given priority over burden sharing.22

Any real-world alliance and strategic partnership must take account of some of these sensitivities, but many can be dealt with if all the countries involved face the same level of pressure for improvement, if the NATO military or joint military planning efforts are seen as the source of advice and criticism rather than the U.S., if the solutions are affordable in real-world terms, and if the end result provides added support for national security from other states.

**Creating Full-Scale Rolling Five-Year Plans and Progress Reviews**

One key to real progress is to focus on the details of the budget and the actual execution of key shifts in force posture and capability; to keep up the pressure through annual reviews; and to extend the details of country plans, programs, and budgets for at least five years into the future – rolling them forward every year. Setting vague goals, failing to report real spending and progress, and failing to tie present activity to credible future plans all end in producing little more than vaguely reassuring generalities rather than real-world action.

Good as intentions may be, consistent and well-planned implementation is 99% of reality. Detailed reviews of country plans and budgets, of regional levels of deterrence and defense, and of mission requirements need to be conducted at the military and civil-military level in order to create decision options. In the case of NATO, the Defense Planning Committee and Ministerial review needs to shift from statements of good intentions to a focus on real action and implementing force improvements.

**Focusing on Joint/All-Domain Future Requirements**

The same is true of the need to focus on the overall direction of national force improvements and modernization, and to look beyond specific mission areas. The growing emphasis on Joint/All-Domain strategy may not have chosen with the most romantic wording for the level of improvement that each partner country needs – and for assessing the strengths and weaknesses of what is can actually afford – but it highlights the need for integrated capability, modernization, and interoperability at every level.

It highlights the need for the most advanced forces in NATO – and in other strategic partnerships – to support smaller and less wealthy allies and to provide partnership-wide capabilities that only large countries and force structures can afford to develop, while allowing smaller states to focus on the most critical and affordable aspects of their military capability.

The focus on creating new “joint/all-domain” capabilities also, however, must be approached with caution. Some of the pioneering U.S. and European planning in these areas has failed to focus on the cost, on the limits imposed by the current state, on making real-world trade-offs, and on setting affordable priorities. Plans and programs must be linked to actual resources and to achieving progress on a force wide level – rather than imbalanced efforts to improve specific areas of capability. The need to think in all-domain terms is no excuse for another form of unaffordable and impractical wishlists.
Providing Transparency and a Forum for Independent Analysis

NATO – and the U.S. – also needs to open up the NATO net assessment and force planning to provide as much unclassified data as possible. Unclassified NATO national assessments of key threats like the DIA’s Russian Military Power – and future NATO assessments of the balance – are a key way of informing and persuading public opinion in democratic societies, and there is little point in classifying what potential threats already know.

The same is true of NATO strategies, force plans, ongoing modernization, and budgets. There are many areas of intelligence, technology, tactics, and plans that do need to be kept classified, but NATO needs to be as open as possible and pay close attention at every level to receive analyses and criticism from within every member country. Effective media efforts are equally important. NATO, the U.S., and other member countries now over-classify and under-inform, and this too needs to change.

The U.S. also needs to pay close attention to the need to work with each of its strategic partners, treat them as equals, and treat them with respect. Burden sharing bullying – and a focus on unilateral self-interest – has only been one factor in the massive drop in allied respect for the United States, shown in the results of recent polls of European and other states summarized in Figure Seven, but these are trends that the U.S. can scarcely afford to ignore.

Creating an Open Structure for Cooperation as well as Competition

Finally, NATO and other strategic partnerships need to pay closer attention to the emphasis that the new NATO strategic concept places on finding ways to cooperate with Russia and outside partners and arms control. Important as creating better levels of deterrence and defense are, there should always be clear options for reducing the level of competition and confrontation.

Quite aside from the costs and risks of any actual from of combat or larger-scale war, one of the most cost-effective ways to reduce the need for military spending is to reduce the level of the threat. As past arms control treaties, agreements like CFE, and various confidence building exercise have shown, no strategic partnership should fail to provide options to even the worst potential threat or to lock itself into the equivalent of an open-ended arms race.
Figure Seven – Part One: Gallup Poll on European Respect for U.S. Leadership in 2020

Do you approve or disapprove of the job performance of the leadership of the United States?

<table>
<thead>
<tr>
<th>EUROPE</th>
<th>APPROVE</th>
<th>DISAPPROVE</th>
<th>DON'T KNOW/REFUSED</th>
<th>CHANGE FROM 2018 AND 2019 (PCT. PTS.)</th>
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</thead>
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<td>20%</td>
<td>13%</td>
<td>-2</td>
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<tr>
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<td>80%</td>
<td>9%</td>
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<td>44%</td>
<td>31%</td>
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Figure Seven – Part Two: Pew Poll on Respect for U.S. Leadership in 2020

Few have positive view of the U.S. (%)


3 See Andrew Radin and others, *The Future of the Russian Military*, 2019, https://www.rand.org/content/dam/rand/pubs/research_reports/RR3000/RR3099/RAND_RR3099.pdf. The Rand study notes that its description of National Defense is “based on the Russian government’s use of this term, which does not include various social spending to support the military that is typically included within NATO or Stockholm International Peace Institute (SIPRI) definitions of defense spending. Spending under National Defense does include some spending outside of the Ministry of Defence, such as spending within the Ministry of Fuel or Rossatom, but spending on internal security is carried out under other budget categories. Appendix B contains additional charts that convert spending into constant dollars, share of budget, and GDP.” The Rand study also provides a good analysis of both Russian spending and the economic challenges Russia faces.


7 The IISS Military Balance for 2020 estimates that U.S. deployed only 73,437 military personnel in Europe in 2020, compared to a NATO European total of some 1.9 million active military – although it must again be stressed that these totals do not include any dedicated quick reacting power projection reserves in the U.S. and U.S. forces deployed at sea. Other estimates of deployed U.S. go as low as 62,413 deployed U.S. personnel. (https://en.wikipedia.org/wiki/United_States_military_deployments.)


16 SIPRI, *Defense Expenditure Data Base*, accessed 17.12.20, 
https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20in%20constant%202018%20USD.pdf.


18 SIPRI, *Defense Expenditure Data Base*, accessed 17.12.20, 
https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20in%20constant%202018%20USD.pdf

19 SIPRI, *Defense Expenditure Data Base*, accessed 17.12.20, 
https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932019%20in%20constant%202018%20USD.pdf

