



NATO after Vilnius

by Luigi Scazzieri, 3 July 2023

If NATO allies want to support Kyiv effectively and reinforce deterrence, they need to build up their industrial capacity and strengthen NATO's European pillar.

NATO has come a long way since French President Emmanuel Macron called the alliance 'braindead' before its London summit in late 2019. Vladimir Putin's large-scale assault on Ukraine in February 2022 re-energised NATO, giving it a renewed sense of purpose. The alliance has refocused on its core task of deterring Russia, and its membership has grown with Finland having joined and Sweden in the process of doing so.

When NATO leaders meet in Vilnius, 11-12 July 2023, they will have to address many issues, including whether to appoint a new Secretary General or to extend Jens Stoltenberg's term again – with the latter [more likely](#). Leaders will have to navigate internal tensions on issues such as what NATO's role should be in addressing the challenge from China or over Ankara's foreign policy and its opposition of Sweden's accession to NATO. However, the most important items on the agenda will be how to ensure continued support for Ukraine and to address Kyiv's request for NATO membership; and how to strengthen deterrence against Russia. Ultimately, NATO's ability to support Ukraine in the long-term and to credibly deter Moscow hinges on European members of the alliance taking on more responsibility for their own defence rather than relying primarily on the US.

Ukraine and the war

The thorniest issue will be Ukraine's request for security guarantees. As my colleague Ian Bond set out in [a recent CER piece](#), NATO membership is the best security guarantee that Ukraine could hope for. However, membership is a distant prospect for now. While some eastern European allies are keen to admit Ukraine into the alliance quickly, most (including the United States) are far more cautious and consider the risks of welcoming a country in active conflict with a nuclear power to be too high. The allies will not want to lock themselves into a process that would lead to Ukrainian membership by a certain date and without any conditions – most want to preserve some room for manoeuvre.

Because immediate NATO membership for Ukraine is not a concrete prospect, the key question facing NATO leaders is what additional practical assistance, or guarantees, they can give Kyiv. Bilateral security

guarantees from a group of allies are unlikely so long as there is high-intensity fighting. Putting forces near the frontline would increase the risk of direct conflict with Russia. Avoiding that scenario has been the overarching constraint on NATO support to Ukraine since February 2022, and there is nothing to suggest that has changed.

If there was a stable ceasefire, bilateral security guarantees backed by deployments would become a more realistic option, as would NATO membership. Even then, the guarantees would only be as strong as the political will to implement them – which would be low if Donald Trump, or someone with his outlook, were US president. In practice, the strongest guarantee that allies can give Ukraine – especially so long as there is high intensity fighting – is to make it even more capable of resisting Russia on its own. Over the past year, NATO allies have been willing to provide Kyiv with ever more advanced equipment. In the past, allies were wary of giving Ukraine modern tanks and planes because of technical reasons or because they thought the risk of escalation was too high. Initially, even old Soviet jets were perceived as problematic. Eventually, Ukraine got the German-built Leopard II tanks it was asking for, and now Kyiv is set to also receive F-16 jets and training from a coalition of NATO allies – though seemingly too late for the current campaign.

At Vilnius, allied leaders will no doubt pledge that they will continue to support Ukraine for as long as it takes by providing equipment, training and financing. The question is how such assurances of support can be made more concrete. There are two interconnected sets of challenges: one of political commitment and one of technical capacity.

Politicians and publics along NATO's eastern flank may be willing to continue to support Ukraine indefinitely and with the same intensity as they have done – although the case of Poland and others blocking grain imports from Ukraine does not bode well. Support for Ukraine is softer among Western European publics. The main uncertainty, however, pertains to what will happen in the US. Although US public support for helping Kyiv remains strong, [polls indicate that it has decreased](#). Many Republicans, including Trump and his chief rival Ron de Santis, are critical of what they see as President Joe Biden's blank cheque to Ukraine and want to end the war quickly, even if that means leaving Russia in control of large parts of Ukraine's territory. Amongst Democrats, support for Ukraine is not universal, with some sceptics on the party's left wing. The US has provided [more than twice as much](#) military support for Ukraine than all other countries together, and its leadership has been essential. If Washington reduced its support for Kyiv that would have an immediate impact on Ukraine's fighting ability and capacity to sustain the war.

Allies also face practical constraints in their ability to support Ukraine. Currently, Kyiv is using huge amounts of ammunition, and defence industries across the alliance are straining to produce enough. According to [press reports](#), Ukraine needs at least 250,000 155mm artillery shells every month, and ideally over 350,000. The US is [raising production](#) to 90,000 shells a month by early 2025. The EU has also taken steps to increase production and [wants to](#) increase its capacity to 1 million rounds a year by the middle of next year. Even if both targets are met, that would not be enough to refill Western stocks and serve Ukraine's stated needs. While there are some difficulties in sourcing the necessary components and raw materials, the key issue in raising production is private companies' unwillingness to take on risk. Defence firms, which are used to producing in low numbers, have been reluctant to invest in large increases in production. They fear that they could be left with new factories and equipment that they would not need in a few years if governments reduced, or could not sustain, their present commitments to higher defence spending. While governments across NATO have announced substantial defence

spending increases, these are often the bare minimum to ensure forces are usable and are not necessarily targeted at helping Ukraine.

If they want to support Ukraine, NATO leaders need to set out a concrete plan to back Kyiv in the long-term. Political leaders cannot give assurances that will firmly bind their successors. However, they can take steps that will make support for Ukraine easier to sustain in the future. NATO allies will need to put the question of increasing their industrial capacity front and centre of NATO's agenda, and invest in expanding industrial production by committing to long-term production contracts with industry. They also need to do more to ensure that they are all producing and certifying equipment to the same standards; and that the NATO-wide defence industrial base is operating in as co-ordinated a manner as possible, to avoid competition for resources. Finally, there is an urgent need to consider how to rationalise Ukraine's arsenal (which allies have boosted with donations of many different types of kit) and make it more interoperable with those of NATO nations.

Strengthening NATO's European pillar

The second challenge that NATO leaders will have to address in Vilnius is how to strengthen deterrence. At the Madrid summit last year, the allies agreed that they would shift from having a 'tripwire' of small pre-positioned forces along NATO's eastern flank, to having [much larger brigade-sized formations](#) "where and when required". The idea behind deploying larger forces was that these should ensure that any Russian assault cannot succeed in occupying any NATO territory that would later have to be liberated. The alliance has made some progress towards this goal, and the number of forces deployed in frontline countries has grown. However, the Baltic states remain particularly vulnerable to a Russian incursion and are pushing for larger deployments. Germany, which is leading the NATO presence in Lithuania, only [recently decided to permanently deploy](#) a full brigade there. While it may not be necessary to station whole brigades in countries not greatly exposed to Russia such as Slovakia or Hungary, it would be wise for NATO to increase its presence in the Baltic states. Much work also needs to be done to ensure that supplies and ammunition are pre-positioned, and that reinforcements can arrive quickly if needed, by ensuring that infrastructure is suitable to transporting military kit and that red tape is minimised. Both NATO and the EU are working to strengthen so-called military mobility, but the EU needs to [double down on its efforts](#) and increase funding for them.

The main challenge when it comes to reinforcing NATO's defences is strengthening the European pillar of the alliance. According to the NATO Secretary General's [2022 report](#), only six European members (Greece, Estonia, Latvia, Lithuania, Poland and the UK) meet NATO's target of spending 2 per cent of GDP on defence. European members of the alliance lack the necessary capabilities to defend themselves, particularly when it comes to command and control, intelligence gathering, air defence, cyber, long-range weapons and the stocks needed to sustain intense combat for a prolonged period. Many Europeans are not particularly concerned, expecting that they would be able to rely on the US in a crisis. Indeed, after Putin's full-scale invasion of Ukraine, the number of US forces in Europe has increased by [around 20,000](#) to over 100,000. In the long-term however, things look less rosy for Europe. The 2022 US National Security Strategy makes clear that Washington wants to focus more on security in the Asia Pacific, where it wants to deter its superpower competitor, China, from potentially invading Taiwan. That means Europeans will have to make up a larger portion of the forces devoted to deterring Russia.

At the same time, Washington's focus on Asia will make it less willing to become involved in dealing with security challenges in the Balkans, the Caucasus, the Middle East and North Africa – leaving Europeans largely alone to deal with any security issues that emerge from these regions. Moreover, it would be naïve

for Europeans to assume that the US will always be willing to underwrite European security. Long before Trump forcefully brought the issue to the front of NATO's agenda, the US had chafed that European allies were not pulling their weight. And both the Democratic and the Republican parties contain [a sizeable contingent of isolationists](#) who wish to reduce the US's global role. The prospect of an isolationist US president coming to power after the next election and reducing US security commitments in Europe makes it even more urgent that Europeans have capable armed forces that can ensure their own security with less US involvement.

Since Putin's full-scale invasion of Ukraine, Europeans have made some progress in strengthening their capabilities. In late 2022, the European Defence Agency estimated that defence spending [would rise by €70 billion a year](#) by 2025. For its part, the UK has increased its defence budget by a total of [£11 billion until 2028](#). Despite these increases, it will not be easy to maintain spending in real terms if high inflation persists. And, in many western and southern European states that do not feel directly threatened by Russia, it will be hard for politicians to continue to raise defence budgets given the competing pressures to increase spending on welfare, pensions, healthcare and the green transition. There is a [risk that additional spending will not result in many improved capabilities](#), if Europeans spend in an unco-ordinated manner that neither reduces the many different types of equipment nor tries to achieve economies of scale. And if Europeans primarily buy off-the-shelf from suppliers like the US, they will be hurting their own defence industrial base and weakening their ability to stand alone if that proves necessary.

Faced with the challenge of improving their own defences, European members of NATO still appear divided. Some, led by France, have for years argued that Europeans need to do more to foster an integrated defence industrial base, reduce dependencies on external suppliers, and improve the interoperability of their forces – efforts often subsumed under the umbrella term of 'European strategic autonomy'. Most eastern NATO members vehemently disagree with France, arguing that the pursuit of strategic autonomy would duplicate NATO efforts, annoy the US, and potentially reduce Washington's commitment to Europe. In practice, there is a broad consensus that Europeans need to improve their military capabilities and take more responsibility for their own security – a stance [backed by public opinion](#). But, despite the urgency of the challenge, that fundamental convergence continues to be overshadowed by mistrust. The war has not helped, with many eastern NATO allies suspicious that France and Germany are unwilling to stand up to Russia.

Europe's security would be greatly strengthened if Europeans were able to agree that the priority should be buttressing the European pillar of NATO by filling capability gaps, and by increasing the readiness and interoperability of European allies' forces. These goals should be advanced through many different avenues. When it comes to increasing the readiness and interoperability of military forces, national, multinational and NATO frameworks all have a role to play. Small groups of like-minded countries, such as the UK-led Joint Expeditionary Force can be particularly useful as they are informal and flexible. When it comes to filling capability gaps, national budgets will have to undergo a sustained increase. More multinational co-operation to jointly develop and procure military kit will be essential and can take place bilaterally, in small groups, and through EU and NATO initiatives such as NATO's Defence Innovation Accelerator and the European Defence Fund. The EU is in a particularly strong position as it can provide financial incentives to push countries to co-operate more, generating economies of scale.

The EU should explore additional measures that can push its members to spend more and spend co-operatively. More EU-level joint borrowing or modifying the fiscal rules will be very difficult. A better option could be excluding the funds paid by member-states into European defence tools like the

European Defence Fund and the European Peace Facility from national budget deficit calculations. That would have the added benefit of directing additional spending towards co-operative projects. EU leaders should also move quickly to clarify the status of defence industries within the Union's taxonomy of sustainable investments. The current ambiguity means that the industry is having trouble in accessing financing, which undermines efforts to increase production.

Conclusions

At the Madrid summit last year, NATO leaders agreed that the Alliance faced a much more threatening strategic environment and needed to adapt. A year on, much remains to be done. At Vilnius leaders will no doubt pledge they will continue to support Ukraine and further strengthen deterrence against Moscow. But these commitments will need to be backed by investments: in expanding production capacity to ensure concrete support to Kyiv, and in building up the European pillar of NATO to strengthen deterrence and put burden sharing on a more equal basis.

Luigi Scazzieri is a senior research fellow at the Centre for European Reform.