

# The Failure to Build a Collective NATO Defense: European Ideological Naivety and Political Ambitions



Sidsel Elisabeth Rye Sørensen (58318)

Dennis Hove Knudsen (76225)

Sebastian Soroska (76256)

Andrea Callin Tambosi (76266)

Eric Nguyen Lyngholm-Kjærby (75981)

Subject module Project 1. May 2024

Supervisor: Nina Torm

Roskilde University

International Bachelor in Social Sciences

Characters: 118.488

## **Abstract**

In the past 10 years, military security threats and with them defense policy moved to the top of the policy agenda of most European NATO states. Nevertheless, the majority were reluctant to increase their defense spendings to 2% of their GDP as it was agreed in the alliance. The reluctance is puzzling considering the increasingly assertive and aggressive Russian foreign policy which reached a new climax with the annexation of Crimea in 2014 and the continuing Russian subversive behavior in Ukraine. The puzzle becomes no less striking when the American President Donald Trump on several occasion threatened the European NATO partners for not ‘paying their bills’ and claimed that he would pull the US out of NATO.

The project aims at answering why, despite these threats, the European NATO countries did not increase their defense expenditures to meet the 2% target in the years 2014 to 2022.

By making a foreign policy analysis inspired by neoclassical realist thinking, the project gives an answer to the question. It uses a case study approach to the analysis built on the assumption that the three case countries, Germany, Denmark and the Czech Republic are representative of the population of European states that did not reach the 2% target. The reason why the European countries did not meet the target was because the leading policy makers believed in the ideology that trading with Russia would lead to a peaceful foreign policy behavior by Russia. It is not to be neglected that the policy makers were also driven by the desire to be re-elected and therefore, they were attentive to the resistance in their populations towards spending more money on military defense.

## Table of contents

Introduction.....	3
Research Question.....	5
Literature Review.....	7
Theoretical framework.....	10
Methodology.....	13
Research Design.....	14
Case Selection.....	14
Data Collection.....	18
Limitations.....	18
Background.....	19
Analysis.....	22
Argument 1.....	22
Argument 2.....	29
Argument 3.....	35
Argument 4.....	41
Conclusion.....	44
Bibliography.....	47

## Introduction

The years of simmering conflict with Russia, the war in Ukraine and the presidency of Donald Trump are among the main factors that brought the levels of defense spendings of the European NATO members to the top of the agenda of the transatlantic alliance. The Russian annexation of Crimea in early 2014 was the landmark event that reignited the debate. The issue was made even more pertinent by the American president Donald Trump (2017-2021) and his constant criticism of the European NATO partners' insufficient levels of defense spendings. On several occasions, Donald Trump publicly threatened to pull the United States out of the alliance because it was 'obsolete' as the president claimed (Benitez, 2019).

At the NATO summit in Wales in 2014 following the Crimean annexation, it was agreed that all member states were obliged to spend no less than 2% of their individual GDPs on defense (NATO, 2014). According to official NATO statistics, only a very limited number of European member states, i.e. 2 out of 27, lived up to the target in 2014, and the vast majority of states spent less than 2% (NATO, 2022). Among the many countries that did not meet the requirement were Germany, Denmark and the Czech Republic which are the three NATO countries scrutinized in this project.

One of the top priorities of Donald Trump's presidency was the attempt to force the European members to spend more on defense. The unpredictable and often reckless policy statements of President Trump clearly worried many European decision-makers like Germany's Angela Merkel (McAskill, 2018). But the increasingly assertive Russian foreign policy behavior also raised concerns in European governments. Nevertheless, the bottom line was that the European NATO members did not increase their defense expenditures to meet the NATO requirements before the Russian assault on Ukraine in 2022. The only clear exceptions from this pattern were former Eastern bloc countries like the three Baltic States and in particular Poland (NATO, 2021) that openly warned against the prospects of Russian aggression.

Despite such warnings and despite the fact that Russia invaded and annexed the Crimean Peninsula and supported pro-Russian groups in Eastern Ukraine, European governments limited their actions to imposing rather weak sanctions on Russia in reaction to these obvious breaches of international law (Giulani, 2015). Some European member states slowly started to increase their defense spendings

(NATO, 2021). Nevertheless, at the same time, many European countries also increased their trade with Russia after 2014. It was most clearly demonstrated by Germany that dramatically expanded its import of energy from Moscow and thereby increased its dependency on Russia. (Siddi, 2016).

When Russia on February 24, 2022, assaulted Ukraine and occupied significant parts of the country, it was a shock to all European politicians and to all people in Europe. Soon after the invasion of Ukraine, most European NATO members started to invest or declared that they would invest in building up their military defense (Kiel, 2022; De La Baume & Barigazzi, 2022). When the American presidential primaries started in early 2024, former president Donald Trump increasingly appeared as a serious candidate to win the Republican nomination for president in the November election. That meant a growing probability that the NATO-critical Trump would take over the White House again in January 2025.

These prospects were serious and threatening to many Europeans. During his rallies in the primaries in early 2024 Donald Trump frequently criticized the European NATO partners for underspending on defense. During a rally in South Carolina on February 10, 2024, the former president once again shocked his audience by declaring that *“I would not protect you. In fact, I would encourage them (Russia) to do whatever the hell they want”* (LeVine, 2024; Slotnik, 2024) meaning that he would not allow US forces to defend those NATO members that did not pay 2% of their GDP on defense.

For many years, Russia’s foreign policy was highly assertive. It was the case for the Russian support to the Assad regime in Damascus during the bloody years of the Syrian civil war. It was the case for the Russian policy towards Georgia in 2008 and the following years and it was the case for its attacks on Ukraine from 2014 to 2022. In the same years, American criticism of the European NATO partners had become increasingly louder. Nevertheless, the European NATO countries continued to underspend on their defense, until the 2022 Russians invasion of Ukraine.

In brief, for years the warnings from Russia’s behavior and the explicit expectations from the American ally were unambiguous, stressing that the European NATO partners had to increase their defense spendings significantly. Nevertheless, the European NATO countries continued to underspend on their defense until very recently. This puzzle leads the project to raise the question:

## Research Question

*“Why did most European NATO countries fail to reach the jointly made commitment of spending 2% of their GDP on defense between 2014 and 2022?”*

1. The European NATO countries have underspent because of lack of public support for maintaining high levels of military expenditures.
2. In democracies, political decision-makers have their own personal and national agendas. Because they want to be re-elected, they have prioritized other spendings and thus neglecting the national defense systems.
3. The European NATO partners have been freeriding because European politicians have calculated that the US would come to their assistance in a crisis situation.
4. The European countries have underspent because European politicians believed in the liberal ideology of economic interdependency which predicts that economic interdependency will lead to peaceful relationships internationally.

The project addresses the question within the limited period from 2014 to 2022. 2014 is chosen as the starting point because it was the year, Russia annexed the Crimean Peninsula and openly started to support the pro-Russian separatists destabilizing the Eastern parts of Ukraine. 2014 was also the year when the NATO summit reconfirmed that the members of the alliance were committed to spend 2% of their individual GDPs on defense. Nevertheless, as mentioned, the investments did not start to seriously increase until the full-scale Russian invasion of Ukraine on February 24, 2022. Immediately after the assault, most European NATO countries announced huge investments in the defense. Therefore, the year 2022 represents a natural endpoint for addressing the research question of the project.

To answer the research question, the project presents four arguments which are used to focus the following analysis. Each of the arguments represents possible explanations to why the European NATO countries did not spend 2% of their GDP on defense. The four arguments are built on the four domestic variables that the theoretical framework, neoclassical realism, emphasizes as analytically

relevant for the type of foreign policy analysis that is made in the project (Ripsman et al., 2016). Neoclassical realism also operates with a fifth analytical variable 'systemic stimuli'. In the project, the assertive Russian behavior and the strong American criticism of the European NATO partners are part of the international 'systemic stimuli'. When the following analysis mainly builds on the four domestic variables, it is to stress the assumption of the project that the answer or answers to the research question must be found in the domestic politics of the European NATO members.

In analytical terms, the insufficient defense expenditures are the dependent variable that has to be explained, whereas the four domestic variables or arguments are the independent variables that are supposed to explain the levels of expenditures. The international stimuli are evidently unable to explain the level of defense expenditures alone which, to repeat, is the analytical and empirical puzzle of the project.

The four arguments inspired by the neoclassical realist framework are the following: First, the European NATO partners underspent on defense because the public was against spending so much money on defense. The formulation makes public opinion important for addressing the argument. Analytically, the inspiration for formulating this argument comes from the variable described as 'state-society relations'. Second, the European NATO partners are democracies. In democracies, political decision-makers have their own personal and national agendas. Because politicians want to be reelected, they have prioritized other spendings and neglected national defense systems. The formulation of the argument is inspired analytically by the variables 'leader images' and 'domestic institutions' that in this context is narrowed down to parliaments and elections. Third, the member countries have been freeriding because European politicians have calculated that the US would come to their assistance in a crisis situation irrespective of whether they spend 2% of their GDP on defense or not. Analytically, the inspiration for formulating the argument comes from the analytical variable 'strategic culture'. Fourth, the member countries underspent because the European foreign policy decision-makers believed in the liberal ideology of economic interdependency that predicts trade between countries will lead to peaceful relations, in this case between the European countries and Russia. The formulation of the argument is inspired by the analytical variable 'leader images'.

As mentioned, neoclassical realism also operates with a fifth variable called 'systemic stimuli'. Systemic stimuli represent the international framing of the analysis in the project that is based on the four domestic variables. According to the reasoning in the neoclassical realist theory, the stimuli from

the international system affect the perceptions of political leaders, making this variable particularly interesting for this project. It is interesting and relevant because the perceptions of policymakers in Germany, Denmark and the Czech Republic were apparently affected by the changing international stimuli, but their policymakers did not react to these changing stimuli. This is another way of formulating the puzzle of the project, namely: Why didn't Germany, Denmark and the Czech Republic start investing heavily in their national defense systems after 2014 when they seemingly were so shocked by the Russian annexation of Crimea? It is exactly this puzzle or question that makes the project focus so strongly on the four domestic variables when addressing the research question.

The project is structured as follows. After the introduction follows a brief literature review. Then the theoretical framework is presented followed by the methodological reflections of the project. After a brief presentation of the international systemic stimuli and the historical background of NATO comes the main part of the analysis consisting of four sub-sections addressing the hypotheses one by one. And lastly, based on the analyses in the four sub-sections, it is possible to make the conclusion and answer to the research question.

## **Literature Review**

The literature review is focused on the academic debate around NATO members' decisions and motives for selecting specific level of defense expenditures. It is a prevailing argument in the literature that military expenditure is driven by a multi-causality of factors (Kuokštūtė et al., 2021). We have identified 5 key factors in the literature: 1. Burden sharing, 2. Geopolitical factors, 3. Guns and butter dilemma, 4. Domestic opposition and 5. Economic interdependence.

The theoretical concept of burden sharing is highlighted as an important factor influencing military expenditures. This concept was first introduced by Olson and Zeckhauser in "An Economic Theory of Alliances" (1966). Olson and Zeckhauser looked at deterrence, and how NATO countries benefit from the alliance by combining their military strengths. Regarding the concept of burden sharing, Olson and Zeckhauser (1966) also introduced the concept of 'freeriding', which predicted that smaller NATO countries would free ride the stronger allies in the burden sharing dispute. The concepts of burden sharing and freeriding have since been a big part of the debate on the level military spendings, especially in regard to states within NATO. Newer research on burden sharing has been debating the



EU countries' demand for military spending. Some researchers stated (christie,2019: George and Sandler, 2022) that within NATO freeriding behavior is more likely for EU member states compared to non-EU member states (Christie, 2019). This can be described using Olson and Zeckhauser's (1966) theory of benefits of strength as an alliance, which sets different individual state demands on military expenditures.

Another factor highlighted in the academic debate is the geopolitical factor referred to as spatial positions. The geopolitical factor can be seen in different ways. According to George and Sandler (2022), geographical position provides states with different challenges and opportunities that can influence military expenditures. Closely located allies can more easily benefit from sharing the burden among each other, which influences countries to spend less on their own defense. According to Skogstad (2016), smaller countries are more likely to have a freeriding small state behavior if they are geographically located next to a larger and stronger military state. The second way the geopolitical factor influences military expenditures is each state's proximity to threats, and how a potential threat is perceived. States in or closer to conflict regions tend to spend more on military expenditures (Kofron and Stauber, 2021). Threat perception is both a result of the political situation and further influenced domestically by factors such as the state's strategic culture. Kofron and Stauber (2021) referred to this as the internal factor.

A third factor driving decisions on defense expenditure is explained by the so-called 'guns' vs 'butter' dilemma, which refers to the trade-off between allocating resources to the military ('guns') as opposed to investing in welfare ('butter'). There is a general assumption that left-wing governments are less inclined to invest in the military compared to right-wing governments (Kofron and Stauber, 2021; Töngür et al., 2015). Fay (2020) argues that the "guns vs butter" dilemma becomes more complex, when the context is a collective security alliance, as collective security inherently means that states grant each other protection in a conflict. This means that a state's security is not only reflected by the capability of its own military to defend itself. States can therefore prioritize more funds for domestic services by being part of an alliance (Fay, 2020). A concept that is intimately connected to the "guns and butter" model, is the "peace dividend", which is the expression of how much a country can gain in domestic services by reducing its military budget (Johnsen, 1995).

In the academic debate, public skepticism about defense spendings can be viewed in two ways. Government spending can both be seen as a tool to maximize popular support, but also as a way to

welcome the voters' wishes (Lewis, 1980). Eichenberg and Stoll (2017) argue that if voters recognize the security that the alliance grants to their country, then the support of 2% in military spending would increase. However, it has also been shown that party politics as well as voters' prioritization of non-defense spending play an important role in determining whether military expenditures grow or shrink (Kuokštutė et al., 2021; Fay, 2020). Notably, it has been shown by Bove et al. (2017), who looked at 15 OECD, that politicians cut defense spending and increase spending on social programs right before elections. In most democratic countries, voters "*tend to favor welfare spending*" (Bove et al., 2017, p. 583). This finding is reinforced by Zielinski et al. (2017), who highlight that in leading market economies, there is a systemic bias towards social service spendings, as opposed to funding the military. Meaning that funding for social services is more accepted by the public.

How public opinion influences foreign policy decisions is also widely debated. The Almond-Lippman consensus posits that there is little to no link between foreign policy decisions and public attitudes (Holsti, 1992). It argues that public opinion is prone to manipulation and lacks coherent structure or consistency. Furthermore, leaders and elites ignore public pressure as a result. The Almond-Lippman's consensus' arguments are opposed by Lewis' (1980) arguments of politicians' interpretations of the voters' preferences, which give voter preferences an indirect influence on the decision-makers' behavior (Lewis, 1980). Over time, literature has generated criticism and challenged the points of the Almond-Lippman consensus (Holsti, 1992, Knopf, 1998).

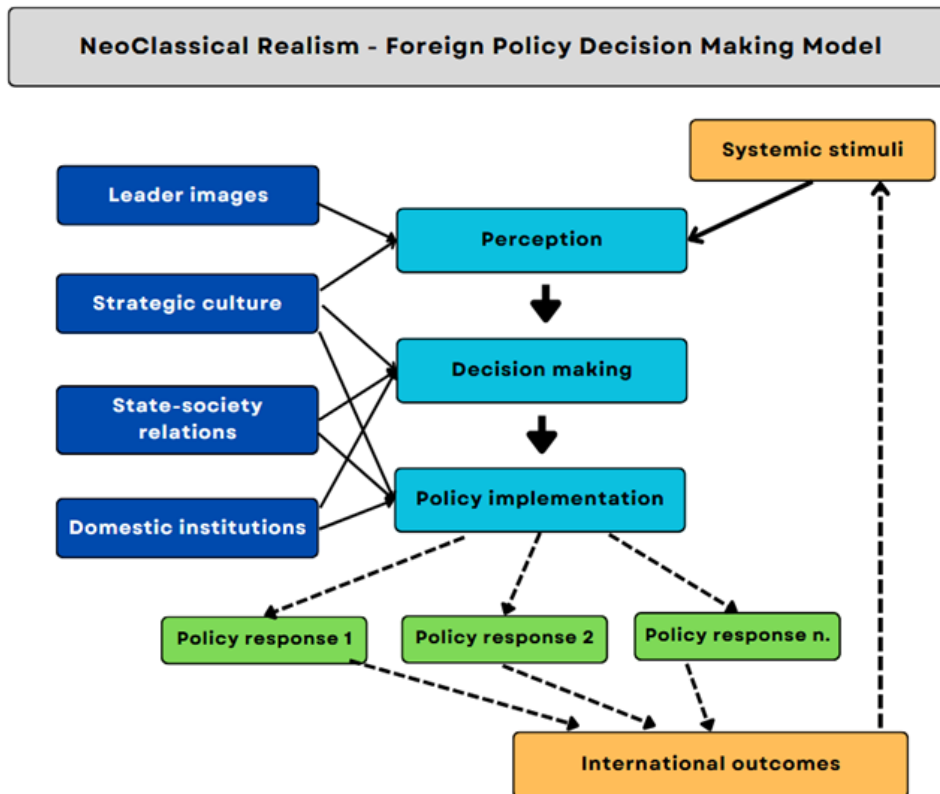
Another possible factor affecting countries' military expenditures is governments' attempts to achieve peace and stability through economic interdependence. This is a neoliberal approach to international relations (Dunne et. al., 2021). Neoliberals would argue that trade and cooperation between states will encourage peace (Dunne et. Al., 2021). By pursuing a liberal approach, governments will prioritize trade and cooperation as a tool for peace, over military deterrence. Therefore, prioritizing a liberal approach can be an influencing factor of military expenditures to decrease or keep status quo (Cottey, 2022).

In this chapter, we have identified several factors influencing military expenditures derived from the general academic debate. The project does not build directly on these possible factors, but it is inspired by the general academic debate. The project has chosen to use the theoretical framework to structure the analysis with the explicit hope that this can add to the existing debate presented in this section.

## Theoretical framework

This project is about foreign policy and foreign policy making and we have chosen to use a neoclassical realist approach to studying foreign policy (cf. Ripsman et al., 2016). We find this line of thinking helpful for our analysis because the approach suggests combining variables covering both the international system and the domestic realm. It also integrates the different phases of decision-making in the theory as illustrated in figure 1. The neoclassical approach outlined by Ripsman, Taliaferro & Lobell (2016) suggests using 5 main variables when making an analysis of a country's foreign policy. As indicated in the introduction, the project applies the four variables 'leader images', 'strategic culture', 'state-society relations' and 'domestic institutions' to the analysis and considers the fifth variable 'international stimuli' the puzzle that originally led to the raising of the research question.

The figure shows the reasoning and thinking behind the neoclassical realist theory for making foreign policy analyses. As it was argued by Gideon Rose 25 years ago, studies of international politics and foreign policymaking have been grappling with how to handle the dichotomy between so-called 'Innen-politik' and 'Aussen-politik' (Rose, 1998). The core of the neoclassical theory proposed by Rose is to combine international and domestic variables in a coherent framework. The framework has later been elaborated by Ripsman, Taliaferro & Lobell in the figure below that illustrates the analytical framework presented by the three authors (Ripsman et al.2016).



*Figure 1 – authors’ drawing based on: Ripsman et al., (2016)*

The five variables are marked in the figure where ‘systemic stimuli’ refers to the influence from the international system and the changes in that system. The four boxes at the left of the figure refer to the domestic variables which are the main analytical tools that are used in the analysis. The reason why this figure and thus the theory is considered a helpful tool for the analysis is that it clearly shows how the variables affect the policy cycle. The cycle starts with perceptions of core decision-makers that via decision-making may lead or not lead to the implementation of policy decisions. The figure also shows that implementation of a policy decision may lead to various results. The different outcomes of the implementation process suggest that some results may not be as intended. They may even be either unintended or unwanted.

To move from the description of the variables into making them analytical tools, it is necessary to formulate explanatory arguments for each of the variables suggested by the model. The first explanatory argument is linked to the position that public opinion plays a role for foreign policymaking in European NATO member countries. It thus refers to the arrows pointing from the

variable ‘state-society relations’ to the decision-making and policy implementation boxes. Here, it states that public opinion in Europe during 2014 to 2022 did not favor increasing public expenditures.

The second argument states that the European NATO members are democracies, therefore the parliaments have a decisive say when it comes to public expenditures. In the model this variable is called ‘domestic institutions’. Because decision-makers are interested in being re-elected for parliament or public office, they calculate which areas to prioritize. Political science theories suggest that the time horizon for most politicians in democracies is the next upcoming election and that it is the main driving motivation of politicians to be reelected. Based on this statement, the second argument can be made more concrete by stating that politicians in democracies are responsive to perceptions of the wishes and priorities of their electorate. The argument implies that if the electorate is not in favor of substantial defense expenditures, then the politicians are not inclined to push for such expenditures.

The next argument is inspired by the domestic variable ‘strategic culture’. The third argument implies that the European NATO members are inclined to free ride and not contribute to their fair share of the burdens of being a member of the alliance. Strategic culture can be defined as “deeply embedded conceptions and notions of national security” shared by the country’s political leaders and foreign policy decision-makers (Götz & Staun 2022: 482). “It is expressed in discourses and narratives rooted in socially constructed interpretations of history, geography and domestic traditions building on a strong historical dimension” (Götz & Staun 2022: 482). Concretely, it is the argument that the strategic culture of each individual European NATO country states that, ultimately the United States will come to the rescue of Europe in a crisis situation. The fundamental understanding or framing of the security of each European NATO country is that individually they are defenseless and that is the basic reason for joining NATO in the first place. Therefore, they must keep a good relationship to Washington to maintain the American commitment to NATO to defend Europe.

The fourth argument is inspired by the first domestic variable ‘leader perceptions’ or ‘leader images’. It states that the European countries have underspent on defense because European decision makers believed in the liberal argument that economic interdependency leads to more peaceful international relations. Liberal IR theory states that increasing economic interdependency makes it too costly to go to war with other states (Dunne et. al., 2021). The peaceful relations within Europe and among European states in the post WWII period ‘proves’ that the liberal theory is ‘correct’. To make it

concrete, the theoretically inspired position means that increasing trade and investment relations between the EU and Russia would lead to peace and stability, i.e., the more gas and oil the European countries import from Russia the greater the probability for peace.

In the figure, there is also a fifth variable ‘systemic stimuli’. As mentioned, this variable is touched upon with the understanding that the international system represents an important context wherein the foreign policy decisions of Germany, Denmark and the Czech Republic took place during the years 2014 to 2022. Therefore, the empirical analysis starts with a description, which is not the same as an analysis, of the radically changing international circumstances, strongly emphasizing Russia and the Russian foreign policy behavior during the years under scrutiny.

In sum, the analytical and theoretical approach of the project is strongly inspired by neoclassical realism. It has inspired the four explanatory arguments that are further substantiated theoretically in each of the following four sub-sections of the analysis. The fifth variable, ‘systemic stimuli’ is the inspiration for the puzzle.

## **Methodology**

This chapter presents the methodological considerations that have framed the project as well as the case selection and the limitations of the project. The project uses a case study approach to the empirical analysis where each of the selected countries, Germany, Denmark, and the Czech Republic are considered separate cases. The formulation of the hypotheses in the introduction makes it clear that the project uses a hypothetical-deductive method with the aim to identify what could explain the insufficient level of defense spending. The methodology of this project is causal (nb. not in a statistical sense), stressing that the focus is on the independent variables that may or may not explain why the three European NATO member countries did not spend 2% of their GDP on defense. It implies that the level of defense expenditures is the dependent variable whereas the four arguments represent the independent variables.

## **Research Design**

As mentioned, the project uses a case study approach to the empirical analysis. We have chosen to use John Gerring's understanding of case study research because the overall understanding and theoretical approach to the analysis in the project is strongly inspired by the reasoning found in political science. John Gerring is recognized as one of the leading international scholars in political science who addresses the challenges involved in making case studies. Gerring defines a case study as "an intensive study of a single case or a small number of cases which draws on observational data and promises to shed light on a larger population of cases" (Gerring: 2017: 28; 26-36). The larger population of cases in our project refers to the population of European NATO members that did not live up to the 2% GDP requirement. We have chosen three countries to shed light on the larger population. A case must also represent a "spatially and temporally delimited phenomenon of theoretical significance" (Gerring 2017: 27). Following Gerring's requirement of specifying temporary boundaries, the project lives up to this by defining the years under scrutiny to 2014-2022.

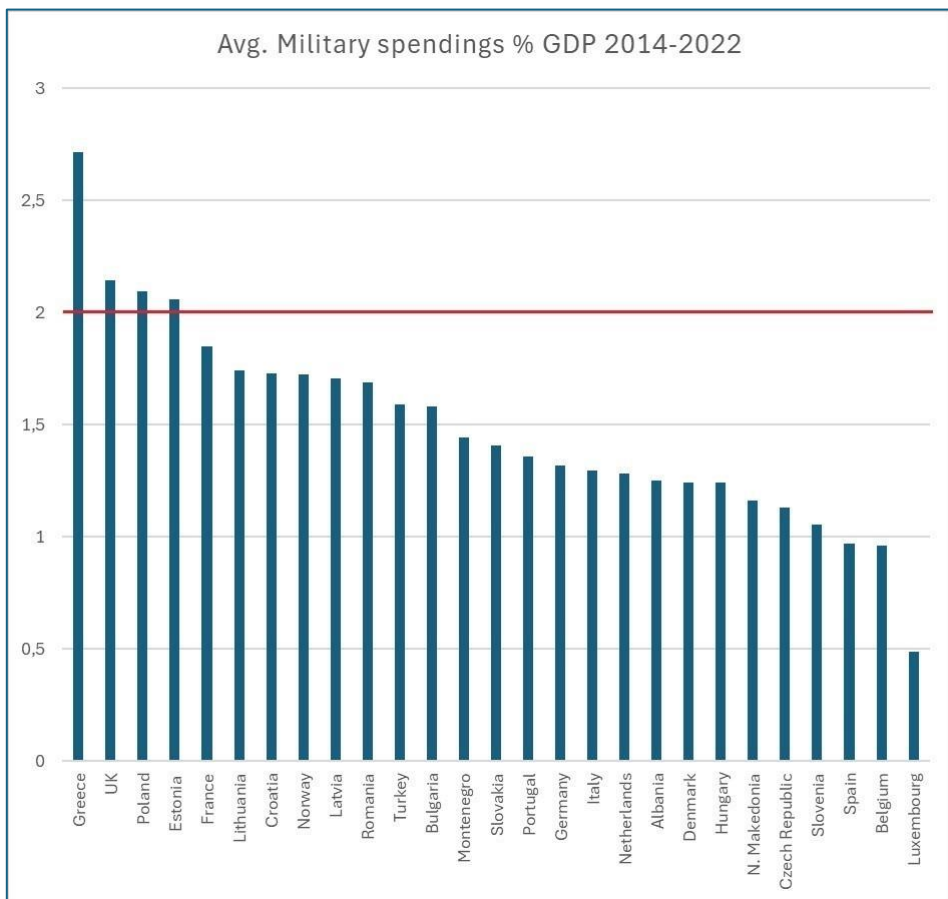
As mentioned, the project is making a 'causal case study' (cf. Gerring 2017: 63ff). Based on the causal reasoning, case studies are organized around the four hypotheses. We made the analysis in the project based on the four arguments about how they affect the level of defense expenditures. The level of defense expenditures is the dependent variable that is to be explained. The individual case studies are based on the assumption that the independent variables (i.e., the explanations) may vary among the cases and may have varying explanatory power. Thus, the project is mainly interested in the independent variables and the possible variations between them.

## **Case Selection**

As the project aims to answer the RQ, it makes a comparative analysis of the country cases. The country cases are selected based on several criteria. First, they must be a NATO member, second, be a geographically European country and third, have spent less than 2% of GDP on military expenditures in the years 2014-2022.

Additionally, we have created three categories in an attempt to select countries that are representative of the population of European countries that did not spend 2% of their GDP on defense in the period under scrutiny, with the purpose of representing different historical, geographical, cultural, political,

and societal circumstances. The three categories are: 1. representative of a large country, 2. representative of a small country and 3. representative of a former East bloc country.



*Figure 2 authors' graph based on NATO, 2023*

Based on NATO's records of the defense spendings of all European NATO members in the years under scrutiny, it is possible to calculate the average percentage of spending in those years for each country (NATO, 2023). This shows that 23 out of 27 European NATO members did not meet the 2%/GDP requirement (Figure 2). By looking at military expenditures for each individual year (Appendix A) and working in correspondence with the third criteria presented above, namely that the individual members did not meet the requirement at any time, then 6 more countries are excluded, leading us to 17 European members that underspent in this period. These 17 countries can then be divided into the three categories:



Small Countries	Large Countries	Former Eastern bloc
<p style="text-align: center;"> <b>Denmark</b>  <b>Montenegro</b>  <b>Portugal</b>  <b>N. Macedonia</b>  <b>Albania</b>  <b>Belgium</b>  <b>Luxembourg</b>  <b>Croatia</b> </p>	<p style="text-align: center;"> <b>Germany</b>  <b>Spain</b>  <b>Turkey</b>  <b>Italy</b>  <b>Netherlands</b> </p>	<p style="text-align: center;"> <b>Czech Republic</b>  <b>Slovenia</b>  <b>Hungary</b>  <b>Slovakia</b> </p>

*Authors illustration*

The project operates with a distinction between large and small states. In the academic debate there has long been disagreement about how to define and measure the size of a state. However, it is generally acknowledged that it is relevant in order to better understand the vulnerability, perceptions, and foreign policy behaviors of a state (Wivel, 2020).

The distinction between these two types of states is largely based on whether they can influence their surroundings or not. Large states can influence the international environment whereas small states have to adjust and have very limited international influence (Wivel, 2020).

Godfrey Baldacchino and Andres Wivel (2020) suggest a ‘pragmatic’ definition of a small state based on two characteristics. First, a small state has limited capacity of their political, economic, and administrative systems. Second, they traditionally find themselves as the weaker part in an asymmetric relationship unable to change the nature or the functioning of the relationship on their own (Baldacchino & Wivel, 2020). On the contrary, a large state is defined by having significant capacities and not least, a large state has the capacity to change its relationships with other states.

The reasoning applies to all states irrespective of whether they are dictatorships or democracies, whether they have a history of being Communist or non-communist. Nevertheless, the project also finds the distinction between former Communist and Western-liberal states relevant for the case selection. It is based on the assumption that the historical past of a state is important in several respects. Mainly because the strategic culture of a state does not change overnight as mentioned in

the theoretical section. Likewise, personal perceptions of decision makers may also be affected by historical experiences which is also shown in the theoretical framework.

Furthermore, the project also uses some quantitative measures. Based on the academic debate on how to quantitatively measure a country's size, the project identifies three variables commonly used: population, territorial size, and economic performance, usually measured by gross domestic product (GDP).

There are additional arguments for choosing the three country cases. Germany was chosen because it is a large state in a European context. It also represents the biggest economy in Europe and is most probably the most influential country among the European NATO members (Janning & Möller, 2016). In many recent historical cases, Germany has taken the lead and set the course on the European political scene. In 2014, Germany played a key role in the conflict in Ukraine, in 2015 it took a leading role in Europe's refugee crisis, and it continues to maintain its position as Europe's leader (Janning & Möller, 2016). Additionally, Germany has historically had a close relationship with Russia, based on the traditional Ostpolitik, that was launched back in the 1970's.

Denmark was chosen based on the assumption that it is representative of the population of small western European NATO states. Denmark is a pertinent case as the country is one of the most affluent ones in Europe measured by the GDP per capita (O'neill, 2024) and yet, it did not meet the 2% NATO requirement. Because of the electoral system in the country, Danish politicians are expected to be highly attentive to the shifting opinions of the public. Denmark also has a clear international profile as a country that prioritizes social welfare. Furthermore, Denmark's geographical position at the entrance to the Baltic Sea is relevant, because maritime military control over the entrance to the Baltic Sea would be considered extremely important in a potential conflict with Russia, which was also the case during the Cold War (Farbøl & Olesen, 2024).

The Czech Republic was chosen for the analysis because it is a small country and therefore, it is supposedly more vulnerable than larger states of the former Eastern Bloc. The Czech Republic is assumed to be highly relevant for the analysis in the project because of its communist/socialist past combined with its recent history as a free and democratic country and as a recent NATO member. It represents a case of post-Cold War transition and integration into the NATO alliance as the first among 3 countries from the former Warsaw Pact (NATO, 2014). Notably, the Czech Republic is one

of the few former socialist countries that did not live up to the 2 % requirement during the years under scrutiny.

### **Data Collection**

The analysis primarily uses qualitative data in the form of peer-reviewed articles/journals and to a limited extent also analyses produced by recognized think tanks and acknowledged journalistic sources published by internationally respected news outlets. The use of quantitative data is limited to descriptive statistics consisting of secondary data on opinion polls and records of military expenditures.

### **Limitations**

For obvious reasons, there are some limitations that must be mentioned. The period under scrutiny is from 2014 to 2022. It means that the project does not intend to produce explanations for the expenditure patterns among the European NATO members before 2014 or after 2022. The analysis does to a limited extent look outside of this timeframe to understand the systemic cultures influencing the decision makers in the three countries.

Another limitation is the limited number of countries analyzed, which may limit the explanatory power of the following study. Nevertheless, it is the assumption that because the three countries are representative of the entire population of European NATO states that did not spend 2% of their GDP from 2014 to 2022, that this particular limitation is minor.

The project chose to limit the focus of the research by using a hypothetical-deductive approach leading to the four explanatory arguments inspired by the scientific academic debate and literature. It is possible that other explanations could have led the project to different conclusions. Furthermore, it is possible that the project could have reached other analytical results by using other theories to frame the analysis.

# Background

## **The international systemic context**

This section aims to describe the international systemic environment and with the description comes a brief presentation of the systemic stimuli representing the international framework within which NATO and the European NATO countries operated during the years 2014 to 2022. Thus, this section addresses the first of the five variables in the neoclassical realist model that is pointed out as important for a foreign policy analysis. There is no doubt that the United States was the most influential actor during the 8 years under scrutiny. There was and still is disagreement about how strong the position of the US is in the international system. One position states that the US is no longer capable of playing its former dominating role of being the international hegemon (Ikenberry, 2018). A different position maintains that the United States is still a prominent and extremely powerful international actor, capable of influencing international developments and changes. The second position acknowledges, however, that the US was less influential during 2014 to 2022 compared with the ‘golden days’ of its international hegemony that ended around 2004/05 (Mearsheimer, 2019).

China was undoubtedly the most serious contender to being the most influential international actor during the years under scrutiny. China was the most obvious example among the group of countries that contributed to upsetting the global power relations (Jones, 2020; Zhao, 2019). China had the second biggest national economy in the world, and it was expanding its armed forces at a remarkable speed (Mearsheimer, 2019). At the NATO summit in Brussels in June 2021, the alliance declared that “China’s stated ambitions and assertive behavior present systemic challenges to the rules-based international order” (NATO, 2021a).

Even before the Russian annexation of Crimea in 2014, Moscow and its international policies represented significant systemic variables and threatening stimuli. It was partly linked to the Russian support to the regime in Syria fighting a brutal civil war, but it was also linked to Russia’s use of soft power instruments like fake news directed towards Europe and the EU, adding to the recent years of flux in the existing international order (Götz & Merlen, 2019; Keating & Kaczmarek, 2019). Finally, the threats of radical terrorist groups were a component in the international systemic conditions setting the framework for the European NATO countries when pursuing their policy priorities. This was made evident in West Africa and in the Sahel region where terrorist groups operated and were

perceived to threaten several governments like for example in Mali. The widespread unrest in the region led France to deploy several thousand soldiers along with European Union military training missions as well as UN peacekeeping missions (Charbonneau et al., 2017).

In sum, during the years 2014 to 2022, the European NATO partners were exposed to several international stimuli. First, the American global power reach, sometimes described as the US hegemony, was decreasing though the US was most probably still the most powerful international actor. The American position was clearly challenged by China that represented the second most important international stimuli. However, the stimuli from the rising China were less important for the present study of this project. Rather, it was Russia and its increasingly aggressive foreign policy and its assertive soft power that represented the most challenging stimuli for Europe and for the European NATO member countries.

### **NATO: a response to systemic stimuli**

NATO was created in 1949 as a collective security arrangement made by western nations in both North America and Europe for protection against the Soviet Union and Eastern bloc nations during the onset of the Cold War. Only a few years after the end of the Second World War, there were increasing tensions between the old war allies, the Soviet Union and the West. As early as in March 1946, the UK Prime minister, Winston Churchill, talked about an ‘Iron curtain’ that had “descended across the continent (...) from Stettin in the Baltic to Trieste in the Adriatic” (NATOa, 2024).

In 1949 at the establishment of NATO, there was no formal agreement or target for how much NATO members were expected to spend on defense. The existential threat posed by the Soviet Union and its satellites proved to be a large enough motivator for almost all NATO members to spend over 2% of their GDP on defense for the duration of the Cold War (NATO 1978, NATO 1999). The fall of the Berlin wall in 1989 and the subsequent collapse of the Soviet Union marked a monumental shift in the environment for NATO and as the threat it had been created to counter no longer existed. In the post-Cold-War era, the NATO alliance started a process of transformation to adapt to the new geopolitical realities (Olsen 2020: Karns et.al., 2024) and NATO expanded to include many former Warsaw Pact members. The defense spendings of most NATO member countries plummeted across the board in the 90’s. The international situation was not, however, peaceful. Numerous conflicts and civil wars erupted, and NATO got involved in several of these conflicts like in Kosovo, Afghanistan,

Iraq, and Libya, which gave NATO a sense of purpose as a coalition of liberal states aligned with the US interests, but this did not lead to a substantial increase in defense spending (NATO 2015). Because of the constant underspending, NATO defense ministers met in 2006 and agreed on a target of 2% of GDP for the level of defense spending for each NATO member (NATO, 2024). However, no real changes happened after this agreement and spending continued to remain low or even decrease in many nations (NATO 2024).

At the Wales summit in September 2014 following the Russian annexation of Crimea, all NATO members condemned the Russian actions and all countries agreed to support the EU's economic sanctions against the Russian government. The members also decided to commit themselves to reverse the trend of declining defense budgets. Through the so-called 'Defence Investment Pledge', all members of the alliance resolved to "*aim to move towards spending at least 2% of their GDP on defense by 2024*" (NATO, 2024). At the following NATO summit in Warsaw in 2016, the members agreed to increase NATO's military presence in the Eastern European member countries by deploying four combat ready multinational battlegroups in Estonia, Latvia, Lithuania and Poland on a rotational basis (Olsen, 2020). At the following NATO summits, it was further decided to expand the armed capabilities of the alliance mainly by increasing the readiness of several types of armed units at land, sea and in the air (Olsen, 2020). Related to NATO's 70<sup>th</sup> anniversary in 2019, one of the challenges of the alliance was described as "*rebuilding European defense structures and force posture*" (Olsen 2020: 64, 66f).

In brief, the 2% spending target was not new when it was reconfirmed at the 2014 Wales summit. Neither was the heavy and strong criticism of the European NATO partners' commitment by US president Donald Trump. Barack Obama also criticized the European partners for not spending sufficient resources on their national armed forces (Washington Post, 2014). It was however new, that an American president threatened to pull the US out of the defense alliance if the European NATO members did not "pay their bills" as Donald Trump stated (Herszenhorn & Bayer, 2018). The very vocal US criticism of the insufficient spendings on defense in Europe only stresses the puzzle and the relevance of the research question of this project.

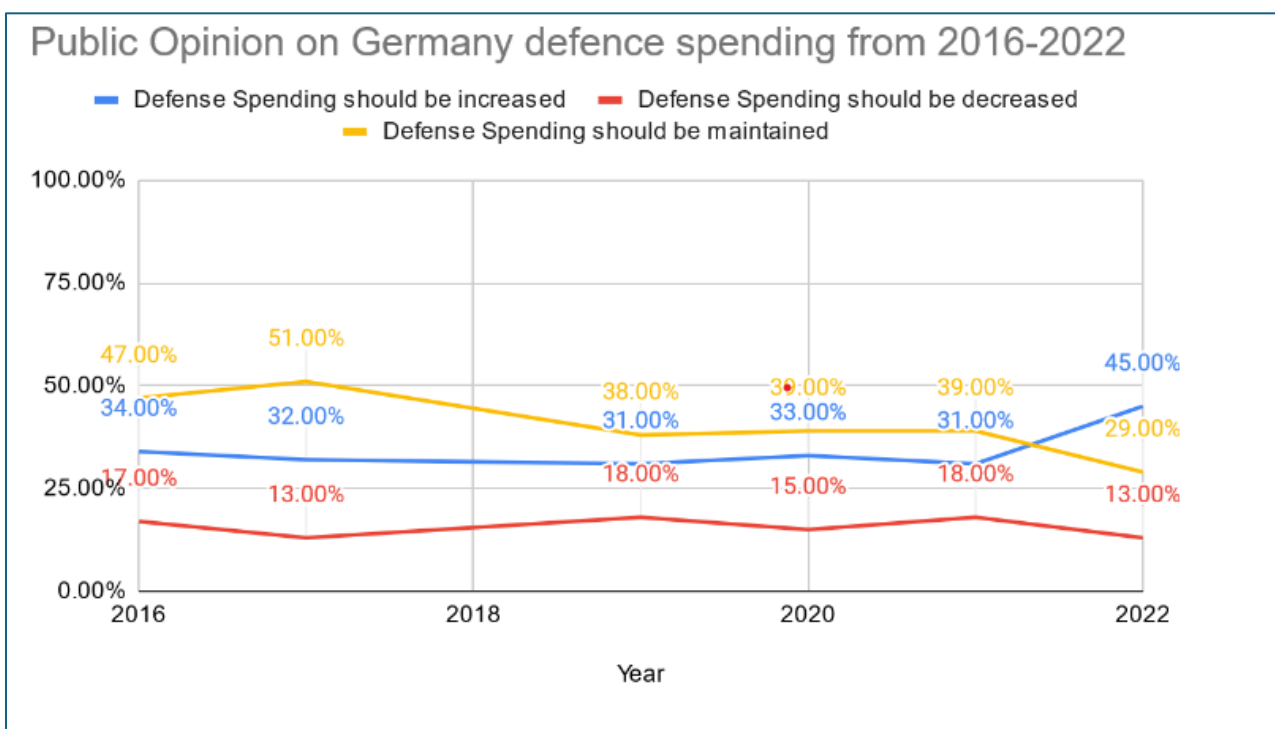
# Analysis

## Argument 1

**The European NATO countries have underspent because of lack of public support for maintaining high levels of military expenditures.**

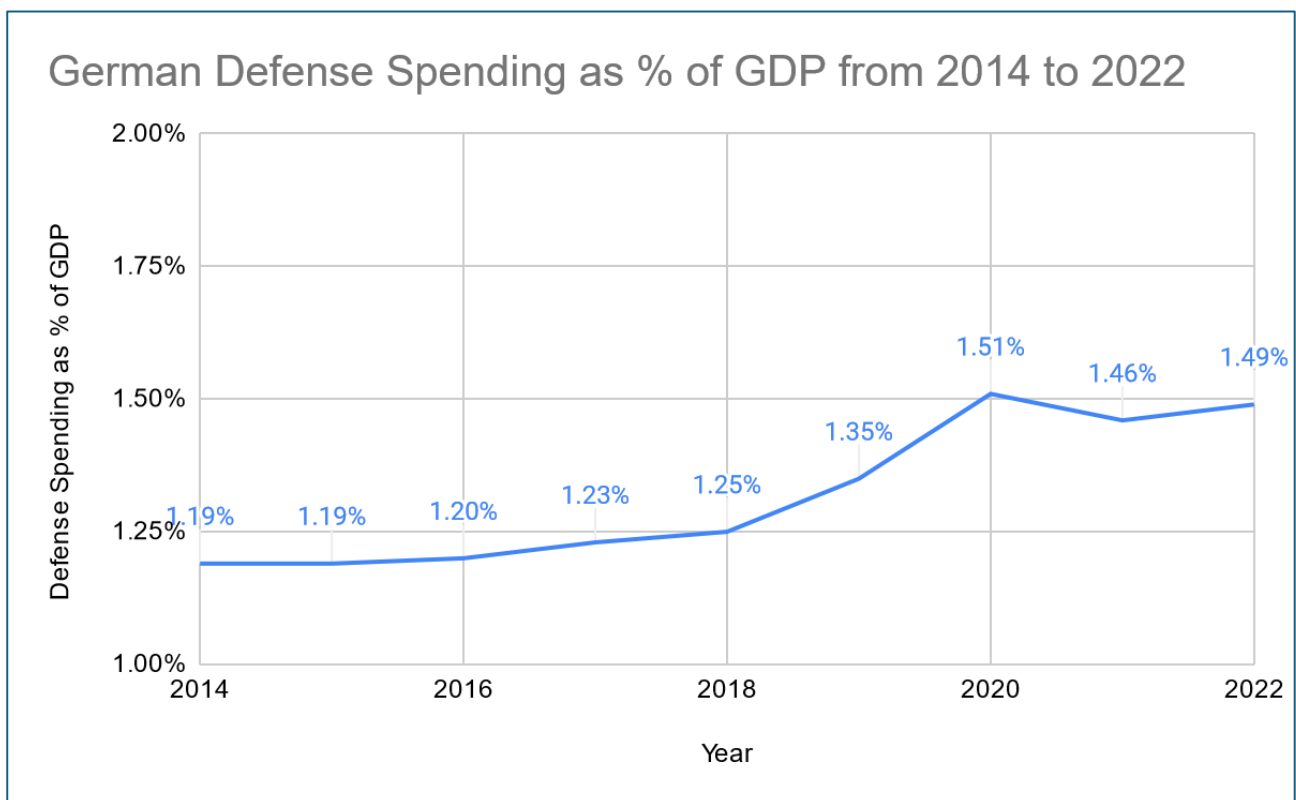
The argument is based on the assumption that in democracies, policies should reflect public opinion. It is the argument that public opinion in the three countries under scrutiny was against spending too much on defense, i.e., up to 2 % of their GDP, and so the politicians in the countries did not push for increasing defense expenditures. Analytically, public opinion is one of the domestic variables that fit into the neoclassical realist model under the headline ‘State-society relations’.

In Germany it was not possible to find opinion polls made specifically about the issue of military spending between the years 2014 to 2015. However, the nation was the object of several public polls in the following years. In 2016, an opinion poll was conducted by the Pew Research Center on the issue (Figure 3).



*Figure 3 Authors graph, based on data from (Stanko, 2016; NATO, 2021)*

As seen in figure 3, only 34% of Germans were in favor of increasing military spending, whereas 17% wanted it decreased and 47% of the population wished to maintain the current level of defense spending (Stanko, 2016). The percentage of Germans supporting an increase in defense spending continuously declined from 2017. In 2021, the share of Germans supporting an increase in defense spending reached its lowest point, with only 31% of the population believing that defense spending should be increased, compared to 57% of the population believing that defense spending should be either decreased or left unchanged. Thus, the share of Germans who between 2016 and 2021 believed that defense investment should be increased fell steadily, while the percentage of Germans opposed to increasing spending rose each year, except for minor fluctuations. However, figure 3 clearly shows a significant change in public opinion regarding defense spending from 2021 to 2022. It seems to be a reasonable assumption that the change in attitude was related to the increasing tension on the borders of Russia and Ukraine attitude (Figure 3).



*Figure 4 Authors graph based on (NATO, 2023)*

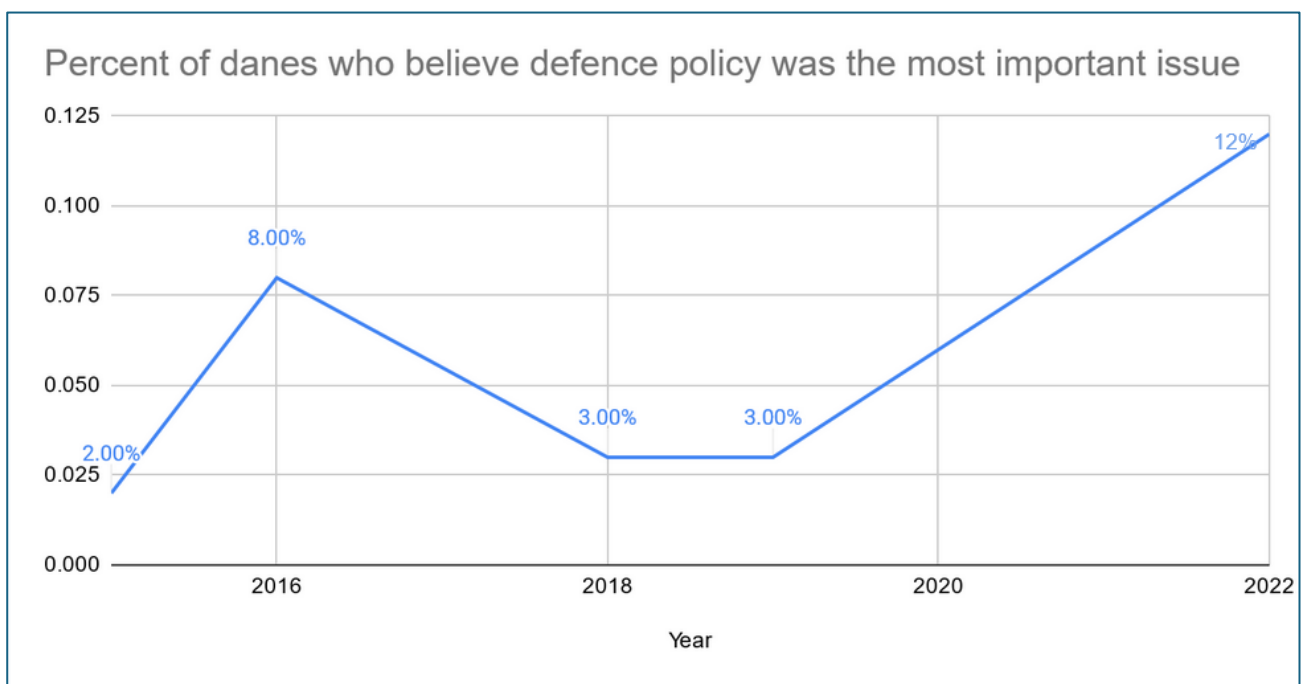
According to the graph (Figure 4) on actual military spending, growth in defense spending was rather slow between 2014 and 2018. However, from 2018 to 2020 it increased dramatically by up to approximately 25%. As can be observed in Figure 3, this increase occurred despite having no public



support for such an increase at the time. The increase in defense spending was halted only with the advent of the COVID-19 pandemic (Figure 4).

Based on the two figures, it cannot be argued that the government's decisions were driven by public opinion. The fact that Germany actively increased defense spending even though the proportion of the German population supporting this decision continuously declined, means that the German government's decisions and public opinion in the German case do not have a direct correlation.

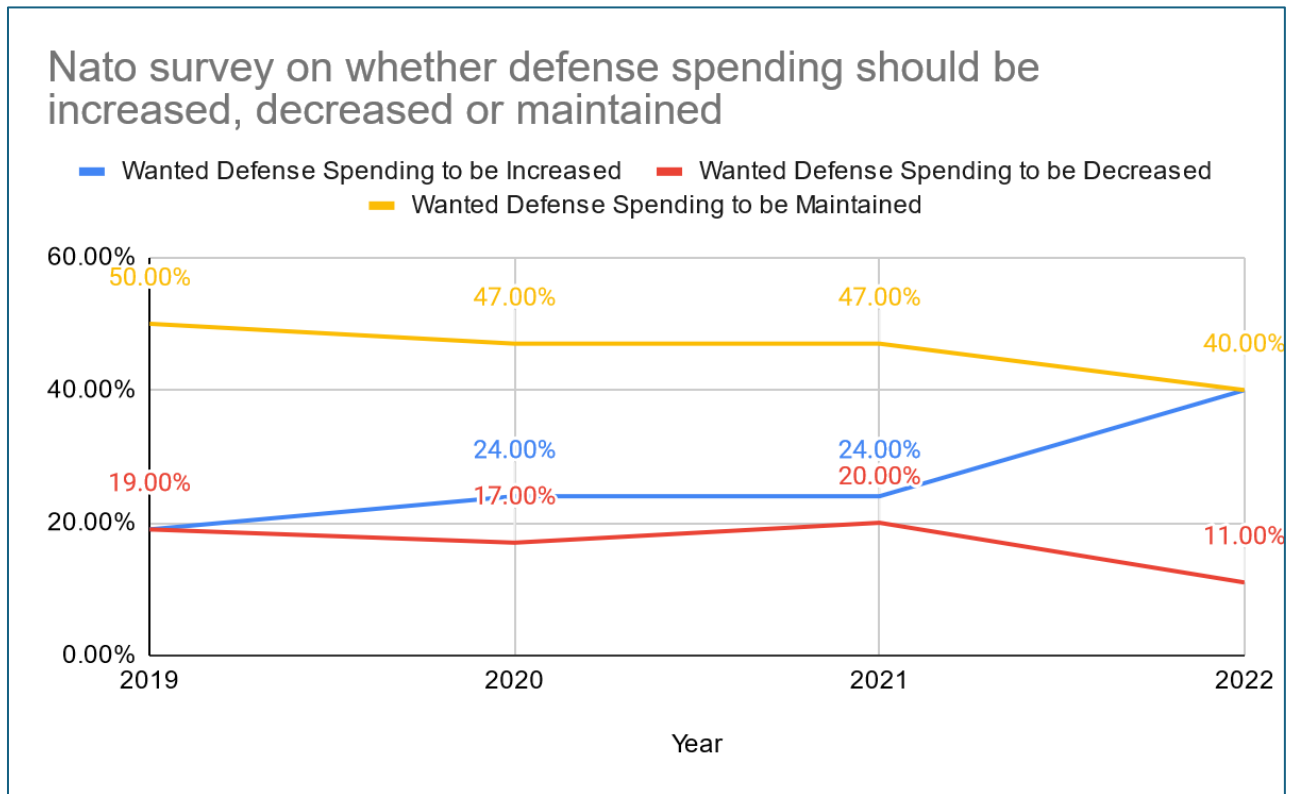
Similarly to Germany, it was not possible to find opinion polls before 2019 directly asking the question of how Danes perceive state investment in defense. However, in 2015, an opinion poll was conducted which analyzed the priorities of the Danish population and compared them with each other. The question of defense investment was also examined. This survey asked a specific question: "Which of the following policy areas are most decisive for your vote at the next election, pick up to 3 options".



**Figure 5** Authors graph based on (Holstein 2015; Holstein 2016; Holstein 2019; Nesheim 2022)

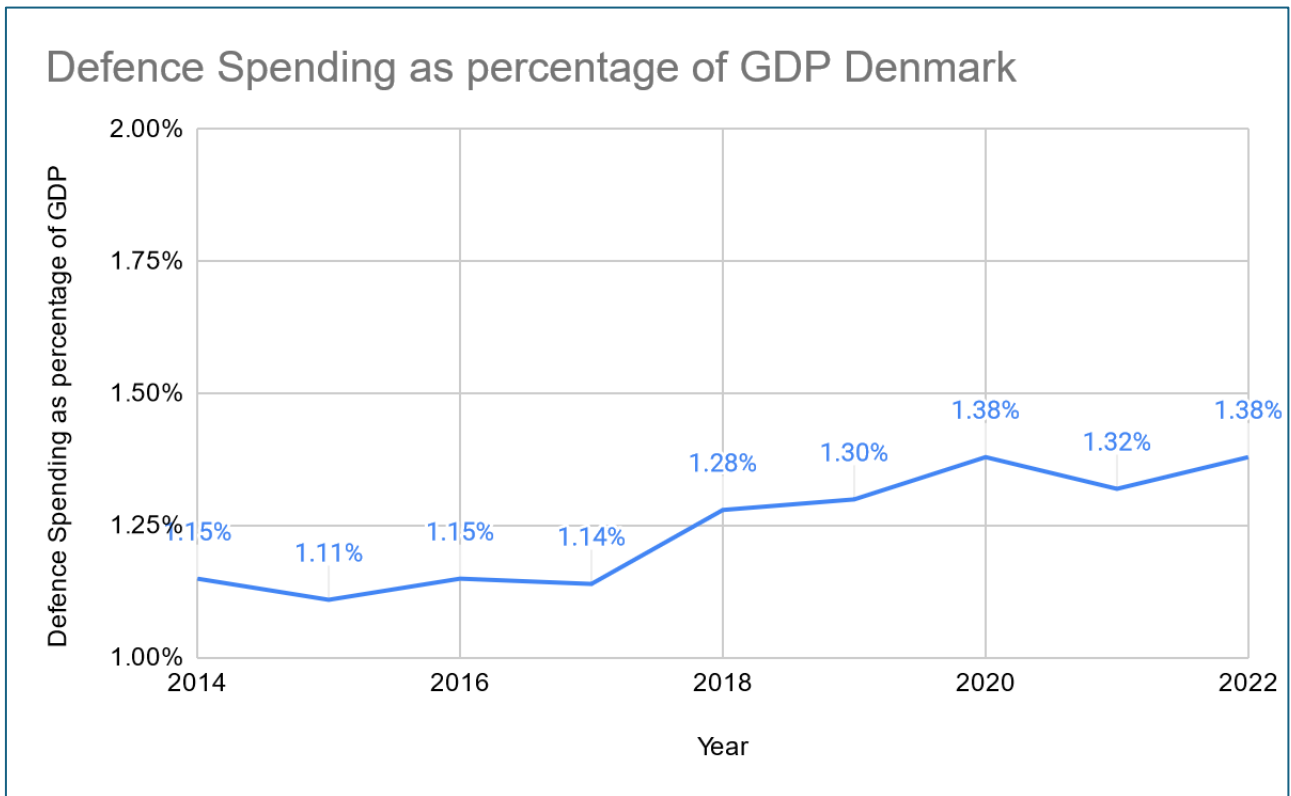
As can be seen in the graph (Figure 5), only 2% of the respondents stated the defense policy was important, the smallest group of all issues except for cultural policy. In comparison, health policy was the most important with 40% saying it was a decisive issue (Holstein, 2015). In 2016, another poll was conducted with the same question. The percentage of those who believed defense policy was

important increased to 8%, only making it the 3<sup>rd</sup> least important issue (Holstein, 2016). Subsequently, until the turn of 2019/2020, the share of Danes who considered defense investment important continued to decline, dropping to a level of 3%. This clearly shows that defense spending ranked low in the interests of the Danish population in most of the years under study (Figure 5).



*Figure 6 Authors graph based on (NATO, 2021)*

Starting in 2019, an annual survey was conducted in all NATO countries, which, among other things, analyzed the opinion of the population on the issue of defense spending. The polls conducted in Denmark (Figure 6) demonstrates, that up to 70% of Danes wanted to maintain or reduce defense spending between 2019 and 2021, while only 20% of respondents expressed support for increasing such spendings (Figure 6). The turning point came in 2021, when the mood in the society shifted significantly and up to 40% of the population started to support investment in defense, which represents a double increase compared to previous years. As in the case of Germany, this change can be explained by the considerably increasing tension on the international scene (Figure 6).

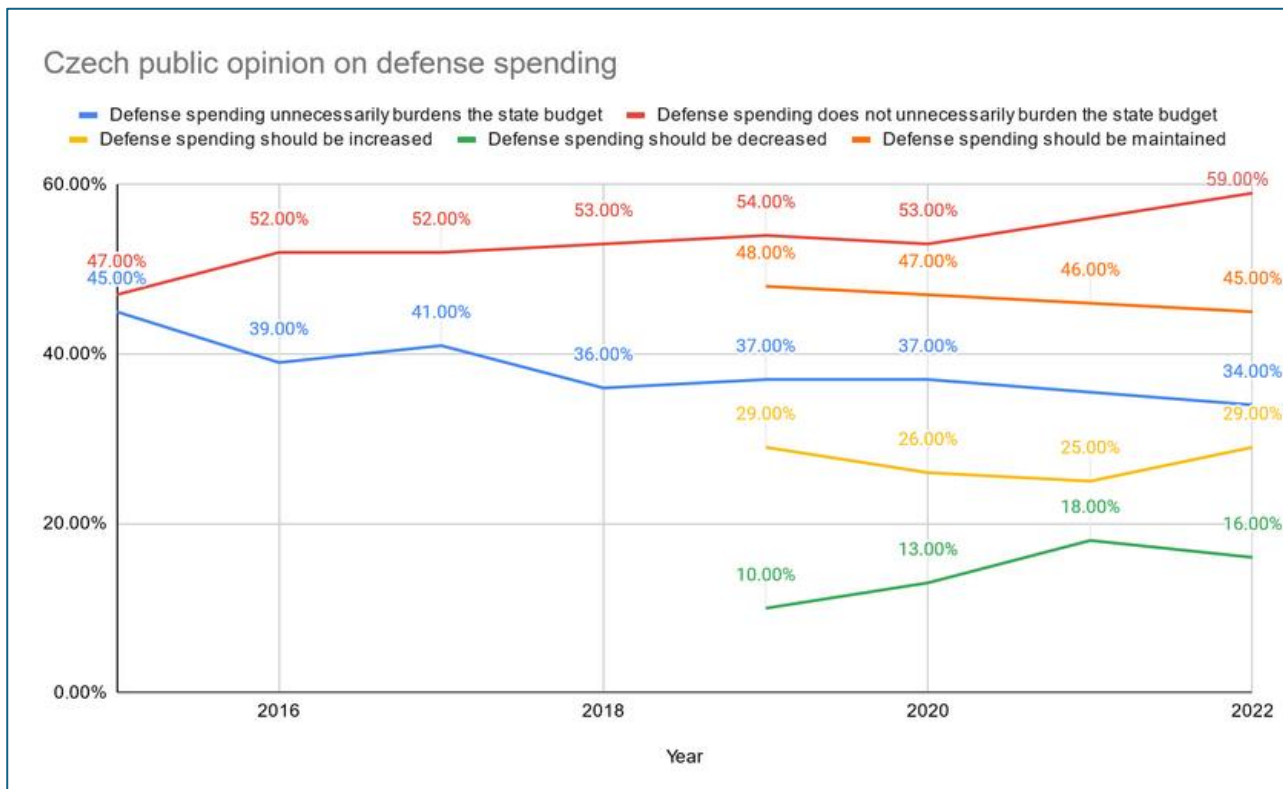


*Figure 7 Authors graph based on (NATO, 2023)*

Analyzing the development of Danish defense spending in % of GDP (Figure 7), it is possible to observe that the Danish decision-makers decided to considerably increase defense spending between the years 2017 and 2020. In 2017, Denmark spent 1.14% of its GDP on defense compared to 2020 where it invested up to 1.38% of its GDP. This represents an increase of 20% of the country's total spending. The slight decrease in GDP spent on defense only occurred for a short period between 2020 and 2021, presumably due to the previously mentioned COVID-19 pandemic (Figure 7).

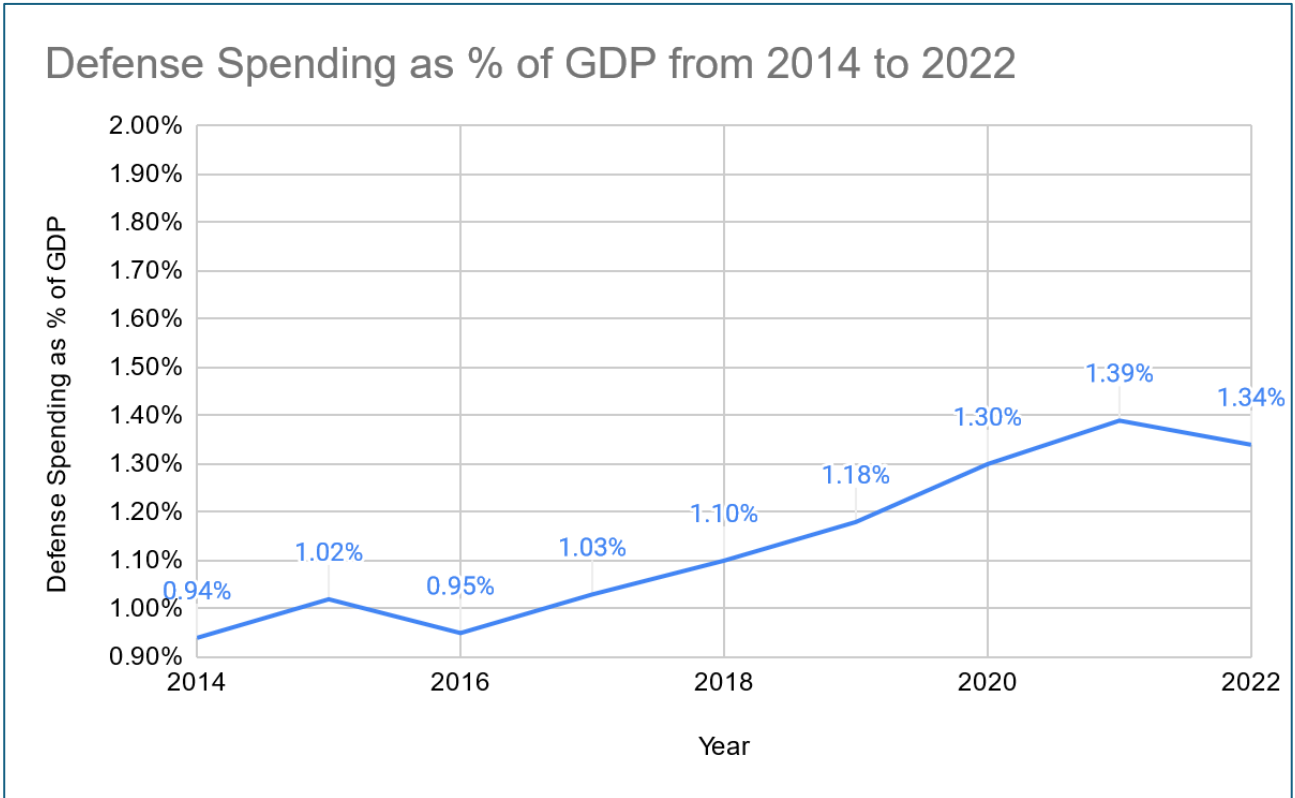
As could be observed in the graphs (Figures 5 and 6), Danes perceived defense investment as one of the least important priorities for the country during most of the years under scrutiny. Nevertheless, Danish decision-makers increased spending on national defense up to 5-times since 2017 (Figure 7). Between 2019 and 2020, during one of the periods of highest increases in these investments, up to about 65% of Danes opposed such increases (Figures 6 and 7). This makes it possible to make a clear statement that Danish politicians were not guided by public opinion in the years under scrutiny, and thus the ‘state-society relations’ variable adopted from the neoclassical realism framework did not play an important role in the case of Denmark either.

Turning to the Czech Republic, the Czech government conducted opinion polls between the years 2015 to 2022. Czech society was asked if they consider defense spending to be an unnecessary burden on the state budget. Additionally, in 2019 NATO started to conduct an annual public opinion poll on the question of state defense spending. The results of both public polls are presented in Figure 8.



*Figure 8 Authors graph based on (Tuček, 2022; NATO, 2022)*

The Czech Republic, presumably because of its specific geopolitical situation and history embedded in the ‘Strategic culture’ is a rather specific case compared to Germany and Denmark. As can be seen in the graph (figure 8) since 2016 and the years following years, Czech society maintained a relatively high level of support for the country's defense. Between 2016 and 2022, it can be clearly observed that the proportion of Czechs supporting defense spending fluctuated around 50%, slowly but continuously increasing from an initial 47% in 2016 to 59% in 2022 (Figure 8). On the other hand, an opinion poll conducted by NATO in 2019 showed that as many as 58% of the Czech population wished to maintain or reduce state spending on defense (Figure 9). At the same time, as in the case of Germany and Denmark, the sentiments of the Czech society changed to a large extent between 2021 and 2022 (Figure 9).



*Figure 9 Authors graph based on (NATO, 2023)*

Figure 9 discusses the trend of the Czech Republic's GDP expenditure on defense. Based on the graph, it can be observed that between the years 2016 and 2021, Czech decision-makers increased spendings. A slight and only temporary decline occurred solely between 2021 and 2022, however, this can again be attributed to the impact of the COVID-19 pandemic.

The Czech Republic spent continued to increase its defense spending in the majority of the years under scrutiny. Including between the years 2019 and 2022, when up to 61% of the population was against increasing military investments according to a NATO public poll (Figures 9 and 10). Thus, there seems to be no direct link between public opinion and the state's spending on its defense.

Summing up, the analysis in this section started with the assumption that public opinion has an impact on government policies in democratic societies like the three analyzed countries. Specifically, it was the argument that the three countries underspent on defense because of a lack of public support for this type of expenditure. All three countries confirmed the same finding, namely that despite the lack of public support for increasing military spending during the majority of the years under scrutiny, decision-makers still made decisions to increase their military expenditure. Even though there was a minimal increase in defense spending in all three countries between 2014 and 2016, the trend reversed between 2016 and 2020, with countries embarking on military investments. However, this military increase did not correlate with public opinion, which in the case of all three countries remained reluctant to such investments. A slight decrease in military investment occurred only in 2020-2022. This is mainly attributed to the COVID-19 pandemic and is not related to public opinion. The analysis comes with the clear conclusion that public opinion cannot explain the insufficient level of defense expenditures. The explanation for the increase in defense spending must therefore be sought by analyzing other factors.

## **Argument 2**

**In democracies, political decision-makers have their own personal and national agendas. Because they want to be re-elected, they have prioritized other spendings and thus neglecting the national defense systems.**

The second argument of the project builds on the variables 'domestic institutions' and 'leader images'. It states that perceptions of crucial foreign policy decision-makers are highly relevant because the beliefs, ideas, and also misunderstandings of the decision makers can result in decisions that may be implemented (Ripsman et al., 2016). In democracies, parliaments are important when priorities for future policies are established. The general argument presented is underpinned by an assumption that because the three NATO countries are democracies, the politicians tend to be attentive toward the wishes of the electorate. Because politicians want to be reelected to parliament, they tend to prioritize what they think the electorate wants. Therefore, they tend to pursue agendas that secure their reelection and if the electorate is not in favor of substantial defense expenditures, the politicians are not inclined to push for such spendings (Hauge, Harrop, McGormick 2019). It must be emphasized that there is not an automatic link between the articulation of policy ideas and ideologies

of leading government members and the implementation of such ideas. It is indicated in the model in the theoretical framework where the policy cycle is shown.

Following the Russian annexation of Crimea and the subsequent NATO Summit in Wales, Germany along with the other NATO members, acknowledged that defense expenditures should be collectively increased, to be capable of facing threats from Russia. However, In Germany, this international pledge sparked domestic opposition, with many politicians across the political spectrum arguing that the 2% goal was not only not feasible, but also meaningless. The 2% measure was also harshly criticized in the German academic debate. Their arguments were also utilized by politicians, with the aim of undermining the importance of reaching the 2% (Weiss, 2019; Allers, 2016). In Germany, both experts and politicians criticized this goal, arguing that it should be threat evaluation driving defense spending, and that the economy should not be the main dependent variable driving German defense, since that would make the measure susceptible to economic downturns and upturns (Lunn, 2017). Some experts argue that the 2% mark does not take into account the individual situations of the country (Lunn, 2017). Germany more than other European nations, underwent a substantial demilitarization in the aftermath of WWII. The events of WWII and the subsequent demilitarization led to a national strategic culture that has been hesitant towards military investments. In 2014, German politicians calculated that a sudden and significant change in military spending would be extremely unpopular among the German population, making it politically unwise to propose a drastic increase in defense.

At a budgetary discussion in the German Bundestag in 2015, the 2% level was recognized as a long-term goal and was also described as unfeasible by multiple parties (Weiss, 2019). Weiss (2019) described it as follows: “*There was no doubt, however, that it did not have much relevance for the current budget*” (Weiss, 2019: 202). The then defense minister Ursula Von Der Leyen limited herself to advocating for no decrease in defense spending, rather than an increase. Other high-level politicians were also undermining the 2% target both Chancellor Merkel and foreign minister Stenhemer spoke about avoiding increased military expenditures (Allers, 2016). The fact that such high-ranking German officials were arguing for not increasing defense expenditure, shows a strong disconnect between the commitment to the alliance and domestic priorities.

In 2018, the 2% pledge was mentioned more substantially. Most parties were in agreement about the need to increase spending, but not in agreement about how much or what role the 2% should play.

Most notably, some ministers in government from the Christian democrats expressed that the pledge should be upheld to show respect towards the alliance, but contradictorily also stated that an increase towards 1.5 % would be sufficient. In 2018, Most German parties maintained the 2% as irrelevant, despite the weaker reluctance to increase military investment. However, few politicians argued for reaching the 2%, and those who did still perceived it as a far-off target. The German government had a preference of prioritizing local political constituency in decision concerning international commitments or domestic perceptions (Weiss, 2019).

In brief, despite German decision-makers pledging to meet the 2% GDP mark, they did not make significant changes to meet the goal. Instead, it was heavily undermined in the domestic political arena, with Chancellor Merkel and the foreign minister arguing that it was not important to increase defense to the extent required by NATO. The years following 2014 did see a slight change in the climate of the Bundestag when it came to increased defense spending.

Denmark is one of the countries that has historically spent the lowest amount of money on its defense. It is also a country known for its social welfare and its promotion of public services. In the years after the end of WWII discussions about the Danish defense In the aftermath of WWII, a debate arose between military experts and the Danish government regarding future investments in the country's defense. At this time, it was obvious that the political will to rebuild the country economically was far greater than the will to increase defense funding. Denmark became a member of NATO in 1949 (Jyllands-Posten, 2018). This membership led to a further reduction in the incentive for Danish decision-makers to spend more on defense. Danish politicians reduced military spendings to a minimum and allocated the state budget to other sectors, due a diminished sense of threat after the end of the Cold War (Information, 2016). That Denmark ceased to perceive Russia as a direct threat after the Cold War, is supported by statements made by Peter Viggo Jakobsen, associate professor at the Department of Strategy and War Studies in Copenhagen (Wetterling, 2018). Jakobsen stated on Danmarks Radio that Danish defense intelligence no longer perceives Russia as a direct threat and therefore Denmark is not interested in increasing investment in its defense (Wetterling, 2018). Martin Lidegaard, foreign minister in 2015, made a similar comment in 2020, when he published a commentary stating that NATO spends up to 19 times more on defense annually than Russia. Therefore, there is no need to invest so many resources in defense (Lidegaard, 2020). Lidegaard who personally represented Denmark at the signing of the 2% financial commitment to NATO in Wales in 2014, openly criticized the wording of the agreement, calling it “*as vague as it could be*”



(Lidegaard, 2020). According to Lidegaard, the countries only committed to aim their defense spending toward 2% of GDP. Lidegaard along with his political party, believed that Denmark should invest in its defense, yet consider its actual capabilities and assess the real threats, not just achieve a seemingly random GDP figure (Lidegaard, 2020). In the same vein, Danish Defense Minister Claus Hjort Frederiksen said *“as defense chief, I will never say no to extra money. However, Denmark is not currently facing tasks for which it would be necessary to increase defense capabilities”* (Nygaard & Ryborg, 2018). With this statement, Frederiksen made it clear that the Danish government did not consider investment in defense important nor the fulfillment of the 2% commitment (Nygaard & Ryborg, 2018).

In reaction to heavy criticism from US President Donald Trump in 2018 on the grounds that Denmark had long failed to meet its commitments to NATO, the Danish Prime Minister, Lars Løkke Rasmussen, explicitly stated, referring to NATO’s pledge *“This is not going to happen. The crucial thing is that we are moving in the right direction...”* (Karlshøj Ipsen, 2018). Instead of focusing purely on 2% GDP as the primary indicator, he argued the focus should be redirected to how the money is spent (Karlshøj Ipsen, 2018). Another view was taken by the political party Radikale Venstre, when spokesman, Kristian Hegaard, publicly stated that meeting the 2% commitment was an unrealistic demand. He added that Denmark should determine for itself how much it spends on defense and should not be dependent on the policies of Brussels or the US (Politiken, 2017). Danish political leaders did not consider investing in defense more important than focusing on the social welfare system. The critical comments and pressure from rival political parties likely shaped the political attitudes and decisions of government members, since investments in defense were perceived as unpopular and unnecessary by the expert community, political parties as well as the general public.

In sum, these statements show that Danish political representatives did not perceive any real threats facing Denmark in the near horizon. This view was shared by Danish military experts, the public, as well as representatives of various coalition and opposition political parties. Danish decision-makers sensed these preferences among the broad public and therefore did not feel sufficiently incentivized to significantly increase investment in defense. During 2014-2022, Danish politicians explicitly stated on several occasions that increasing defense funding and meeting the 2%/GDP commitment was unrealistic and unnecessary. Instead, the state budget has long been shaped in a way that has been attractive in the eyes of the general public primarily focused on social welfare areas, which has helped government decision-makers to directly stimulate their personal political goals and ambitions.

From its foundation in 1993, the government of the Czech Republic considered the ability to defend its national borders and national sovereignty to be its primary objective. Czech decision-makers, backed by a broadly informed society emerging from the collapse of the Eastern Bloc, articulated their political aspirations in 2002 to allocate up to 2.2% of its GDP towards national defense. This decision was made in 2002, that is, long before the other NATO member states agreed in 2014 to a joint commitment to spending 2% of their GDP on defense (Šulc, 2016).

The turning point came with the financial crisis in 2008, which signalled a significant change in the Czech Republic's defense policy. The socio-political situation changed rapidly, and society began to demand more assistance from the state, increased welfare benefits and state programs (Šulc, 2016). During this period, a social precedent was established, which subsequently redefined the priorities of the Czech decision-makers and in turn, the state budget for the following years (Šulc, 2016). In other words, Czech decision-makers found themselves in a position that most states face - known as the "Guns versus Butter Dilemma" (Šulc, 2016). Czech decision-makers had to decide between allocating public finances to ensuring the security of its borders, i.e. 'guns', or to supporting the population, health, ecology, and others, i.e. 'butter' (Šulc, 2016; Töngür et al., 2015). In the Czech Republic, the 'butter' had started to take precedence, which was made evident by the increasing share of social spending, compared to the decreasing share for defense between 2014 and 2022 (Šulc, 2016). The Czech governing party "ANO", led by the prime minister Andrej Babiš, was a left populist party that steered the government into prioritizing popular, yet inefficient and budget-burdening decisions (Van Kessel, 2015). By analyzing the allocation of Czech public finances from 2014 to 2022, it is possible to see a trend that clearly points to an under prioritization of the Defense Ministry and therefore defense spending as such (Šulc, 2016). Even though the threats that the Czech Republic defined for itself from the day of its foundation had remained almost unchanged, the GDP-linked expenditure decreased significantly every year compared to the level spent on social expenditure (Šulc, 2016).

The underestimation of external threats and the subsequent advocacy of reduced investment in the Czech defense sector became a common phenomenon in the years following the 2008 financial crisis. In 2018, the Czech government issued a one-note statement at the V4 summit, where it declared that the Czech Republic is not in any military danger, and only the countries of NATO's Eastern borders are potentially threatened (Zachová et al., 2018). This sent a signal to the public, as well as to foreign partners, that defense spending and thus fulfilling the 2% commitment was not a priority anymore (Zachová et al., 2018).

Following the approval of the state budget in 2019, the chairman of the Confederation of Trade Unions, Josef Středula, criticized the government, stating in an interview with ČT24 that the Czech Republic has been a NATO member country for two decades, but has never spent 2% of its GDP on defense. According to Středula, money is needed in other departments, such as education or healthcare, and therefore huge investments on ‘guns’ is highly questionable (ČT24, 2019). Traditionally, Czech political opposition parties have also joined the public debate, saying that spending 2% on defense is nonsensical, and populistically claiming that the funds should instead be used for teachers' salaries and retirement pensions (Bohuslavová & Danda, 2019). At the start of 2020, Czech Deputy Prime Minister Jan Hamáček gave a public interview to the journal iDNES.cz, in which he explicitly stated that the Czech Republic would not spend 2% of its GDP on defense, as there was no political will for it within the government coalition (iDNES.cz, 2020). For the country to achieve this goal, the state budget would have to undergo a structural change and be increased to twice its size, which the coalition parties explicitly rejected (iDNES.cz, 2020).

Based on the demand of the society as well as pressure from the opposition parties, the Czech government decided in 2020 to withdraw almost 3 billion CZK from the budget of the Ministry of Defense and reallocate these funds to help fight against the COVID-19 pandemic through social aid packages and related state schemes (CT24, 2020). Like many other decisions made between 2014 and 2022, this one contributed significantly to underspending on the Czech Ministry of Defense, which also led to a failure to meet the 2% commitment to NATO. Among other factors, this demonstrated that Czech government officials continued to prioritize state sectors that had the support of the public, at the expense of meeting NATO membership commitments.

In brief, based on the statements and decisions of the Czech political leaders, it was clear that they did not prioritize investments in defense. In the Czech Republic, public sentiments demanding social welfare became a clear priority for the decision makers while the investments in the country's defense and the commitments to NATO became comparatively less important. Therefore, it was only possible to gather a majority in Parliament for minor increases to military expenditures but not for reaching the 2% target.

Summing up, the starting point of this sections was that Parliaments are important when it comes to deciding the level as well as the distribution of public expenditures. Therefore, the positions and public statements of leading politicians in all three case countries are important. In all the countries

analyzed here, leading politicians argued that significantly increasing defense spendings were out of the question. These attitudes seem to be in line with statements made by experts and maybe most importantly, it seems to be in line with public attitudes. Because politicians are assumed to want re-election, it was not surprising that they maintained that expenditures on defense should not increase. In all three countries, decision makers seemed to prioritize welfare and similar areas over defense. There was also a general low threat perception of Russia's aggressive policy behaviors.

### **Argument 3**

**The European NATO partners have been freeriding because European politicians have calculated that the US would come to their assistance in a crisis situation irrespective of whether they invested 2% of their GDP on defense or not.**

The analysis in this chapter scrutinizes the third argument that the underspending of the three governments can be explained by referring to the phenomenon freeriding within the defense alliance. The argument of freeriding here is framed within the individual strategic cultures where NATO and the trust in the US feature prominently. The freeriding argument emphasizes that the individual NATO member country would try to get away with being a member of the alliance with as little defense expenditures as possible. The third argument of the project maintains that the recognition of the unique position of NATO in the individual strategic cultures dictates the importance of maintaining NATO as an efficient defense alliance by contributing to the organization. Thus, the chapter scrutinizes if the individual strategic cultures of the three case countries may explain whether the governments were deliberately freeriding during the years 2014 to 2022 based on an expectation that the US would come to their rescue in a security crisis.

Fair burden sharing is the ultimate expression of alliance solidarity and unity and thus of NATO's credibility, it is argued by J. A. Olsen (2020). Since the Cold War ended in 1989, European NATO countries have been criticized for underspending on their national defense (Pedersen et al., 2023). Among the prominent critics of the insufficient European defense spending is former US president Barack Obama who in 2016 argued that the European NATO partners were "free riding" (Landler, 2016). The criticism of the level of European defense expenditures is basically a discussion about burden-sharing within an alliance and thus about the possibility of freeriding. In the project, the level

of defense expenditures is the dependent variable whereas the empirical analysis in this section is focused on possible explanations of the level of military defense in the three case countries. It implies that the focus is on the independent variable, i.e., the strategic culture that is supposed to explain the expenditure patterns in the three countries.

The oldest theoretical argument in favor of the possibility to free ride within the NATO alliance was launched back in the early 1960s when Mancur Olson & Richard Zeckhauser (1966) used public choice theory to argue that a defense alliance like NATO produces a ‘public good’ namely security (Pedersen et al., 2023). It is characteristic for public goods that they are indivisible, meaning that all members of an alliance will enjoy the benefits which, according to public choice reasoning can lead to self-interested freeriding (Pedersen et al., 2023). A first glance on the level of defense expenditures/GDP in Germany, Denmark and in the Czech Republic shows that the three countries underspent and thus were freeriding in 2014 throughout 2022 (NATO, 2023; Kim & Sandler, 2020).

The 2014 annexation and the subsequent Russian military interference in Eastern Ukraine forced the European militaries to change their priorities from expeditionary warfare towards territorial defense and deterrence in Europe (Pedersen et al., 2023). It meant that the European defense systems had to refocus and dramatically change their mode of operation within a very short time span. Looking at the European contributions to the American led wars in Afghanistan and Iraq, analyses suggests that the European NATO members actually contributed more than the simple measure military expenditures/GDP indicates (Jacobsen 2018). If other indicators like the amount of development assistance and the amount of contributions to UN peacekeeping are taken into account, it questions not only the level of freeriding but also the accusation by Donald Trump that the level of defense spending reflected a deliberate political choice to do so (Jacobsen, 2018).

During the period 2014-2022, the level of military expenditures started to increase in all 3 cases. Measured in 2015 prices, the real increase for Denmark was 43,4%, for Germany 37, 2% and for the Czech Republic it was 71,8% (Appendix B). The increase in the case of the Czech Republic must be seen in the light of extraordinary low expenditure levels during the decade prior to 2014. The analysis made by Pedersen, Ohrt & Svenningsen concludes that the small NATO members tended not to free ride in the period under scrutiny. Rather, their analysis suggests that the ‘selective incentives’ in the form of threats to their borders helped to overcome some of the alleged tendencies to free ride

(Pedersen et al., 2023). Phrased differently, Denmark and the Czech Republic increased their defense expenditures because they reacted to the seriousness in their perceptions of a threat from Russia.

The three authors maintain that the increasing military expenditures were linked to a long-term tendency in their alliance behaviors to slowly increase their defense expenditures. They interpret the increase as an indication that the rational choice argument about the tendency to free ride when possible, might not apply in this particular context (Pedersen et al., 2023). Despite, their conclusion being restricted to Denmark and the Czech Republic, this project assumes it is also valid for Germany which, obviously, is not a small power. Thus, the analysis by Pedersen, Ohrt and Svendsen (2023) indicates that two of three case countries were actually willing to share the burdens of the alliance with the US meaning that they were not deliberately freeriding. Nevertheless, they still did not reach the 2% target and in that sense, it could of course be argued that they were freeriding.

The explanatory argument of this section is based on the assumption that the strategic cultures of the three NATO countries did not encourage them to spend less than 2% of their GDP on defense, rather to the contrary. The assumption necessitates a brief presentation of the individual strategic cultures. The German strategic culture contains a strong transatlantic element and a unique 'Westbindung', meaning that the German politicians perceived alliance with the United States and with the other Western NATO countries as decisive for Germany's national security, but also for Germany's perception of itself as a 'Western' country. In brief, the 'Westbindung' of Germany made it obvious for Berlin to side with the US dominated and NATO dominated security order. The country's traditional status quo orientation also pushed Germany towards prioritizing NATO as the dominant partner in European defense. Theoretically, Germany could have opted for a European Union solution with an independent European defense. But that was not an official German position during the years under scrutiny (Koenig & Wernert, 2021; Helwig, 2020).

The 'Westbindung' went hand in hand with a long tradition in German politics of avoiding being isolated and acting on its own (Hamilton, 2023; Joffe, 2023; Helwig, 2020) which was closely linked to Germany's historical traumas that ran deep in a society whose watchwords were caution, stability, and no experiments (Hamilton 2023: 7). Because the transatlantic embeddedness defined much of Germany's post-war identity (Koenig & Wernert 2021: 4), Berlin certainly did not want to undermine NATO. The German government frequently stressed that NATO remained the cornerstone of Europe's collective defense (Helwig, 2020: 452f). In brief, the information about German strategic

culture presented here does not support the argument that Germany deliberately underspent on its national defense because it was freeriding. Rather to the contrary, based on the German strategic culture it could be expected that Germany would live up to its commitments.

Turning towards Denmark, it is not only described as an Atlanticist actor. It is defined as a “super Atlanticist” (Wivel & Crandall, 2019) which emphasizes the significance of Denmark’s strong alliance with the United States (Rynning & van Ham, 2022). A super Atlanticist is characterized by pursuing a strategy that aims at fulfilling “*a specific role in the international society with the aim to maximize that national interest of the small state*” (Wivel & Crandall, 2019: 393). Being a ‘super Atlanticist’ is the result of deliberate choices based on what the policy makers regard as the “right” world order (Wivel & Crandall, 2019). This right world order is aimed at establishing a rules-based international order inspired by the Scandinavian welfare states and its emphasis on economic equality (Wivel & Crandall, 2019: Wivel, 2020). According to Anders Wivel and Matthew Crandall this so-called “regime identity” assumes a close alliance and friendship with the United States. And since the 2014 Russian annexation of Crimea, the strong Atlanticist sentiments have become “*the overall foundation of Danish foreign policy*” (Wivel & Crandall, 2019: 405).

In that context, the less than 2%/GDP Danish defense budget is not only the “*Achilles heel of Danish super Atlanticism*” (Wivel & Crandall, 2019: 404). It contradicts that the dependency on the US is really the foundation of Danish foreign policy. However, it must be stressed that from 2018, Denmark actually started to increase its defense budget (Wivel & Crandall, 2019). The lack of increase of the defense budget between 2014-2018 can be interpreted as a lack of understanding among Danish foreign policy makers that the world had changed, and the activist foreign policy with military deployments in Afghanistan, Iraq and elsewhere were no longer a viable option. The slow change can be attributed to a position that the domestic value systems and the understanding of Denmark’s role in international security policy made it difficult to change the perception that performing expeditionary warfare in Afghanistan and Iraq was the best way to demonstrate solidarity with the US. Anders Wivel describes this type of Danish security policy as a “supply model” where Denmark supplied an activist policy and at the same time, maintained US support (Wivel, 2020). After 2014, the best way to serve the American priorities were by establishing territorial defense and increase defense budgets in Denmark, but it took time to change the priorities.

Thus, the slow change of policy in Denmark can in no way be interpreted as an attempt to free ride, which the increasing budgets from 2018 seem to support (Wivel & Crandall, 2019). Both types of policies, the supply model and the most recent one the demand model, both requiring increasing budgets with a strong focus on the 2%, demand radical policy decisions. However, it was not a quick or easy decision to implement a Danish security policy that focused on acting abroad, in Iraq and Afghanistan and to start focusing on the domestic security environment that demanded a totally different type of investments. On the other hand, it should not be neglected that Sten Rynning and Peter van Ham maintain that traditionally, Denmark has been reluctant “to be among the big defense spenders”. This aligns with the supply model which is less costly but nevertheless maintains the friendship of the US, suggesting that Denmark would prefer to spend as little as possible on defense (Rynning & van Ham, 2022). Basically, the quote repeats that Danish policy makers have made a calculation about what the ‘right’ level for defense spending should be if, Denmark prioritizes to maintain the close alliance with the United States which is the fundamental value in the strategic culture of the country.

Finally, the strategic culture of the Czech Republic shows a clear Western orientation and that seems to explain why the country was so quick to join the war on terror in the wake of September 11, 2001, when the Czech Republic pledged its assistance to the United States (Benes & Karasek, 2021). All official documents published in the period following 9/11 favored NATO as the most important structure in Europe’s security architecture and, the defense alliance was considered a ‘key institution’ for the Czech Republic. Despite openness towards EU defense ambitions, NATO continued to be the most important partner for the country (Benes & Karasek, 2021; Jires, 2013). Jan Jires argues that it was important for the Czech Republic to become a member of NATO, not necessarily for security reasons; but mainly for political reasons because the membership could confirm its Western identity (Jires, 2013). These observations suggest that the Czech Republic would never consider freeriding within NATO.

Official statements by Czech Republic politicians, buttress that freeriding was never perceived as in the interest of the Czech Republic. Defense Minister Lubomir Metnar stated in 2020 that “The alliance commitment of 2% of GDP is not just a number on paper. It is the Czech Republic's signature, which we use to confirm to our alliance partners that we are ready to participate in collective defense (...) this cooperation must be mutual, however, we cannot just take and give nothing” (NatoAktual, 2020). Defense Minister L. Metnar was supported by Prime Minister Andrej Babiš, who spoke in a



similar vein about spending 2% of GDP on defense. In both cases, it was explicitly stressed that underestimating investment in defense was not the right policy to pursue. Primarily because underspending would mean a potential loss of trust from alliance partners, but also for security reasons and the loss of the country's defense capability (NatoAktual, 2020).

The importance given to develop the defense capability of the country can also be documented by a statement from the official website of the Ministry of Foreign Affairs of the Czech Republic, which states that although the chances of a direct attack on the Czech Republic are low, the Czech Republic is strongly aware of the tense situation on NATO's borders. For this reason, the Ministry of Foreign Affairs of the Czech Republic states that since a threat to NATO allies cannot be ruled out, a direct military threat to the Czech Republic cannot be ruled out either "because the security within NATO cannot be divisible" (Czech Foreign Ministry, 2019).

Summing up, there seems to be no strong indications or arguments for the three countries freeriding in NATO. When it comes to all three countries sources seem to point against deliberate freeriding. It is acknowledged that all three countries spent less than 2% on defense during the years under scrutiny. But at the same time, it can be established that the strategic culture of all countries clearly worked against freeriding. It is also supported by the slow increase in the defense expenditures that took place in the three countries in the years following 2014.

In conclusion, the three countries were not freeriding within the NATO alliance during 2014-2022 even though they did not meet the 2% target. They did not free ride because the strategic culture of all three countries dictated to keep their obligations to the organization because, NATO and with it the United States were decisive to their national security.

## Argument 4

**The European countries have underspent because European politicians believed in the liberal ideology of economic interdependency which predicts that economic interdependency will lead to peaceful relationships internationally.**

This section addresses the fourth argument that European foreign policy decision-makers were strongly influenced by a line of thinking that assumes that economic interdependency will lead to peaceful relationships between states and governments. It implies that more trade with Russia would lead to a more peaceful Russia and therefore, trade would reduce the need for investing heavily in defense. Theoretically, this line of thinking is inspired by liberal theories on international relations claiming that trade and social contacts between societies will have positive effects as far as it makes it more difficult and more costly to wage war against a crucial trading partner. In brief, it is the thinking that international trade can lead to peace and maybe also to democracy (Meister, 2019).

The analysis in the section narrows the argument down to the decision-makers in Germany, Denmark and the Czech Republic who are assumed to share an ideological belief that international trade would lead to peaceful relations, in this case between Europe and Russia. The thinking is sometimes described as the liberal peace theory, suggesting that trade and social contacts between democracies and non-democratic states can push developments in an authoritarian regime towards more freedom and democracy (Heinze 2008; Smith 2022). This means that the argument here is that European politicians did not find it necessary to rearm militarily despite Russia being an increasingly authoritarian state and despite its assertive foreign policy behavior. To the contrary, it was assumed that Russia would seek to avoid military confrontation with the West and with NATO simply because it would be too costly for the Russian society to start a war with the West. As it is argued by Lucan Way “*one impetus for the West’s strengthening economic ties with Russia was a belief that increased integration would encourage the country to liberalize further as its economy became more dependent on Western democracies*” (Way 2022: 7f).

Despite Denmark and the Czech Republic are also being part of the project, Germany will be the focus of this analysis. The narrowing of the focus in this section to be mainly on Germany is justified by two circumstances. First, Germany was a key player shaping the Western policy towards Russia

(Szabo, 2014) which leads to the assumption that Germany was also a key player in the trade policy of the European Union towards Russia. The EU is the sole actor in trade policy meaning that it is not the individual members states that determine and pursue the European trade policy, it is the Commission. Because of the crucial German position within Europe, it is important to look at the prevailing trade philosophy shared by German decision makers. The second reason for narrowing the focus to Germany is that the data and the literature on the specific reflections concerning the trade policies of Denmark and the Czech Republic are difficult to identify.

Dan Hamilton argues that the traditional German ‘Ostpolitik’, maintaining that Germany should seek to have friendly relations with Russia, gradually transformed itself into a German Russia policy emphasizing a strong belief in the ‘mantra’ that Russia could be transformed and changed through trade. The German slogan was ‘Wandel durch Handel’ (change through trade). Therefore, “*Putin’s invasion of Ukraine in February came as a shock because it was an assault on Germany’s very notion of itself*” (Hamilton 2023: 1-2). In the previous section, it was mentioned that Germany has a strong ‘Westbindung’. According to Dan Hamilton, the combination of the strong ‘Westbindung’ and the trade driven Russia policy gave Germany a sense of security which led to a political assessment that it was possible for Germany to reduce its military expenditures. And instead, refocus its military on far-away crisis management, like in Afghanistan and Africa, which were overall financially cheaper (Hamilton, 2023).

The strong belief in the idea that trade and economic interdependency with Russia would result in a more peaceful Moscow was clearly articulated by leading politicians prior to the Russian assault on Ukraine. German business interests and private corporations lobbied strongly for maintaining the close trade relationship with Russia (Szabo, 2014, Siddi 2016). Trade was meant to deter Russia and Putin from aggressive power policies. It is worth noting that the pre-2022 German policy towards Russia was only shaken to a minor degree by the Russian annexation of Crimea in 2014. The idealistic view on Russia and the German Ostpolitik continued to be based on the doctrine of ‘Wandel durch Handel’ which proved “*hard to kill*” despite Russia’s aggressive policy (Blumenau 2022: 1907).

Therefore, despite the Russian annexation of Crimea, Germany officially maintained its ‘Wandel durch Handel’ policy between 2014 and 2022. Bernard Blumenau finds that the liberal trade policy continued “to serve as a justification for doing business” with Russia which was strongly demonstrated by the increasing dependency on importation of gas and oil from Russia (Blumenau

2022a). Former Chancellor Angela Merkel's economic advisor for 11 years, Lars-Henrik Röllner, defended the close cooperation between Germany and Russia. In an interview, he stated that the cooperation with Russia "helped to deliver us strong growth rates that paid for things we otherwise wouldn't have had for a period of 10-15 years, things that would otherwise not have been possible" (Lau 2023, Goldenberg 2022).

In this context, it is interesting that the former prime minister in Denmark, Poul Nyrup Rasmussen, argued along the same lines at a conference organized by The Danish Federation of Industries in 2001 under the headline "Denmark's future European agenda – towards the (Danish) EU presidency, 2002" (Statsministerien, 2001). The Danish Prime minister stated that trade "must and should involve greater and freer cooperation with Russia and Ukraine. Two very large societies, which in terms of security, economy, trade and peace are of absolute crucial interest to us. Here, the Danish government, together with its colleagues in Europe, must be frontrunners when it comes to renewal, opening up the markets, expanding cooperation with, among others, Russia".

Together with the other EU countries and the United States, Germany criticized imposed sanctions on Russia because of the Russian annexation of Crimea in 2014 (Siddi, 2016). However, the liberal trade policy towards Russia continued between 2014 and 2022 and it did so despite German politicians and decision-makers recognizing that trade and energy relations did not prevent Russia from waging war in Europe, concretely in Ukraine (Meister, 2019). Despite the Crimean annexation, that led to a rethink of German security and foreign policy, the actual defense policy did not change much and "*the underfunding of the Bundeswehr continued, and hesitation about using military means persisted*" (Blumenau 2022a: 1910). The situation in Germany clearly illustrated the lack of connection between policy thinking, and thus leader perceptions and decision-making, and implementation of policy.

Compared to the situation in 2014, the Russian assault on Ukraine in 2022 led to a fundamental change in Germany's policies towards Russia as well as in German defense and EU policies. The German Chancellor Olaf Scholz openly acknowledged that the thinking in German policy circle about Russia after the Cold War was an illusion. Therefore, the speech delivered by Scholz following the Russian assault introduced the argument that there was a need for a 'Zeitenwende' (turning point) in German foreign policy. The Zeitenwende speech of Olaf Scholz was implicitly an acknowledgement that the traditional German Ostpolitik had failed and in particular the policy of

‘Wandel durch Handel’ had failed dramatically (Blumeneau, 2022a). By launching the ‘Zeitenwende’ policy, Olaf Scholtz fully acknowledged that the German Bundeswehr (the German defense forces) were chronically underfunded and could not live up to the challenges it would face in the near future (Blumenau 2022a).

Summing up, Germany was the most important EU member state in relation to the policy formulations towards Russia during 2014 to 2022. The strong commercial undercurrents in the traditional German Ostpolitik meant that the liberal ideas or the liberal way thinking of international trade influenced and legitimated the policies towards Russia. These policies built on a strong belief among decision-makers that trade would result in peaceful relations with Russia. Therefore, there was no need to build up and invest in the German armed forces. Not even the 2014 annexation of the Crimea Peninsula resulted in a change of German defense policy and the underfunding continued. Thus, in the case of Germany there seems to be strong indications that ideas, beliefs, maybe even the ideology of core foreign policy decision-makers about economic interdependency would lead to peace and democracy. It suggests that ideas and beliefs can lead to actions, in this case it led to lack of sufficient investments in the German Bundeswehr. The section has not been able to indicate that the same type of thinking and reasoning was prevailing in Denmark and in the Czech Republic. Therefore, it cannot be concluded that the ideology or theory of economic interdependency led to less funding of their armed forces. But it is highly likely that it was the case.

## **Conclusion**

The project was inspired by the puzzle that most European NATO member states did not live up to the commitment to spend 2% of their GDP on defense despite all having pledged to do so on several occasions. This astonishment was not diminished by the fact that the Russian annexation of Crimea in 2014, which was a clear breach of international law, did not lead the European NATO members to invest heavily in their armed forces. The puzzle almost naturally led to asking the research question of the project:

*“Why did most European NATO countries fail to reach the jointly made commitment of spending 2% of their GDP on defense between 2014 and 2022?”*

The project attempted to answer the research question by analyzing a limited number of selected countries. Based on a reflective case selection, the project ended up making the analysis based on three cases namely Germany, Denmark, and the Czech Republic, with the assumption that these countries were representative of the population of European countries that did not spend the required 2% of GDP. The empirical analysis was inspired by a theory explicitly developed for making analyses of foreign policies and foreign policy decisions, namely neoclassical realism. The theory points to four supposedly important domestic factors or variables. Based on these, the project formulated four arguments that were expected to contribute to explaining why the three countries underspent on defense.

The analysis started by scrutinizing public opinion in relation to the level of spending on military. The sub-analysis was inspired by the variable 'state-society relations' and specifically, it was inspired by the theoretical argument that public opinion plays a significant role for decision-making on foreign policy issues. The analysis was not able to show that public opinion played a decisive role in influencing the decision-makers' position on the level of defense expenditures. To the contrary, there were indications that that the relationship could be the other way round.

The second sub-analysis is built on inspiration from a combination of the variables 'domestic government institutions' and leader perceptions/'leader images'. The analysis showed that leading politicians were skeptical towards meeting the 2% target. Instead, the politicians were focused on prioritizing other policy areas than defense which resulted in budget distribution adopted in the parliaments. It points towards a conclusion that the parliaments were important in relation to explaining the insufficient level of defense expenditures. The analysis also clearly suggested an additional explanation, that politicians were attentive towards public opinion because they were interested in being re-elected.

The third sub-analysis built on the variable 'strategic culture' that addressed the argument or postulate promoted strongly by former President Donald Trump that the European NATO members were freeriding by not "paying their bills". The analysis showed that the significance of Germany's strong 'Westbindung' simply contradicts that that the leaders in Berlin would deliberately try to free ride. The content of the German strategic culture would not favor such a calculation. The pattern was more or less the same in the case of Denmark which prioritized a strong transatlantic alliance and a close relationship with the United States. The case of the Czech Republic was a bit more complicated, but

the bottom line was similar to the two other cases. The significance and importance of the alliance with the West in general and with NATO and the United States, rejected deliberate freeriding in the defense alliance. It was highly important for the former Socialist state to keep close and warm relations to the West and underspending on defense would send the opposite signal. In sum, the characteristic features of the strategic cultures of the three countries basically excluded freeriding as an explanation for the insufficient defense investments.

The fourth argument built on the variable leader perception or 'leader images'. The analysis of Germany showed rather clearly that the decision-makers held strong beliefs in the liberal idea that positive benefits would follow from more trade between Russia and Germany because Russia would become more peaceful. These ideas seemed to have affected the German policies during the years following the Russian annexation of Crimea. Because Germany was so dominating in the formulation of European Union trade policies towards Russia, it seems reasonable to assume that similar ideas were also prevailing in Denmark and in the Czech Republic.

Summing up, the project raised the question of why the European NATO members did not spend 2% of their GDP on defense in the years 2014-2022. Based on the analysis made here, the answer to the question is that the European decision-makers believed it was unnecessary to spend money on building up their national defense systems. If they wanted to be re-elected, they could not argue in favor of increased defense spendings. Policymakers held strong ideological convictions that trade would result in peaceful relations and maybe even promotion of democracy in Russia. The Russian assault on Ukraine on February 24, 2022, proved that that line of ideological reasoning was wrong.

Analytically, the conclusion strongly suggests an interesting observation namely that personalities, personal beliefs and perceptions of crucial decision-makers played an essential role in foreign policy decision-making. The overall conclusion to the analysis is that the combination of policymakers' drive to be re-elected and their strong belief in trade as a tool in creating peaceful relations between countries were decisive for the decisions made on the insufficient investments on defense. Thus, the politicians, their ideas and personal ambitions explain why the three NATO countries did not spend 2% of their GDP on defense. The same variables can also explain why the Russian assault on Ukraine in 2022 led to increasing defense expenditures, as the policymakers reacted strongly to the systemic stimuli from the invasion and sentiments of their electorate.

## Bibliography

- Baldacchino, G. & Wivel, A. (2020) *Small states: concepts and theories*, in: Baldacchino, G. Wivel, A. (eds), *Handbook on the politics of small states*, Elgaronline, 1-19.
- Benitez, J. (2019) "US NATO policy in the age of Trump: Controversy and consistency, *The Fletcher Forum of World Affairs*, 43:1, 179-200.
- Benes, J. & Karasek, T. (2021) *Small and impressionable? Strategic cultures of the Czech Republic and Slovakia in evolving international contexts*, in: Weiss, T. & Edwards, G. (eds) *Small States and Security in Europe*, London: Routledge, 66-77.
- Blumenau, B. (2022) *How Russia's invasion changed German foreign policy*, Chatham House, London.
- Blumenau, B. (2022a) *Breaking with convention? 'Zeitenwende' and the traditional pillars of German foreign policy*, *International Affairs*, 98: 6, 1895-1913.
- Bohuslavová, R., & Danda, O. (2019). *Piráti se bouří: Dvě procenta armádě je moc. Schytali to od Babiše i od opozice*. Novinky.
- Bove, V., Efthyvoulou, G. & Navas, A. (2017) Political cycles in public expenditure: butter vs guns. *Journal of comparative economics*, 45, 582–604.
- Charbonneau, B., Chafer, T. & Wyss, M. (2017) "Whose 'West Africa'?" *Journal of Contemporary African Studies*, 35:4.
- ČT24. (2019). „Mělo by se dávat tolik peněz na obranu?“ ptá se Středula. *Velké zdroje vidí i na úctech zdravotních pojišťoven*. Ct24.Ceskatelevize.cz.  
<https://ct24.ceskatelevize.cz/clanek/ekonomika/melo-by-se-davat-tolik-penez-na-obranu-pta-se-stredula-velke-zdroje-vidi-i-na-uctech-zdravotnich-poj-64528>
- ČT24. (2020, September 23). *Česko nesplní závazek vůči NATO. Dvě procenta HDP do roku 2024 na obranu dávat nebude, uvedla Schillerová*. Ct24.Ceskatelevize.cz.  
<https://ct24.ceskatelevize.cz/clanek/domaci/cesko-nesplni-zavazek-vuci-nato-dve-procenta-hdp-do-roku-2024-na-obranu-davat-nejde-vedla-schiller-44550>



- Christie, E. H. (2019) *The Demand for Military Expenditure in Europe: The Role of Fiscal Space in the Context of a Resurgent Russia*. *Defence and Peace Economics* 30 (1): 72–84. Crossref. ISI.
- Czech Foreign Ministry. (2019, July 30). *Koncepce Zahraniční politiky* čr. Ministerstvo zahraničních věcí České republiky.  
[https://mzv.gov.cz/jnp/cz/zahranicni\\_vztahy/analyzy\\_a\\_koncepce/koncepce\\_zahranicni\\_politiky\\_cr.html](https://mzv.gov.cz/jnp/cz/zahranicni_vztahy/analyzy_a_koncepce/koncepce_zahranicni_politiky_cr.html)
- De la Baume, M. & Barigazzi, J. (2022). “*The EU agrees to give 5000 million euros in arms, aid to Ukraine in a ‘watershed’ move*”, Politico.
- Dunne, t. & Kurki, M. & Smith, S. (2021) *International Relations Theories, discipline and diversity*. Oxford University Press.
- Eichenberg, R. C., and R. J. Stoll (2017) *The Acceptability of War and Support for Defense Spending: Evidence from Fourteen Democracies, 2004–2013*. *Journal of Conflict Resolution* 61 (4): 788–813.
- Farbøl, R. & Olesen, N. W. (2024) *The nordic Countries at the start of the Cold War*. Nordics Info.
- Fay, E. M. (2020) *Individual and Contextual Influences on Public Support for Military Spending in NATO*. *Defence and Peace Economics*, 31(7), 762–785.
- George, J., and T. Sandler. (2022). “*NATO Defense Demand, Free Riding, and the Russo-Ukrainian War in 2022*.” *Journal of Industrial and Business Economics* 49 (4): 783–806. Crossref.
- Gerring, J. (2017). *Qualitative methods*. *Annual review of political science*, 20, 15-36.  
<https://www.annualreviews.org/doi/pdf/10.1146/annurev-polisci-092415-024158>
- Giuliani J. D. (2015) *Russia, Ukraine and international law*, Foundation Robert Schuman
- Goldenberg, R (2022) *Angela Merkel opens up on Ukraine, Putin and her legacy*, DW, (06/07/22).
- Götz; E. & Merlen, C-R. (2019) "Russia and the question of world order", *European Politics & Society*, 20:2, 133-153

- Götz, E. & Staun, J. (2022) “Why Russia attacked Ukraine: Strategic Culture and Radicalized Narratives”, *Contemporary Security Policy*, 43:3, 482-497.
- Hamilton, D. (2023) *Germany’s Zeitenwende Zigzags: A View from the United States*, *IP-Quarterly*, Feb. 22.
- Halskov, L. (2018) *Ekspert om Alternativets forslag om et mindre forsvar: »Det lyder mere alternativt, end det er«*. *Politiken*.  
<https://politiken.dk/danmark/politik/art6661769/%C2%BDet-lyder-mere-alternativt-end-det-er%C2%AB>
- Hauge, R., Harrop, M., McCormick, J. (2019) *Comparative Government and Comparative Politics*, Bloomsbury.
- Heinze, E.A. (2008) *The new utopianism: Liberalism, American foreign policy and the war in Iraq*, *Journal of International Political Theory*, 4:1, 105-125.
- Helwig, N. (2020) *Out of order? The US alliance in Germany’s foreign and security policy*, *Contemporary Politics*, 26:4, 439-457.
- Herszenhorn, D. & Bayer, L. (2018) *Trump’s whiplash NATO summit*, *Politico*, July 12.
- Holstein, E. (2015) *Sundhed Vigtigst for Vælgerne*. *Altinget*.  
<https://www.alinget.dk/artikel/sundhed-vigtigst-for-vaelgerne>
- Holstein, E. (2016) *Her er vælgernes dagsorden*. *Altinget*.  
<https://www.alinget.dk/christiansborg/artikel/udlaendinge-og-sundhed-er-vigtigst-for-vaelgerne>
- Holstein, E. (2019). *Ny Måling: Den Grønne Dagsorden Tager en suveræn førsteplads*. *Altinget*.  
<https://www.alinget.dk/artikel/ny-maaling-den-groenne-dagsorden-tager-en-suveraen-foersteplads>
- Holsti, O. R. (1992). *Public Opinion and Foreign Policy: Challenges to the Almond-Lippmann Consensus* *Mershon Series: Research Programs and Debates*. *International Studies Quarterly*, 36(4), 439–466.

- iDNES.cz. (2020). *Česko nebude dávat dvě procenta HDP na obranu. Není vůle, tvrdí Hamáček*. IDNES.cz. [https://www.idnes.cz/zpravy/domaci/hamacek-vicepremier-cssd-cr-nato-hdp.A200214\\_171507\\_domaci\\_lesa](https://www.idnes.cz/zpravy/domaci/hamacek-vicepremier-cssd-cr-nato-hdp.A200214_171507_domaci_lesa)
- Ikenberry, J. (2018) *The end of the liberal international order?*, International Affairs, 94:1, 7-23.
- Information (2016). *Minister vil ikke love Obama mere forsvar*. Information. <https://www.information.dk/udland/2016/04/minister-love-obama-mere-forsvar>
- Jacobsen, J. (2018) *Is European NATO really free-riding? Patterns of material and non-material burden-sharing after the Cold War*, European Security, 27:4, 490-514.
- Janning, J. & Möller, A. (2016) *Leading from the center: Germany's leading role in Europe*, Brussels: European Council on Foreign Relations.
- Jires, J. (2013) *Czech Republic*, in: Biehl, H., Griegrich, B., Jonas, A. (eds.) *Strategic Cultures in Europe. Security and Defence Policies across the Continent*, Springer, 69-83.
- Joffe, J. (2023) *The German lamb is learning to howl*, Project Syndicate, January 30.
- Johnsen, W. T. (1995) *NATO Strategy in the 1990s: Reaping the Peace Dividend or the Whirlwind?*. Strategic Studies Institute, U.S. Army War College. Carlisle Barracks, PA.
- Jones, L. (2020) *Does China's Belt and road initiative challenge the liberal, rules-based order*, Fudan Journal of the Humanities and Social Sciences.
- Jyllands-Posten. (2018). *Forsvar til discountpris – går den også fremover?* Jyllands-Posten. <https://jyllands-posten.dk/debat/kronik/ECE10527077/forsvar-til-discountpris-gaar-den-ogsaa-fremover/>
- Karlshøj Ipsen, L. (2018). *Løkke i Nato: Trumps tal hænger ikke sammen*. Danmarks Radio. <https://www.dr.dk/nyheder/udland/loekke-i-nato-trumps-tal-haenger-ikke-sammen>
- Karns, M.P., Johnson, T, Mingst, K.A. (2024) *International Organizations. The Politics & Processes of Global Governance*, Boulder.

- Keating, V.C. & Kaczmarek, K. (2019) *Conservative soft power: Liberal soft power bias and the 'hidden' attraction of Russia*, *Journal of International Relations and Development*, 22, 1-27.
- Kiel, Institute of World Economy (2022), *Ukraine support tracker. Europe surpasses the US in total committed aid*, Kiel.
- Kim, W. & Sandler, T. (2023) *NATO Security Burden Sharing, 1991-2020*, Routledge Taylor & Francis.
- Knopf, J. W. (1998). *How Rational Is "The Rational Public"? Evidence from U.S. Public Opinion on Military Spending*. *The Journal of Conflict Resolution*, 42(5), 544–571.
- Koenig, N. & Y. Wernert (2021) *Can France and Germany relaunch Europe's security agenda?* Berlin: Hertie School.
- Kofron, J & Stauber, J (2023) *The impact of the Russo-Ukrainian conflict on military expenditures of European states: security alliances or geography?* Routledge, Taylor & Francis.
- Korber-Stiftung. (2017). *Results of a representative survey on German attitudes to foreign policy*. Korber-Stiftung. <https://koerber-stiftung.de/en/projects/the-berlin-pulse/alle-ausgaben-seit-2017/>
- Kuokšytė, R., Kuokštis, V., & Miklaševskaja, I. (2021) *External and domestic political determinants of defence spending: a time-series cross-section analysis of EU member states*. *European Security*, 30(2), 197–217.
- Landler, M. (2016) *Obama criticizes the 'Free Riders' among America's allies*, *New York Times*, 10 March.
- Lau, S. (2023) *Russian gas supplies endured German growth, Merkel adviser says*, *Politico*, (October 1).
- LeVine, M. (2024) *"Trump says he'd disregard NATO treaty, urge Russian attack on US allies"*, *Washington Post*.

- Lewis, A. (1980) *Attitudes to Public Expenditure and Their Relationship to Voting Preferences*. Political Studies, 28(2), 284-292.
- Lidegaard, M. (2020). *Martin Lidegaard: Nej, Danmark skal ikke bruge to procent af BNP på forsvar*. Forsvar. <https://www.altinget.dk/forsvar/artikel/martin-lidegaard-nej-danmark-skal-ikke-bruge-to-procent-af-bnp-paa-forsvar>
- Lunn, S., & Williams, N. (2017). *NATO Defence Spending: The Irrationality of 2%*. European Leadership Network. Jstor.
- Mearsheimer, J.J. (2019) *Bound to fail: The rise and fall of the liberal international order*, International Security, 43:4, 7-50.
- Meister, S. (2019) *From Ostpolitik to EU-Russia interdependency: Germany's Perspective*, in: Raik, K. & Racz, A. (eds.) *Post-Crimea Shift in EU-Russia Relations: From fostering interdependency to managing vulnerabilities*, German Council on Foreign Relations, 25-44.
- McAskill, E. (2018) *Angela Merkel hits back at Donald Trump at NATO summit*, The Guardian, July 11.
- NATO (1978), *Defence expenditures of NATO countries (1949-1978)*, NATO
- NATO (2014) *NATO Wales Summit Guide 2014*, NATO
- NATO (2015), *Defence expenditures of NATO countries (2008-2015)*, NATO
- NATO(2021). *NATO Public Opinion Research*. NATO.  
[https://www.nato.int/cps/en/natohq/topics\\_207244.htm](https://www.nato.int/cps/en/natohq/topics_207244.htm)
- NATO (2021a) *Brussels Summit Communique* (Press release). NATO.
- NATO (2022). *Information on defence expenditures*. NATO.  
[https://www.nato.int/cps/en/natohq/topics\\_49198.htm](https://www.nato.int/cps/en/natohq/topics_49198.htm)
- NATO (2023), *Defence expenditures of NATO countries (2014-2022)*, NATO

NATO (2024) *NATO member countries*. NATO

[https://www.nato.int/cps/en/natohq/topics\\_52044.htm](https://www.nato.int/cps/en/natohq/topics_52044.htm)

NatoAktual. (2020, March 21). *Česko je 21 let v NATO. Slib spojencům neplní, i když na ně spoléhá*. Natoaktual.cz. [https://www.natoaktual.cz/zpravy/cr-cesko-nato-vydaje-obrana-armada-aliance-modernizace-koronavirus-covid-babis-metnar-hamacek.A200324\\_095517\\_na\\_zpravy\\_m00](https://www.natoaktual.cz/zpravy/cr-cesko-nato-vydaje-obrana-armada-aliance-modernizace-koronavirus-covid-babis-metnar-hamacek.A200324_095517_na_zpravy_m00)

Nesheim, S. L. (2022). *Sundhed er vigtigst for Danskerne til det kommende valg, Viser NY Måling*. nyheder.tv2.dk. <https://nyheder.tv2.dk/politik/2022-07-30-sundhed-er-vigtigst-for-danskerne-til-det-kommende-valg-viser-ny-maaling>

Nygaard, A., & Ryborg, O. (2018). *Danmark med ny reklamevideo til Trump: Vi leverer til Nato trods kritik*. Danmarks Radio. <https://www.dr.dk/nyheder/politik/danmark-med-ny-reklamevideo-til-trump-vi-leverer-til-nato-trods-kritik>

Olsen, J.A. (2020) *Understanding NATO*, The RUSI Journal, 165:3, 60-72.

Olson, M., and R. Zeckhauser. (1966). "An Economic Theory of Alliances." *The Review of Economics and Statistics* 48 (3): 266–279.

O’neill, A. (2024) *Countries with the largest gross domestic product (GDP) per capita*. Statista. <https://www.statista.com/statistics/270180/countries-with-the-largest-gross-domestic-product-gdp-per-capita/>

Pedersen, R. Brun, Ohrt, A. & Svendsen, G. Tinggaard (2023), *Free riding in NATO after the Rise of Russia: cost sharing, free riding and selective incentives in NATO from 2009 to 2019*, *Journal of Transatlantic Studies*, 21: 54-72.

Politiken (2017). *De Radikale: Umuligt at nå Trumps mål for oprustning*. Politiken. <https://politiken.dk/danmark/politik/art5964275/De-Radikale-Umuligt-at-n%C3%A5-Trumps-m%C3%A5l-for-oprustning>

Rose, G. (1998) *Neoclassical realism and Theories of Foreign Policy*, *World Politics*, 51:1, 144-172.

- Ripsman, N.M et al. (2016). *'Neoclassical Realist Theory of International Politics'*, Oxford University Press, p.81
- Rynning, S. & van Ham, P. (2022) *Denmark and the Netherlands*, in: Tardy, T. (ed.) *The Nations of NATO*, Oxford University Press, 208-232.
- Siddi, M. (2016) *German foreign policy towards Russia in the aftermath of the Ukraine crisis: A new Ostpolitik*, *Europe-Asia Studies*, 68:4, 665-677.
- Skogstad, K. (2016). *Defence Budgets in the Post-Cold War Era: A Spatial Econometrics Approach*. *Defence and Peace Economics* 27 (3): 323–352.
- Slotnik, D.E. (2024) *"Trump's outburst alarmed NATO allies"*, *The New York Times*, [https://www.nato.int/cps/en/natohq/topics\\_67655.htm](https://www.nato.int/cps/en/natohq/topics_67655.htm)
- Smith, T. (2022) *Liberal internationalism and US leadership*, in: Stricot, M. & Vagnoux, I. (eds.) *US leadership in a world of uncertainties*, Springer, 17-27.
- Stańko, K. (2016). *New threats slowly increase defense spending: Obserwator Finansowy: Ekonomia: Gospodarka: Polska: świat*. *Obserwator Finansowy*. <https://www.obserwatorfinansowy.pl/in-english/new-threats-slowly-increase-defense-spending/>
- Statsministeren (2001) *Tale ved Dansk Industris og COIndustris konference om Danmarks fremtidige europapolitiske dagsorden – på vej mod formandskabet*  
<https://www.stm.dk/statsministerens/taler/tale-vec-dansk-industris-og-co-metals-konference-om-danmark-fremtidige-europapolitiske-dagsorden-pa-vej-mod-formandskabet-2002.html>.
- Szabo, S.F. (2014) *Germany's Commercial Realism and the Russia Problem*, *Survival*, 56: 5, 117-128.
- Šulc, F. (2016). *Český stát zatím výdajům na obranu přednost nedává | Téma*. *Lidovky.cz*. [https://www.lidovky.cz/ceska-pozice/cesky-stat-zatim-vydajum-na-obranu-prednost-nedava.A160512\\_133946\\_pozice-tema\\_lube](https://www.lidovky.cz/ceska-pozice/cesky-stat-zatim-vydajum-na-obranu-prednost-nedava.A160512_133946_pozice-tema_lube)

- Tuček, M. (2022). *Postoje českých občanů k obraně ČR – jaro 2022*. Centrum pro výzkum veřejného mínění (CVVM). <https://cvvm.soc.cas.cz/cz/tiskove-zpravy/politicke/mezinarodni-vztahy/5562-postoje-ceskych-obcanu-k-obrane-cr-jaro-2022>
- Töngür, Ü., S. Hsu, and A. Y. Elveren (2015) *Military Expenditures and Political Regimes: Evidence from Global Data, 1963–2000*. *Economic Modelling* 44: 68–79
- Van Kessel, S. (2015). *Populist parties in Europe : agents of discontent?* (2015th ed.). Palgrave Macmillan.
- Washington Post, (2014) *Transcript: Obama addresses NATO strength at March 26 new conference in Brussels*, March 26.
- Way, L. (2022) *The Rebirth of the Liberal World Order?*, *Journal of Democracy*, (March 21)
- Weiss, T. (2019). *Between NATO and a hard place: defence spending debate in Germany and Czechia*. *European Security*, 28(2), 193–211.
- Wetterling, A. (2018). *Før Nato-topmødet: Derfor taler alle om de to procent*. Danmarks Radio. <https://www.dr.dk/nyheder/udland/foer-nato-topmoedet-derfor-taler-alle-om-de-procent>
- Wivel, A. & Crandall, M. (2019) *Punching above their weight, but why? Explaining Denmark and Estonia in the transatlantic relationship*, *Journal of Transatlantic Studies*, 17: 393-419.
- Wivel, A. (2020) *Evig aktivisme i en uendelig krig: sikkerhed, status af strategisk kultur i dansk udenrigspolitik*, *Internajonal Politik*, 78, 3, 411-420.
- Zachová A. et al. (2018). *Česko a Polsko se shodují, že válka s Ruskem jim nehrozí*. Euractiv.cz; EURACTIV. <https://euractiv.cz/section/evropska-unie-a-svet/news/cesko-a-polsko-se-shoduji-ze-valka-s-ruskem-jim-nehrozi/>
- Zhao, F. (2019) *Is a new cold war inevitable? Chinese perspectives on US strategic competition*, *The Chinese Journal of International Politics*, 12:3, 371-294.



## Appendix A.

Source:

NATO (2023), *Defence expenditures of NATO countries (2014-2022)*, Brussels, March 21.  
[https://www.nato.int/cps/en/natohq/news\\_212891.htm](https://www.nato.int/cps/en/natohq/news_212891.htm)

	2014	2015	2016	2017	2018	2019	2020	2021	2022e
<b>Share of real GDP (%)</b>									
Albania	1,35	1,16	1,10	1,11	1,16	1,28	1,30	1,22	1,57
Belgium	0,97	0,91	0,89	0,88	0,89	0,89	1,01	1,05	1,18
Bulgaria	1,31	1,25	1,24	1,22	1,45	3,13	1,59	1,52	1,54
Canada	1,01	1,20	1,16	1,44	1,30	1,30	1,42	1,28	1,29
Croatia	1,82	1,76	1,60	1,64	1,55	1,61	1,71	1,98	1,91
Czechia	0,94	1,02	0,95	1,03	1,10	1,18	1,30	1,39	1,34
Denmark	1,15	1,11	1,15	1,14	1,28	1,30	1,38	1,32	1,38
Estonia	1,93	2,03	2,07	2,01	2,01	2,05	2,30	2,02	2,12
France	1,82	1,78	1,79	1,78	1,81	1,81	2,00	1,91	1,89
Germany	1,19	1,19	1,20	1,23	1,25	1,35	1,51	1,46	1,49
Greece	2,22	2,31	2,40	2,38	2,54	2,45	2,91	3,70	3,54
Hungary	0,86	0,90	1,00	1,19	1,01	1,34	1,76	1,68	1,44
Italy	1,14	1,07	1,18	1,20	1,23	1,17	1,59	1,57	1,51
Latvia*	0,94	1,03	1,44	1,59	2,06	2,02	2,15	2,07	2,07
Lithuania*	0,88	1,14	1,48	1,71	1,97	2,00	2,07	1,97	2,47
Luxembourg	0,37	0,42	0,38	0,50	0,50	0,55	0,58	0,47	0,62
Montenegro	1,50	1,40	1,42	1,34	1,37	1,33	1,73	1,55	1,35
Netherlands	1,15	1,13	1,16	1,15	1,22	1,32	1,41	1,38	1,64
North Macedonia	1,09	1,05	0,97	0,89	0,94	1,16	1,27	1,47	1,61
Norway	1,55	1,59	1,74	1,72	1,73	1,86	2,00	1,75	1,57
Poland*	1,87	2,22	2,00	1,89	2,01	1,98	2,23	2,22	2,42
Portugal	1,31	1,33	1,27	1,24	1,34	1,37	1,43	1,54	1,38
Romania*	1,35	1,45	1,43	1,73	1,79	1,84	2,01	1,86	1,75
Slovak Republic	0,98	1,11	1,12	1,10	1,22	1,70	1,92	1,77	1,76
Slovenia	0,97	0,93	1,00	0,98	1,01	1,05	1,06	1,24	1,26
Spain	0,92	0,93	0,81	0,91	0,93	0,91	1,01	1,04	1,09
Türkiye	1,45	1,38	1,45	1,51	1,82	1,86	1,86	1,61	1,37
United Kingdom	2,14	2,03	2,08	2,07	2,10	2,08	2,35	2,30	2,16
United States	3,72	3,52	3,52	3,31	3,29	3,51	3,64	3,48	3,46

## Appendix B.

Source:

NATO (2023), *Defence expenditures of NATO countries (2014-2022)*, Brussels, March 21.  
[https://www.nato.int/cps/en/natohq/news\\_212891.htm](https://www.nato.int/cps/en/natohq/news_212891.htm)

**Table 4 : Defence expenditure real change 2014-2022**

Million US dollars (2015 prices and exchange rates)

	2014	2022e	Real change 2014-	Share of real GDP	Share of real GDP
			2022e (%)	2014 (%)	2022e (%)
Albania	150	220	46,65	1,35	1,57
Belgium	4.400	6.055	37,61	0,97	1,18
Bulgaria	643	944	46,86	1,31	1,54
Canada	15.562	22.420	44,07	1,01	1,29
Croatia	892	1.197	34,28	1,82	1,91
Czechia	1.683	2.892	71,78	0,94	1,34
Denmark	3.399	4.872	43,35	1,15	1,38
Estonia	431	615	42,46	1,93	2,12
France	43.937	49.972	13,74	1,82	1,89
Germany	39.274	53.868	37,16	1,19	1,49
Greece	4.358	7.578	73,90	2,22	3,54
Hungary	1.035	2.304	122,51	0,86	1,44
Italy	20.788	29.118	40,07	1,14	1,51
Latvia	246	662	169,73	0,94	2,07
Lithuania	357	1.293	261,96	0,88	2,47
Luxembourg	216	437	102,35	0,37	0,62
Montenegro	59	66	12,44	1,50	1,35
Netherlands	8.650	14.447	67,01	1,15	1,64
North Macedonia	106	182	72,63	1,09	1,61
Norway	5.862	6.760	15,32	1,55	1,57
Poland	8.561	15.100	76,37	1,87	2,42
Portugal	2.562	3.171	23,76	1,31	1,38
Romania	2.324	4.074	75,30	1,35	1,75
Slovak Republic	832	1.776	113,38	0,98	1,76
Slovenia	411	688	67,59	0,97	1,26
Spain	10.608	14.087	32,80	0,92	1,09
Türkiye	11.783	16.275	38,12	1,45	1,37
United Kingdom	61.409	68.553	11,63	2,14	2,16
United States	660.021	722.799	9,51	3,72	3,46

Note: Figures for 2022 are estimates.