



INSTITUTE FOR DEFENSE ANALYSES

**Discussion of: How the War in
Ukraine Has Provided a Boost in
European Defense Expenditures**

Stanley A. Horowitz

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INSTITUTE FOR DEFENSE ANALYSES
730 East Glebe Road
Alexandria, Virginia 22305



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For More Information

Stanley A. Horowitz, Project Leader
shorowit@ida.org, (703) 575-4685

David E. Hunter, Director, CARD
dhunter@ida.org, (703) 575-4686

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Discussion of: *How the War in Ukraine Has Provided a Boost in European Defense Expenditures*

Stan Horowitz

WEAI

July 2023

This paper demonstrates that European defense spending went up due to war in Ukraine (2021-2022)

The vast majority of this increase was in Russia and Ukraine

Largest increase elsewhere was 13% (Belgium)

Increases were quite modest for countries with largest defense budgets (UK, Germany, France, Italy)

Focus on stockpile replenishment seems appropriate. How long will it take to happen?

One should be wary of data on total defense spending

It's hard to know whether everything is included

U.S. data excludes the >\$300 billion veterans' affairs budget, a deferred personnel cost

Russian figures likely exclude expenditures by Wagner

The fact that the SIPRI database excludes North Korea is an extreme example: we know too little to say anything

There are some curious things about the context

The economy of the EU is much larger than Russia's

Even with defense spending $<2\%$ of GDP, the EU outspends Russia on defense, European NATO even more so

Is there really a problem, especially given US involvement?

Do relative force structures reflect apparent long-term differences in defense spending levels? If not, why not?

Do European defense expenditures reflect priorities other than being ready to fight Russia?

The implications of the war in Ukraine are not clear

Russian forces appear much less capable than we thought, and they are seriously depleted

The near-to-medium term threat to Europe is low

When US capability is considered, Europe seems secure

Perhaps increased European defense spending is unnecessary

Does it make a difference whether Russia “wins” in Ukraine?

Can US support be counted on indefinitely?

Some global considerations

From an American perspective, China is a greater threat than Russia

A war over Taiwan could substantially reduce US ability to support Europe

How much should Europe be involved in deterring China?

Perhaps Europe should evaluate its defense spending and posture more with an eye on China than on Russia

One of NATO's original goals was, "Keep the US in." This still pertains. How can Europe best assure it?

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