



## **NATO Expansion: Costs and Implications**

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### **1. Introduction**

The expansion of NATO is as fateful an initiative as any undertaken in the past 200 years, calling to mind the decisions made at the 1814 Congress of Vienna and at Versailles in 1919. It is peculiar and disconcerting, then, that on the eve of decision the questions this initiative inspires remain so elementary: Why expansion? And, To what effect?

For the Clinton administration NATO expansion has less to do with Russia than with Germany, and more to do with the Balkan intervention and NATO operations outside Europe than with either Germany or Russia. A collision with Russia is not the policy's aim, although it may be its price.

Our focus today is on the costs and effects of expansion, but in order to evaluate we need to examine the "whys" of expansion. As former US ambassador Jonathan Dean has pointed out, NATO expansion would probably not have gone forward if not for America's determined advocacy and pressure. So I will discuss why and how official American policy became fixated on NATO expansion.

For the United States NATO expansion is part of an effort to forge a "new deal" with Europe whose aim is to reduce the costs and enhance the benefits to the US of its involvement in Europe. Specifically, America has sought to:

- Maintain NATO primacy -- that is, keep European defense efforts focused on an institution in which the US plays the key leadership role;
- Reduce the costs to the United States of its European involvements; And,
- Gain greater European support in dealing with out-of-area problems -- meaning, problems outside Europe.

Initially this deal did not necessarily encompass NATO expansion and certainly did not involve an American willingness to launch major operations in the Balkans. However, several events coincided to alter the proposed American deal and its context:

First, there was the disintegration of the former Yugoslavia, its descent into war, and the failure of Western European governments to deal effectively and in a unified way with these developments. Indeed, American leaders felt that the ways some allies -- notably Germany -- dealt with the crisis only made matters worse.

Second, American policymakers became concerned about the relative growth of German influence in the East. German aid and trade had come to substitute for a more broadly based and balanced European outreach to the East, which America had favored. Indeed, Germany not only developed profound economic ties with key Eastern countries, but also came to share and voice some of their security concerns. What US policymakers sought to avoid was the development of a semi-independent policy bloc encompassing the Visegrad group and centered on Germany.

During the course of the Clinton Administration US officials came to appreciate that their insistence on NATO primacy and American leadership within it had little force if the United States refused to reaffirm its commitment by putting troops on the ground in the Balkans. This, of course, ran counter to the original American vision of a new deal. Indeed, nothing could be more at variance with its purpose: for the first time in 50 years the United States would send ground troops into the midst of a European conflict.

Having made the decision to intervene, however, the United States wanted institutional assurance of greater control over future West European (and especially German) policy toward the East. NATO expansion is meant to provide that assurance by co-opting the concerns of the Visegrad group and the relationships that Germany has developed with it.

Many advocates of expansion promote it as a means of stabilizing Eastern Europe. More accurately, the initiative aims to stabilize Western policy toward the East under American leadership. Expansion is supposed to insure that when trouble brews in the future, decisions about how to respond will occur in NATO's chambers first and foremost, where American opinion predominates, and not elsewhere. Consistent with US inclinations, we can expect an effort to limit future involvements in European peace operations unless it seems that a lot can be accomplished with little risk or effort. When riskier interventions are deemed necessary, however, the United States will labor to ensure that they involve American military leadership from the start and that they proceed in accord with the American predilection for decisive military means.

More generally, US policymakers hope that expansion will serve to lessen Germany's influence with the East. Germany may remain the banker and key trading partner, but the military ties of the new member states will be strongest with the United States through NATO. And their inclusion in NATO will strengthen America's hand in the Atlantic Alliance.

## 2. The Fate of Russia in US Policy

Also affecting the American decision to press for expansion were developments in Russia during and after 1993: the attempted "second coup" and assault on parliament, the electoral victories by Communists and nationalists, the war in Chechnya, and US-Russian disputes over Bosnia. These left few American officials confident that Russia would evolve into a truly reliable and stable ally -- at least, not on its own. And if one thread has linked both the Bush and Clinton policies toward Russia it has been the decision to leave Russia "on its own," twisting in the wind. Both administrations voiced high hopes for post-Communist Russia, while doing very little materially to aid Russian stability and democratic transition.

Nonetheless, the Clinton team did not conceive and pursue NATO expansion as an anti-Russian maneuver. It was not fear of Russia's potential strength that gripped them, but recognition of Russia's current weakness. Put simply: The Clinton administration knew that there was little Russia could do about expansion. Yes, that condition may change -- given 15 or 20 years -- but by then, the Administration hopes, Russia will have accepted the new strategic landscape. And if it has not, and a new cold war ensues, at least the West will be in a much better position strategically than it was during the first go around.

For other pro-expansion advocates, represented by the Republican leadership in Congress, anti-Russian sentiments are central. In this there may be an element of "settling scores" and also the notion, espoused by Henry Kissinger and Zbigniew Brzezinski, that Russia is somehow culturally programmed for expansion. At any rate, this part of the policy bloc tends to favor accelerating NATO outreach to the Baltic states and possibly the Ukraine. But they will not pay even lip-service to the idea of eventually including Russia too.

One sentiment shared across the spectrum of expansion advocates is that Russia has no legitimate reason to be concerned about NATO expansion. Strobe Talbot, who should know better, says Russian opposition to NATO "will only intensify the darkest suspicions about Russia's intentions and future." Senate Republican leader Trent Lott echoes these sentiments: "Whether Russia is ready to accept an enlarged NATO will be an important sign of Russia's departure from its imperial past." For them, Russian opposition to NATO is itself an argument for expansion. From this perspective there are no legitimate Russian concerns.

This remarkable assertion asks us to set aside all that history teaches about the behavior of states and the workings of power. We might begin to understand Russia's concerns by asking "What is NATO?" Edward Luttwak, an American strategic analyst, answers that "NATO is not a security-talking shop but a veritable military force...temporarily at peace." NATO offers its members participation in not only an alliance but a unified military command whose primary mission is to prepare for war on a continental scale. Even today, after significant reductions, NATO's members together boast military power several times as great as that demonstrated (but underutilized) in the Gulf War.

It is the stock in trade of military professionals to look first at strategic capabilities and trends, rather than declarations of intent. So it should not surprise anyone that the creep of a great and exclusive military organization toward Russia's borders is of concern to the Russian military. It would also seem

unavoidable that any Russian politician hoping to keep his or her position would express concern. This concern need not focus principally on the unlikely prospect that NATO might someday take an aggressive turn. More to the point is the effect military power has on politics every day. Nations routinely have differences of interest and perspective. The settlement of these differences need not involve conflict but they always involve calculations of power and position. NATO expansion diminishes Russia politically and does so at a time when Russia is already weakened, fairly accommodating, and facing great instability at home and on its southern borders. Moreover, third parties are watching, and some of these directly and immediately engage important Russian interests.

Russia is naturally concerned about the tens of millions of Russians living outside Russia as minorities in other former-Soviet republics. These republics are sensitive to Russia's concern -- but how will the image and reality of an expanding NATO affect their behavior? For that matter, how will the march of NATO affect the calculations of separatist forces within Russia?

Another concern: The former-Soviet republics seemed able to divide the assets and resources of the Soviet Union with relatively little acrimony -- partly because they have continued to function cooperatively in the economic realm. This division -- the question of who should get what -- takes on an entirely different valence if some republics, but not others, move into an exclusive economic and military bloc.

To limit these concerns Russia has and will continue to take steps to improve its European military posture -- but these steps can only take away from defense efforts on its southern flank, where even border control poses a daunting challenge. So NATO expansion effectively squeezes Russia between a rock and a hard place. Most damaging to relations between Russia and NATO is the fact that what has inspired NATO expansion is not necessity, but opportunity. NATO is expanding not because it must, but because it can.

### **3. The Costs of Expansion**

The costs of expansion fall into two classes: budgetary and strategic. Estimates of the budgetary cost of NATO expansion have varied widely: a 1997 Pentagon set the range as between \$27 billion and \$35 billion over 10 years; a 1996 RAND Corporation study, \$17 billion to \$82 billion; a US Congressional Budget Office (CBO) study, \$21 billion to \$125 billion; and the British MOD, \$18-\$20 billion. At the low end, an unpublished 1997 NATO study, favored by France, put the figure at \$13 billion over 10 years. Although the White House moved to quash the NATO study, a 1998 Pentagon report to Congress brought official US estimates down to those of the NATO study.

The ranges suggested by the various studies and the differences among them reflect (1) alternative ways of defending the new members against threats of varying magnitude and (2) different ways of allocating costs among members.

The 1996 RAND Corporation study posited defense options ranging from bare bones NATO support for self-defense by the new members costing \$17 billion, to several power projection options, to an \$82

billion "forward presence" option. The high-end CBO estimate envisaged an even more robust posture against a re-emergent Russian threat.

Generally, expansion cost is subdivided into three parts: costs for new members, current members, and the common NATO infrastructure fund. The 1997 Pentagon estimate saw new members providing \$14 billion in new funds, current European members providing \$12 billion, and the common account requiring \$9 billion -- of which America would give only \$2 billion. The NATO study, with which the Pentagon now concurs, largely excludes costs to current members and sets common costs at only \$1.5 billion -- but it keeps the cost to new members high. By adopting this estimate the Pentagon avoided a burden-sharing argument and made the package more palatable to the US Congress.

Like everyone else, the new members are not up to accepting high costs. Poland recently announced a five-year \$2.3 billion to upgrade its military to NATO standards; the other new members plan to spend significantly less. This suggests that not even the low cost estimate for NATO expansion will be met. Indeed, even RAND's low cost, low threat option appears beyond reach. Of course, if relations with Russia worsen, and a new cold war dynamic sets in, NATO may find itself feeling compelled to invest a sum close to CBO's upper end estimate: \$125 billion.

#### **4. Strategic Costs**

The real long-term costs of expansion will not be measured principally in units of currency, but in opportunities lost: the policy may contribute to a re-polarization of Europe and the world, and a remilitarization of international relations. Already this is evident in the negative near-term effects of NATO expansion on strategic arms control. The problems in this area involve more than ratification of START II. Also at issue are the Nonproliferation Treaty and, more generally, the prospects for nuclear abolition.

Certainly, the Duma's reluctance to ratify START reflects domestic politics and not a sober assessment of Russian national interests. Ratification of START II and progress toward START III is in Russia's interest because Russia cannot effectively maintain, manage, and deploy more missiles and warheads than START III would allow. For the Duma majority, however, START has come to symbolize a failed policy of accommodation to the West -- accommodation without recompense. Still, sober minds may prevail. Russia would gain nothing from rejecting the treaty. By accepting it the Duma could lock the West into a level of nuclear armament that Russia can manage effectively.

The prospects for nuclear abolition are another matter. One key argument favoring abolition is that nuclear weapons have lost their utility as tools of policy. However, Russia has attempted recently to compensate for its current weakness in conventional forces by embracing a first-use nuclear doctrine. Nuclear weapons have gained a new relevance in Russian military doctrine as a counterweight to the great conventional strength it faces to its east and west. Will this become a permanent feature of Russian doctrine? That depends in fair part on NATO expansion and the resolution of the issues surrounding the CFE Treaty. Not to put too fine a point on it: NATO expansion may push nuclear abolition off the agenda for another decade or more.

Turning to the issue of nonproliferation: in several ways NATO expansion may slow progress in this area. First, Russia must be a key player in any successful effort to stem nuclear, chemical, and biological weapon proliferation. However, insofar as Russia perceives expansion as an exercise in strategic competition, it will put greater emphasis on seeking friends and allies elsewhere. Russia has a strong interest in non-proliferation, as its recent national security blueprint makes clear, but it also has an interest in reaffirming or courting friends to its South -- Iran and India; all the more important in light of NATO expansion. Some aspects of Western nonproliferation policy and counter-proliferation efforts too (with regard to Iraq, for instance) will stimulate Russian concerns about encirclement and "Western predominance" or what the Chinese call "hegemonism." There is in this the potential for a greater convergence between Russian and Chinese concerns.

A second way in which expansion collides with nonproliferation efforts concerns the group of non-aligned states. As a matter of principle NATO will not preclude the deployment of nuclear weapons on the territory of new member states, and these states, striving to become members in good standing, also will not forbid it. But this contradicts their obligations under the NPT. Nonaligned states, already sensitive to double standards regarding the possession of NBC weapons, are sure to press this issue when the NPT next comes up for renewal.

## **5. Conclusion**

The implication of NATO expansion for arms control efforts and international relations generally is not, at heart, a matter of treaty interpretation and legalisms. The real problem is this: NATO expansion abrogates the promise of the post-cold war era, which should have involved the limitation of military prerogatives, instruments, and organizations, rather than their augmentation or extension. The promise of the new era resides in mitigating fear and pursuing cooperation with potential adversaries, rather than responding to weakness by pressing strategic advantage.

Returning to the question of historical antecedents with which I began this presentation. Unfortunately, the proper analogy to NATO expansion is not the Congress of Vienna, but the Versailles settlement after the First World War, which laid the basis for a second global conflict within 20 years. The epitaph for the architects and advocates of NATO expansion may be this: having faced the opportunity to heal the Cold War divide, they could do no better than displace it geographically and in time.

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