

Freedom isn't Free

A cost-benefit analysis of support for Ukraine

Tim Sweijs
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Clingendael/HCSS Report





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Netherlands Institute of International Relations



The Hague Centre
for Strategic Studies

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May 2024

* This is the English language version of a policy brief published in the Dutch language in April 2024, with some minor updates. For the original Dutch publication, see: Tim Sweijts, Bob Deen, and Roman de Baedts '[Freedom isn't Free: Een kosten-baten analyse van de steun aan Oekraïne](#)', *Clingendael/HCSS*, 22 April 2024.

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The authors would like to thank Rob de Wijk, Dick Zandee, Ko Colijn and Frederik Mertens for their contributions.

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Executive Summary

More than two years after the large-scale Russian invasion, Ukraine continues to largely hold its ground, in part due to extensive Western military and financial support. After the unsuccessful Ukrainian counteroffensive in the fall of 2023 and since the stalled American support, Russia has once again taken the initiative due to a quantitative superiority in manpower, equipment, and ammunition. Ukraine has been forced into a defensive position, with little prospect of a swift end to the war. Despite broad support in parliament, this has sparked debate in the Netherlands about the costs and benefits of continuing or reducing support for Ukraine, and the associated implications for the outcome of the war.¹ This debate encompasses not only financial and economic aspects but also security-related and geopolitical consequences, as well as the implications for the international legal order.

This policy memo analyses the impact of European and American decisions regarding support for Ukraine and outlines three possible outcomes. It is important for European countries to realise that despite the recently passed aid package of sixty billion dollars, future US military support for Ukraine cannot be taken for granted. If both Europeans and Americans continue to support Ukraine on a large scale and for an extended period, Ukraine still has the potential to win in the long run. Kyiv could achieve this by inflicting such heavy losses on Russia that the current or future leadership in the Kremlin is compelled to cease hostilities and reach an acceptable compromise for Ukraine. However, if the US significantly reduces or completely withdraws support, Europe, without deploying its own armed forces, will not be able to help Ukraine win. Instead, it could counter Russian material and economic advantages, thereby preventing Russia from being able to impose its will on Ukraine on the battlefield. This would lead to an unstable situation of *protracted conflict*, where Ukraine would also resort to irregular warfare, and neither party could fully achieve its goals. Conversely, if both the US and Europe reduce support, Russia could indeed achieve its military goals and force Ukraine to make significant concessions.

1 NOS, ['Kabinet zegt Oekraïne miljarden toe, PVV en BBB ontstemd'](#), 12 April 2024.

This memo analyses the costs and benefits of the three different outcomes across three dimensions: the geopolitical and security dimension, the financial-economic dimension, and the international legal and moral dimension. The main conclusions are as follows:

1. A Ukrainian victory, even if it occurs in the long-term and requires extensive and prolonged support, is by far the best outcome for Europe. Across all dimensions, except for the increased risk of nuclear escalation associated with a Russian defeat and the short-term financial costs of supporting Ukraine, the cost-benefit analysis of this outcome is the most favourable.
2. However, a future American administration may decide that for the US, a *protracted conflict* in which Russia remains tied down in the long-term is a more cost-effective strategy than a Ukrainian victory.
3. Even if the Americans completely cease or significantly reduce support to Ukraine, it remains the preferred strategy for Europe to continue fully supporting Ukraine, as the costs of a Russian victory on all dimensions are much higher than those of a *protracted conflict*.

Based on this, we make the following recommendations for the Dutch government:

1. Invest in structural and multi-year military support for Ukraine and continue to play a leading role in the international support coalition. A NATO- or EU-fund, as proposed by Stoltenberg and Breton respectively, could provide opportunities for this.
2. Develop *contingency plans* for a European response in case American support for Ukraine remains permanently stalled or is completely withdrawn. This could be done through purchasing American equipment and/or locally producing it within Europe.
3. Continue the course set within Europe (as described in the European Defence Industrial Strategy) (EDIS)), to pool not only the delivery of military equipment to Ukraine but also the procurement of goods within Europe. This provides economies of scale regarding European purchasing power on the European and international defence market, and offers a long-term financial commitment for the European defence industry to scale up the production of equipment and ammunition.
4. Support, in addition to providing military supplies, the building and scaling up of the Ukrainian defence industry so that the country can eventually produce the necessary ammunition and equipment to sustain a war of attrition.
5. Create conditions for sustainable war termination in case of a ceasefire, including robust security guarantees for Ukraine.

6. Continue to work on specific measures to prevent escalation of the war to a direct confrontation between Russia and NATO, including utilising or reopening direct crisis communication lines with the Kremlin.
7. Invest in Dutch defence capabilities regardless of the outcome of the war. A Ukrainian victory will further increase Russian resentment; a loss of Ukraine could lead to further action by Russia; and a *protracted conflict* increases the chance of horizontal escalation. In each of the scenarios, a long-term effort to strengthen Dutch defence capabilities is necessary.

1 Introduction

More than ten years after the Russian annexation of Crimea and two years after the large-scale invasion, Ukraine is still holding its own against Russia. This is not only due to the courage and efforts of the Ukrainians themselves, but also thanks to the extensive military, economic, and financial support packages from Europe and the US. For 2024, the government had allocated three billion euros for military support to Ukraine in the fight against Russian aggression and also pledged an additional three billion for 2025.² Following the UK, France, and Germany, the Netherlands has entered into a ten-year security cooperation agreement with Ukraine to ensure long-term support.³ The recently released AIV briefing note and a recent parliamentary letter also advocate for sustained support.⁴

However, this Western support is no longer a certainty or uncontested. Particularly in the US, but also in some European NATO countries, calls to halt support to Ukraine are slowly gaining more traction. The American support package of sixty billion dollars was stuck in the House of Representatives for months, causing significant difficulties for the Ukrainian armed forces. President Biden has scaled back his rhetoric from “as long as it takes” to “as long as we can”.⁵ New commitments for new aid to Ukraine stalled at the end of 2023 (with a nearly ninety percent drop), while promised ammunition quantities fell far short.⁶ A warning from French President Macron that a Western military intervention

2 NOS, [‘Kabinet zegt Oekraïne miljarden toe, PVV en BBB ontstemd’](#), 12 April 2024.

3 Rijksoverheid, [‘Nederland sluit tienjarige veiligheidsovereenkomst met Oekraïne’](#), 23 February 2024.

4 Ministerie van Buitenlandse Zaken, [‘Kamerbrief over stand van de oorlog in Europa’](#), 23 February 2024;

Adviesraad Internationale Vraagstukken (AIV), [‘Oekraïne – standvastigheid, weerbaarheid en perspectief’](#), 22 February 2024.

5 James Politi, [‘Joe Biden says US will back Ukraine ‘as long as we can’’](#), *Financial Times*, 13 December 2023.

6 Prof. Dr. Christoph Trebesch, [‘Ukraine Support Tracker: New aid drops to lowest level since January 2022’](#), *Kiel Institute for the World Economy*, 7 December 2023;

Sam Skove, [‘It takes Europe at least a year to fill a Ukrainian order for artillery shells’](#), *Defence One*, 13 February 2024.

should not be ruled out received little support from his foreign counterparts.⁷ Although the issue of Western 'boots on the ground' also requires further attention, it is not addressed within this memo, and 'support' encompasses both economic and material assistance, but without the deployment of Western troops in Ukraine.

Following Putin's 'election victory' in March, the Kremlin escalated its war rhetoric. Government officials are now openly discussing 'war,' whereas previously, using that word could land one in prison. This fits into the rhetoric where NATO, rather than Ukraine, is portrayed as the aggressor. Additionally, the Russian Ministry of Defence announced the formation of two new *combined arms* Army Corps and accelerated the recruitment of new military personnel. Meanwhile, the Russian war industry is gearing up, producing large quantities of ammunition and equipment for the Russian war effort. The extensive import of artillery ammunition from North Korea and drones from Iran, among other capabilities, further complements Russian stocks. The consequences on the battlefield are already noticeable, as seen in the loss of the city of Avdiivka in February, and developments along the front since. Meanwhile, pressure on Ukrainian troops at the front is mounting. In an interview at the end of March, President Zelensky stated that Ukraine will have to cede more land if Western material support continues to be lacking.⁸ The renewed Northern front after the second Russian Kharkiv offensive is likely to further stretch Ukrainian defences and resilience in the near future.

Despite overwhelming support in the Dutch parliament for continued support for Ukraine, there are nonetheless questions about the duration and scope of future assistance.⁹ The question regarding the costs and benefits of providing political, economic, and military support by the Dutch government is extremely relevant in this context. This constitutes more than a simple calculation where profit or loss is expressed in Euros. It also involves security risks and geopolitical and moral costs and benefits that cannot always be quantified in one-dimensional figures. It is therefore essential to adopt a broader understanding of costs and

7 James Angelos en Joshua Posaner, '[Scholz and Macron feud over arms for Ukraine](#)', *Politico*, 27 February 2024.

8 David Ignatius, '[Zelensky: 'we are trying to find some way not to retreat'](#)', *The Washington Post*, 29 March 2024.

9 Arnout Brouwers, '[Tweede Kamer debateert over voortzetting steun aan Oekraïne, maar de PVV blijft weg](#)', *De Volkskrant*, 14 March 2024.

benefits, reasoned from the perspective of Dutch national security interests and the impact of international support on the outcomes of the conflict. An important consideration here is the extent to which support for Ukraine contributes to a military victory, a military loss, or a *protracted conflict*.

This memo contributes to the debate on Dutch support to Ukraine. The memo:

1. relates the impact of European and American support to three outcomes of the war in Ukraine: a Ukrainian victory in the long term, a *protracted conflict*, or a Russian victory;
2. analyses the costs and benefits of continuing or discontinuing support for each of these three scenarios;
3. identifies the preferred options of Europe and the US for continuing or discontinuing support;
4. concludes with policy perspectives for the Dutch government.

2 The impact of support on the outcome of the war

A Dutch decision to support or not support Ukraine does not take place in a vacuum. Dutch support is part of a larger package, with European countries on one hand and the US on the other hand, taking the lion's share. Nevertheless, Dutch support is not only important in material terms for sustaining the Ukrainian government and armed forces but also as a driver for further European support.¹⁰ If the Netherlands were to exchange this leading role for a more passive role, it could also affect the extent to which other European countries are willing to continue supporting Ukraine.

However, the main uncertainty for Ukraine does not lie in The Hague or Brussels, but in Washington. While the EU surpassed the US in financial support by the end of 2023, America remains the largest supplier of crucial US-produced weapon systems such as Patriot air defence missiles and HIMARS, ammunition for these systems, and *strategic enablers* such as intelligence. In the short-term, Europe will certainly not be able to fill this gap, both quantitatively and qualitatively.¹¹ Therefore, Dutch and European decisions regarding support for Ukraine and their consequences must be considered in light of the possibility that the US may either completely withdraw support or significantly reduce beyond 2024. This memo makes several assumptions about the impact of support on the outcome of the war. The complexity of the consequences of different degrees of support on possible outcomes is simplified for the purpose of discussion into three broad options, deliberately highlighted to be distinguishable from each other.

10 In this memo, "Europe" refers to all European NATO countries, including the United Kingdom, not just the EU.

For the leading role of the Netherlands in international support to Ukraine, see: Timo S. Koster, '[The Dutch are leading the way on military aid to Ukraine. Here's why](#)', *Atlantic Council*, 29 August 2023.

11 Simon Kuper, '[The West can still Save Ukraine](#)', *Financial Times*, 14 March 2024.

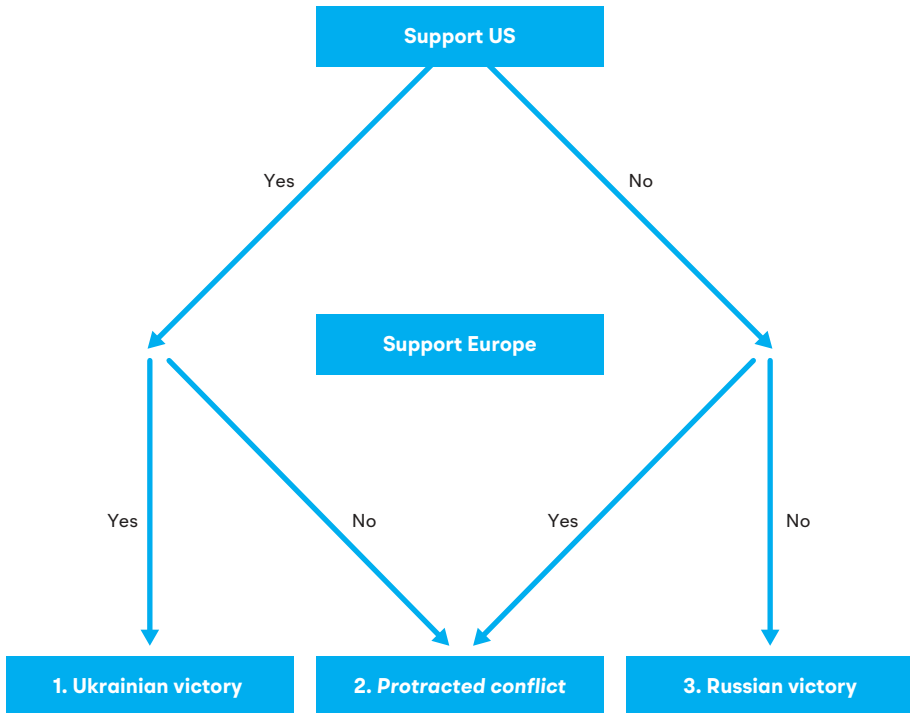
As a quick Ukrainian victory becomes less likely and the war transforms into a prolonged war of attrition, there are numerous possibilities that can roughly be clustered as follows:

1. **Ukrainian victory:** Ukraine wins the war by inflicting prolonged high costs on Russia and ultimately forcing the current or a future Russian government to the negotiating table for concessions and (partial) withdrawal.
2. **Protracted conflict:** The war stagnates into a stalemate, with both parties unable to impose their will on the other, and the conflict continues much like in the period 2014-2022, interspersed with temporary ceasefires. This is not a stable outcome, and both parties will seize any opportunity that arises to enforce option #1 or #3.
3. **Russian victory:** Russia ultimately wins the war by capturing the parts of eastern and southern Ukraine claimed by the Kremlin, forcing Ukraine to make painful concessions, including possible neutrality and the relinquishment of territorial integrity.

This memo assumes that outcome 1 (Ukrainian victory) is only achievable with (military) support from both the United States and Europe, and that outcome 3 (Russian victory) results if both the US and Europe either stop or significantly reduce their support. In the case where only Europe or only the US continue to support Ukraine at approximately the same level as in 2022-2023, outcome 2 (a *protracted conflict*) is the most achievable scenario for Ukraine. It is important to note that in practice, the threat posed by a scenario will lead to reactions from Russia. In all scenarios, there is a risk of horizontal escalation, where Russia, through small-scale military operations against NATO territory, can compel the alliance to exercise significant restraint in providing support to Ukraine. The scenarios outlined here therefore require consideration of the response options available to Russia. These options are not elaborated upon in this memo.

Figure 1 visualises the relationship between support and outcomes:¹²

Figure 1 Impact of support/no support from the US and Europe on outcomes of the war



12 For clarification: in this scenario, the cessation of American support to Ukraine is considered as the discontinuation of all *direct* military deliveries to Ukraine from Washington. If a future US administration actively obstructs deliveries of American-produced material by European countries, this changes the potential outcomes of the scenarios. A Russian victory then becomes probable.

3 What are the costs and benefits of continuing or discontinuing support?

The costs and benefits of supporting Ukraine manifest in the following three dimensions, taking into account both direct and indirect effects:

- **International security and geopolitics:** the net costs and benefits of support measured by their impact on international and national security and the Western power's ability to protect this international and national security. This includes the following aspects:
 - Impact on the military threat that Russia poses to the NATO alliance, split into conventional and nuclear threats.
 - Impact on the credibility of NATO deterrence.
 - Impact on the cohesion of NATO.
 - Impact on international stability.
 - Impact on Ukraine as a stable and friendly neighbor.
- **Financial and economic:** the net costs and benefits measured by the financial and economic position of the European and Dutch economies.
 - Direct financial costs of support.
 - Consequences for the Dutch defence budget.
 - Implications for Ukraine as an economic partner, including the costs of reconstruction.
 - Costs of hosting Ukrainian refugees.
- **International rule of law and position as a credible actor:** the net costs and benefits measured by the impact on international law and the European and Dutch moral credibility as its guardian.
 - Impact on norms and rules of the international rule of law.
 - Effects on the position of Europe and the Netherlands as credible actors.

The described costs and benefits of continuing European support to Ukraine from Dutch and European perspectives are summarised in the three scenarios in Table 3 and briefly explained in the following section. In this section, an overview with five values is chosen, ranging from -- to -, +-, +, and ++.

Table 1 The costs and benefits of support to Ukraine

	Table: costs/benefits	Ukrainian victory	Protracted Conflict	Russian victory
Security and geopolitics	1. Russian threat – conventional means	+	+ - / -	--
	2. Russian threat – nuclear	-	+ -	--
	3. NATO deterrence	++	-	--
	4. NATO cohesion	++	-	--
	5. International stability	+	+ -	--
	6. Ukraine as a neighbouring country	++	-	--
Financial and economic	7. Financial costs of support	--	--	++
	8. Implications for Defence budgets	+	-	--
	9. Ukraine as an economic partner (including investments, food, energy, and reconstruction)	++	-	--
	10. Refugees	++	+ -	--
International rule of law and position as a credible actor	11. International legal order	++	-	--
	12. Europe as a credible actor	++	+ -	--

Scenario 1: Ukrainian victory

If both Europe and the US set aside their internal political disagreements and provide Ukraine with maximum support, the country is capable of achieving a military victory in the long run.¹³ When Western coalition partners supply sufficient ammunition and weapon systems over a longer, consistent period of time, including adequate long-range artillery, anti-aircraft ammunition, and F-16 fighter jets with standoff weapons, then Russia's industrial and material advantages over Ukraine can be nullified. In the long term, Russian military losses will become too high, and the Russian economy and industry will not be able to sustain a prolonged confrontation with the West. These high costs, combined with potential political instability in the Kremlin, could result in an Afghanistan-like scenario in which Russia is forced to partially withdraw its troops and Ukraine can recapture large parts of its pre-2014 territory.

Benefits

The most immediate effect of a Ukrainian victory is that it will dramatically strengthen the Western geopolitical position. A defeated Russia will not pose a direct conventional threat to NATO in the short to medium term because it will temporarily be unable to launch a large-scale military offensive. Ukraine could join the NATO alliance, enabling NATO to rely on the large and experienced Ukrainian armed forces and military industry in any potential future war with Russia. The short-term risk of escalation from the Russian Federation remains, particularly in the nuclear domain as described under 'costs', but it would be limited if Russia decides to withdraw after heavy losses in Ukraine. Furthermore, if military escalation were to occur in the future, the main focus would shift significantly further eastward.

Additionally, a Ukrainian victory strengthens the cohesion of the NATO alliance. States on the eastern flank, such as Poland and the Baltic states, will particularly feel bolstered. A Ukrainian victory thus also has a positive effect on the credibility of NATO deterrence. Internationally, it sends a clear signal to other potential revisionist actors, such as China regarding Taiwan, that the West is willing to support small and medium-sized powers for as long as it takes, and that the costs

13 Posander et al., '[Ukraine's war strategy: Survive 2024 to win in 2025](#)', Politico, 22 February 2024; Bugayova et al., '[Denying Russia's Only Strategy for Success](#)', ISW, 27 March 2024; Kofman et al., '[Hold, Build, and Strike: A Vision for Rebuilding Ukraine's Advantage in 2024](#)', War on the Rocks, 26 January 2024.

of military aggression are high and not rewarding. This benefits international stability.

On top of this, Ukrainian refugees in Europe may return, leading to significant cost savings in terms of refugee accommodation. For reference, for 2024, the government has reserved €3.2 billion for municipal and private refugee accommodation from Ukraine.¹⁴ This amount is higher than the costs of direct military aid to Ukraine thus far. Additionally, Europe gains a friendly partner country with good political and security relations. Economically, the reconstruction and European integration of Ukraine will lead to economic growth from which European member states can benefit. Moreover, Europe will have access to Ukraine's vast agricultural lands, which could be a significant pillar for future European food security, its immense industrial potential, and large reserves of critical raw materials that Europe needs.¹⁵ Prior to the Russian invasion, Ukraine produced 7% of the global supply of titanium and possesses one of the largest reserves of graphite in Europe.¹⁶

A Ukrainian victory also signifies the prevalence of international law over the law of the jungle. The fundamental principles of Article 2.4 of the UN Charter regarding territorial integrity and political sovereignty are upheld. This strengthens Europe's credibility as a guardian of international law.

Costs

In this scenario, alongside significant benefits, there are also costs. Firstly, a Ukrainian victory may entail a limited but existing risk of nuclear escalation. Given that Russian conventional military capabilities are weakened to such an extent that they pose no direct threat to a united NATO in the foreseeable future, the Kremlin will rely on nuclear deterrence. Concurrently, Russian revanchism will receive a boost and is likely to result, over time, in an increased risk of renewed military hybrid conflict.¹⁷ Specifically, the reclamation of Ukrainian territory that is

14 Rolinde Hoorntje and Ellen Kamphorst, '[3,2 miljard euro begroot voor opvang Oekraïense vluchtelingen](#)', NOS, 19 September 2023.

15 Svitlana Taran and Philipp Lausberg, '[Economic security: The strategic argument for Ukraine's EU membership](#)', European Policy Centre, 2 February 2024.

16 Anthony Barich, '[Metals and the invasion: Ukraine aims for critical minerals after the war](#)', S&P Global Market Intelligence, 21 February 2023.

17 Tim Sweijs, '[Afschrikking in tijden van confrontatie: een strategische agenda](#)', Atlantisch Perspectief, June 2023.

of significant political importance to Russia – including Crimea – will amplify this risk. Additionally, the financial costs for Europe and the US will be substantial. There will be a need for significant investment in establishing and expanding both European and Ukrainian defence industries, and weapon and ammunition production must be significantly ramped up. Moreover, defence budgets for the coming years still need to increase to enhance NATO's capabilities and deterrence, as well as replenish their own supplies.

Scenario 2: Protracted conflict

Should the US cease its support, it becomes unlikely that Ukraine can achieve a complete victory, but with a concerted effort from Europe, it is possible to prevent further losses. The current military situation, characterised by a relatively static battlefield without major shifts (described by former Ukrainian commander Zaluzhny as a 'stalemate'), will persist, and geopolitical tensions and the risk of escalation will remain.

Benefits

The benefits in this case are much more limited. The threat from Russia persists, and the country gets the opportunity to further arm itself, although Russia will primarily need to continue its military efforts to sustain the war in Ukraine. The escalation risks for NATO remain. There is no Article 5 guarantee for Ukraine, but European material support to Ukraine, without the direct deployment of its own troops, remains a thorn in the Kremlin's side. Essentially, Europe buys time to get its own defence in order. Ukrainian refugees cannot return in large numbers, and new people will flee given the hopelessness of the situation, but the number of refugees is unlikely to increase as rapidly as during the early stages of the war. International stability remains under pressure but does not suffer further damage. The credibility of Europe as a guardian of the international legal order is not further compromised if Russia is stopped, and the continent takes a step towards its own strategic autonomy by taking responsibility.

Costs

The danger of this scenario is that while it maintains the status quo, it is not a stable outcome. Russia still poses a military threat to NATO, and the risk of

escalation to a direct conflict remains.¹⁸ When the opportunity arises, a rearmed Russia will once again attempt to take parts of Ukraine. Cohesion within NATO will come under pressure if the US decides to cease support for Ukraine. It is quite possible that Russia will try to sow further discord among European allies by conducting military provocations on the eastern flank. Partial cessation of support sends a message to other states threatening the international legal order that the West may provide support in the event of military aggression, but that this support is temporary. This has a negative impact on NATO's deterrence. In case of a *protracted conflict*, the financial costs for Europe will remain high for an extended period. Significant financial and military support will be needed over a longer period to sustain Ukraine without US involvement. Additionally, Ukraine's economic potential remains untapped due to the continuation of the war, and there is a high likelihood that the protected status of refugees will need to be extended.¹⁹

Scenario 3: Russian victory

The cessation of military and financial support from both the US and Europe significantly worsens the military situation for Ukraine. Without Western ammunition and resources, Ukraine will lose further parts of its territory. The Ukrainians will resist fiercely, but eventually, the country will have no other choice but to accept *de facto* occupation of large parts of its territory and make extensive concessions to Russia regarding neutrality, and perhaps even partial demilitarisation.

Benefits

The main benefits in this scenario are the financial cost savings for Europe in the short term. Ceasing support to Ukraine will economically save Europe the amounts that were planned for long-term assistance to Kyiv. Additionally, in an "own defence first"- approach, member states will be able to replenish their own military supplies more quickly, as weapon deliveries to the conquered Ukraine are halted.

18 See for example: Jonathan Beale, ['Rogue Russian pilot tried to shoot down RAF aircraft in 2022'](#), BBC News, 14 September 2023.

19 Government of the United Kingdom, ['Government extends stay for Ukrainians in the UK'](#), 19 February 2024.

Costs

In terms of Europe's security situation, this is the worst possible scenario. A Russian victory and occupation of large parts of Ukraine will grant Russia access to Ukraine's industrial potential and resources. Russia will rearm itself and in the foreseeable future pose a real threat to the NATO alliance once more.²⁰ It can expand its military presence in Ukraine and Belarus, at the borders of several NATO allies.

A Russian victory significantly undermines Western deterrence, thereby increasing the risk of a direct war between NATO and Russia. Ceasing support confirms the perception that Western democracies have limited resolve and are unwilling to bear the costs of a large-scale conflict over an extended period.²¹ A Russian victory also signals to third parties that aggression pays off. This increases the likelihood of revisionist states resorting to large-scale violence to achieve political aims.

Furthermore, ceasing support will undermine NATO cohesion. States on the eastern flank with a history in the Soviet Union or the Warsaw Pact feel abandoned and directly threatened in their existence. This could lead to cracks and possibly even fractures within the alliance. This scenario also has a negative impact on the relationship between Europe and the non-occupied part of Ukraine, which sees its hopes of EU and NATO membership go up in smoke. It is unlikely that the Ukrainian government and population will passively accept a Russian victory. There will be deep bitterness towards Western partners, which is already partly tangible in Ukrainian frustration over stagnant American support in a contemporary variant of a 'stab-in-the-back myth'. Armed resistance against Russia, large-scale refugee flows, and further instability at the borders of EU and NATO territory are therefore real possibilities.

On the economic front, the long-term consequences of a Russian victory will also be significant. In the event of a Russian victory in the war, Russia will be able to

20 Nicolas Camut, ['Putin could attack NATO in '5 to 8 years,' German defence minister warns'](#), *Politico*, 19 January 2024;
Connor O'Brien, ['Russian military replaced Ukraine battlefield losses 'far faster' than expected, general warns'](#), *Politico*, 11 April 2024;
Noah Robertson, ['Russian military 'almost completely reconstituted,' US official says'](#), *DefenceNews*, 3 April 2024.

21 Martin Wolf, ['Donald Trump's betrayal of Ukraine'](#), *Financial Times*, 19 March 2024.

rearm itself. The Russian threat to NATO territory will increase. In this scenario, the European NATO allies, including the Netherlands, will need to significantly increase defence spending and, according to the Dutch Minister of Defence, possibly even doubling it.²² While refugee flows towards European countries are currently decreasing, a Russian victory will instead lead to a new wave of Ukrainian refugees. Most Ukrainians prefer to stay in their country, even during wartime, but this will be different in the case of a Russian occupation. The longer the war lasts and the less territory Ukraine recaptures, the higher the costs of reconstruction will be and the fewer economic benefits the EU can expect in its candidate member state.

With regard to international law and moral values, a Russian victory constitutes an assault on the international legal order and the core principles of territorial integrity and sovereignty. This directly affects one of the vital security interests of the Netherlands, including Article 90 of the Dutch constitution. Moreover, ceasing support will leave Europe, and specifically the Netherlands, vulnerable to accusations of hypocrisy and undermine its credibility as a guardian of international law.

22 See the recent statements by Minister of Defence Kaja Ollongren that the defence budget would need to be increased from 2% to 4% of the national GDP; NOS, 'Ollongren: ['Defensie-budget verdubbelen naar 4 procent als VS uit NAVO stapt'](#)', 15 February 2024.

4 Which outcomes are preferred by Europe and the US?

The outcome of the war is determined by the fighting parties on the front lines and their political leaders in Moscow and Kyiv. Europe and America can help avoid the worst scenarios. If Europe and the US continue to fully support Ukraine, then Ukraine can eventually win the war. This scenario is clearly preferable for both parties, although the cost-benefit analysis is significantly more positive for Europe than for the US. This is also why both the US and Europe continued to provide support in 2022 and 2023: even when Europe was relatively inactive, it was still preferable for the Americans to fully support Kyiv and prevent a Russian victory. Europe could, similarly to within NATO, exhibit some degree of ‘free rider’ behaviour. With the absence of new American support over recent months, this situation has changed, and the role of Europe is becoming increasingly important. In Table 2 below, we have outlined the European and American preferences as 1st, 2nd, 3rd, and 4th preferences. The arrows indicate the rational choices and predict the most likely outcome (the ‘Nash equilibrium’).²³

If in 2024 or 2025 Europe or the US, whether under pressure from a shift in domestic public opinion or not, want to minimize short-term costs, it could be a strategic choice for both players to scale back support – assuming that the other will do enough to prevent the worst-case scenario of a Russian victory. For both parties, a ‘protracted conflict’ where the *other* pays is less favourable than a Ukrainian victory, but still better than a Russian victory. However, if both parties cease support, there is a high likelihood that Russia will win, which is the worst outcome for both. This results in a limited number of direct benefits with very large direct and indirect costs. Table 2 below schematically represents this

23 Note that this situation bears some resemblance to the game theory of a *Prisoner’s Dilemma*, a situation where there is a real risk that both parties “choose for themselves” and consequently get a worse outcome than if they were to cooperate. Crucial here is the calculation by the two “players” regarding which outcome they prefer, or the “payoffs”.

for the US under the current Biden administration, as the consideration was in the period from February 2022 to April 2024.

Table 2 Support and War Outcome: 1st, 2nd, 3rd, and 4th preferences Europe and US (Biden administration)

Preferences (Europe, US)	US continues support	US stops support
Europe continues support	Ukraine wins (1, 1)	<i>Protracted conflict</i> (3, 2)
Europe stops support	<i>Protracted conflict</i> (2, 3)	Russia wins (4, 4)

However, a significant danger lies in the shifting preferences of the United States. A future ‘Make America Great Again’ (MAGA) Republican administration in the US in 2025 might prefer a stalemate or even a Russian victory *without* US support over a Ukrainian victory *with* US support, especially if Europe stops supporting and acts as a ‘free rider’, letting the Americans pay the bill. This makes it a rational choice for the US under Donald Trump to withdraw support and ‘pass the burden’ to Europe (see Table 3 below). This puts Europe in a difficult position, as further discussed in the following section.

Table 3 Support and outcome of war: 1st, 2nd, 3rd, and 4th preferences for Europe and the US (Trump administration)

Preferences (Europe, US)	US continues support	US stops support
Europe continues support	Ukraine wins (1, 2)	<i>Protracted conflict</i> (3, 1)
Europe stops support	<i>Protracted conflict</i> (2, 4)	Russia wins (4, 3)

5 Conclusion: implications for the Netherlands?

Both the cost-benefit analysis and the political trade-off with the United States paint a sobering picture where it is clearly preferable for Europe and for the Netherlands to continue supporting Ukraine economically and militarily – even if the Americans scale back or actually cease their support. The costs of a Russian victory are so high that the relatively small benefits of saving a few billion euros in military support pale in comparison. Although a *protracted conflict* is not desirable and does not offer a stable outcome, it is still far preferable to a Russian advance on NATO's eastern flank. The geopolitical and security consequences, the financial and economic costs, and the implications for international law of the latter scenario are very significant. In that case, European and Dutch defence budgets will have to rise much further than they already have. To put this into perspective, doubling the Dutch defence budget from two percent of gross domestic product to four percent would cost the treasury around €21 billion extra annually.

Europe will not be able to fully compensate for the loss of American support and unilaterally enable a Ukrainian victory, especially not in the short term. However, it can prevent Ukraine from being completely defeated. This briefing has taken some shortcuts for the sake of discussion, but these need to be nuanced further to make the Dutch course of action clear.

Firstly, it's not a binary choice to support or not support; countries can provide varying degrees of assistance. Similarly, American support isn't black and white; the US could, for example, reduce ammunition supplies but continue to provide intelligence or *enablers*. Europe could also procure certain American weapons and ammunition for which there are critical shortages (such as Patriot or HIMARS ammunition) and deliver them to Ukraine. Additionally, American defence companies could establish factories in Europe or Ukraine and issue licenses, as demonstrated by the Patriot missile production line set up in Germany.²⁴ Some form of creativity is required to maintain American involvement in Ukraine,

24 NATO, ['NATO to buy 1,000 Patriot missiles to enhance Allies' air defences'](#), 3 January 2024.

even during a potential Trump administration. The Netherlands can play a proactive role in this regard.

Secondly, Europe is not a monolith either: if all EU countries were to allocate the same percentage of their GDP to Ukraine as Estonia or Lithuania, Europe could significantly increase its military weight compared to the current situation where there are significant regional disparities within Europe. The Netherlands plays a crucial pioneering role in this regard: as one of the few countries not located on the eastern flank, it can also maintain a sense of urgency within Europe and continue to encourage southern EU member states to do more.

Finally, there is more at stake here than just financial considerations. The war in Ukraine is a war in Europe and an attack on the international rule of law. It is therefore also a litmus test for Europe's ability as a whole to confront military aggression. If Europe passes this test, it will emerge on the world stage as more credible, stronger, and more united than if it were to wring its hands in dependency on domestic politics in the US and passively watch as a European country is overrun. The war in Ukraine therefore also offers Europe a real opportunity to take steps towards greater strategic autonomy in the field of security and defence. In a world that is becoming increasingly dangerous and unstable, Europe and the Netherlands would do well not to miss this opportunity.

Based on these considerations, we recommend the following actions for the Dutch government:

1. Invest in structural and multi-year military support for Ukraine and continue to play a leading role in the international support coalition. A NATO- or EU-fund, as proposed by Stoltenberg and Breton respectively, could provide opportunities for this.
2. Develop *contingency plans* for a European response in case American support for Ukraine remains permanently stalled or is completely withdrawn. This could be done through purchasing American equipment and/or locally producing it within Europe.
3. Continue the course set within Europe (as described in the European Defence Industrial Strategy) (EDIS)), to pool not only the delivery of military equipment to Ukraine but also the procurement of goods within Europe. This provides economies of scale regarding European purchasing power on the European and international defence market, and offers a long-term financial commitment for the European defence industry to scale up the production of equipment and ammunition.

4. Support, in addition to supplying military goods, the building and scaling up of the Ukrainian defence industry so that the country can eventually produce the necessary ammunition and equipment to sustain a war of attrition.
5. Create conditions for sustainable war termination in case of a ceasefire, including robust security guarantees for Ukraine.
6. Continue to work on specific measures to prevent escalation of the war to a direct confrontation between Russia and NATO, including utilising or reopening direct crisis communication lines with the Kremlin.
7. Invest in Dutch defence capabilities regardless of the outcome of the war. A Ukrainian victory will further increase Russian resentment; a loss of Ukraine could lead to further action by Russia; and a *protracted conflict* increases the chance of horizontal escalation. In each of the scenarios, a long-term effort to strengthen Dutch defence capabilities is necessary.