

The Next Government **must** fund Britain's Armed Forces to match the many and growing threats to national security

By
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About the UKNDA

The United Kingdom National Defence Association (UKNDA) has been formed to campaign for “sufficient, appropriate and fully funded Armed Forces to provide an effective defence for our country, its people, their security and vital interests wherever they may be”.

Full details of the UKNDA and how to join our “Support our Armed Forces” campaign may be found on our web-site: www.uknda.org - or by writing to:

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About the Author

Azeem Ibrahim is a respected thinker and academic, multi award-winning entrepreneur, adviser to a number of world leaders, and former reservist paratrooper.

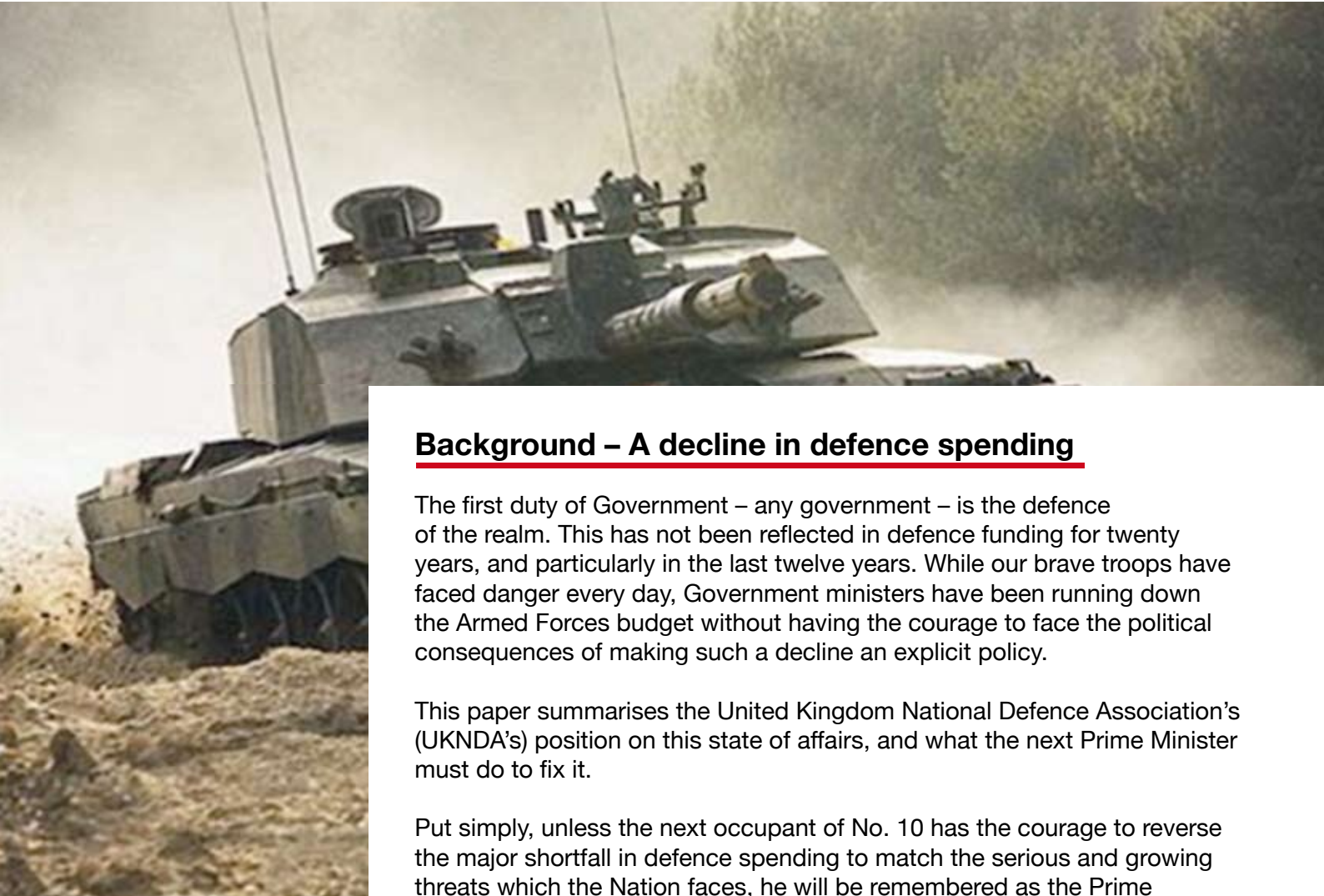
Glasgow-born Ibrahim is a Research Fellow at the International Security Program at the Kennedy School of Government at Harvard University, a World Fellow at Yale University, and Director of Research at the European Centre for Advanced Defence and Strategic Studies in Geneva.

He founded ECM Holdings, a conglomerate of six global finance companies which includes a private online bank for commodity traders and an FSA-regulated global macro hedge fund. He was the youngest person on both the Sunday Times Scottish Rich List in 2006 and Carter Anderson's UK Power 100 list.

Over the last few years he has met and advised over half a dozen world leaders and governments on a diverse range of issues ranging from financial investment, geopolitics to countering extremism.

He founded and actively chairs a private grant-giving foundation (www.ibrahimfoundation.com) and a number of charities, tackling problems as diverse as family and marriage breakdown in Scotland, lack of access to higher education for Bosnian students, and lack of access to clean drinking waters in disaster areas.

He served as a reservist in the 4th Battalion Parachute Regiment.



Background – A decline in defence spending

The first duty of Government – any government – is the defence of the realm. This has not been reflected in defence funding for twenty years, and particularly in the last twelve years. While our brave troops have faced danger every day, Government ministers have been running down the Armed Forces budget without having the courage to face the political consequences of making such a decline an explicit policy.

This paper summarises the United Kingdom National Defence Association's (UKNDA's) position on this state of affairs, and what the next Prime Minister must do to fix it.

Put simply, unless the next occupant of No. 10 has the courage to reverse the major shortfall in defence spending to match the serious and growing threats which the Nation faces, he will be remembered as the Prime Minister who finally let Britain's military capability, built up over centuries, wither.

Consider the background

- The present Government has kept defence spending dangerously low for the last twelve years, even while health and education have enjoyed spending increases of over 100%.
- Last December, £2 billion was cut from the Ministry of Defence's already inadequate budget, causing avoidable deaths and casualties in Afghanistan.
- Apart from the Foreign & Commonwealth Office, the Ministry of Defence has been the lowest funding priority of any Government department since 1997.
- The defence priority has been an attempt to hold defence spending at a constant level. Most countries choose their defence spending as a proportion of gross domestic product (GDP). As a proportion of GDP, our defence budget has fallen significantly.
- Counter-intuitively, holding defence funding at a constant level according to the consumer rate of inflation actually means – in practice – cuts. This is because, as all defence professionals know, defence inflation is much higher than consumer inflation. Whilst the latter has run mainly at between 2% and 3%, defence inflation runs at 6% - 8%. Given this, the decision to hold defence spending constant means that real resources are eroded by the defence inflation rate much faster than they are replenished.



- This has resulted in insufficient funding for forces' housing, inadequate medical care, lack of training, cancellation of training exercises, lack of equipment, low pay for the junior ranks – and, above all, avoidable casualties.
- The Royal United Services Institute (RUSI) conducted an independent study of the capital equipment plan and concluded that a gap existed in excess of £15 billion. (Since then, the gap has opened up even further.)

This has affected the forces' ability to do the job that we as a country ask of them.

- In 2006, for example, British forces arrived in Helmand province. They were to hold and secure it. But because scarce resources were split between Afghanistan and Iraq, and the Government repeatedly turned down requests to spend more on equipment, particularly helicopters. This underfunding and undermanning contributed to the humiliation of US reinforcements bailing us out in both countries, and the falling confidence in our once highly respected military capability, thus damaging the Special Relationship so vital to our long-term defence.
- Thirty-seven men and women have died in Afghanistan and Iraq in Land Rovers designed only to deal with civil disturbance duties in Northern Ireland, not violent warfare.
- There are insufficient helicopters. When we needed a dozen more in Afghanistan, they were held up in Iraq.

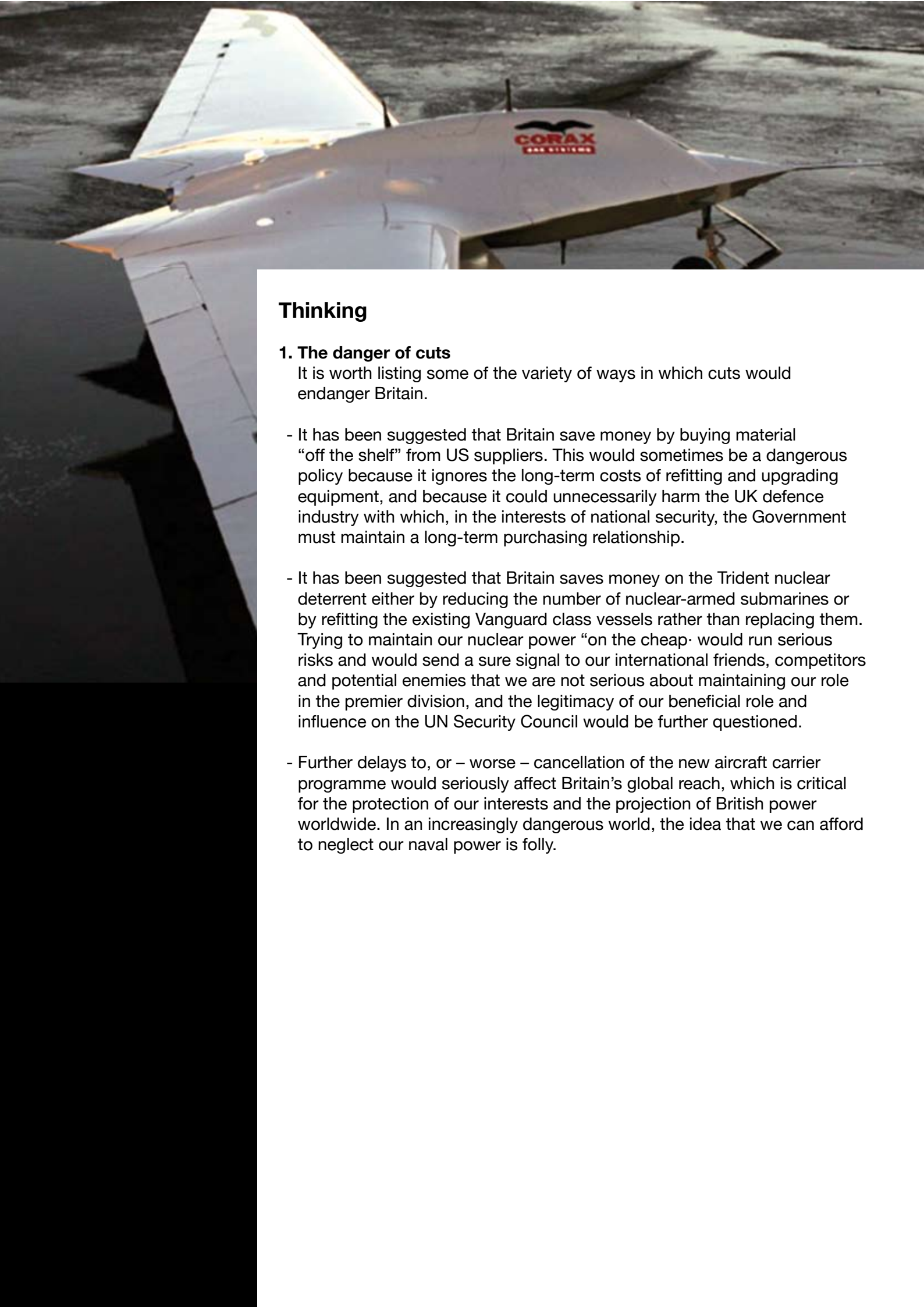
These are not sentiments you are likely to hear from our military; Servicemen and women do not like to complain. It is partly this quality which makes the British Armed Forces so good at what they do. Our forces are thus suffering the results of their own professionalism and unswerving loyalty.



The net results of the chronic underfunding are that:

- There are serious doubts as to whether Britain can afford to maintain forces sufficient even for the requirements of the Government's own National Security Strategy for **"forces that are deployable and flexible, able to move rapidly between different environments and different types of operations"** and **"capable of operating jointly with US forces."**
- As defence expert Gary Schmitt has written: **"If the Americans know we will only be able to operate in a narrow range of environments, we diminish our value to them, diminishing our status as an ally and diminishing our ability to persuade them and our leverage in influencing policy."**

These cuts have come in an atmosphere in which the public seem to have a dwindling understanding of the need for consistent and adequate defence funding. This is partly because the wars which we have fought in recent years have been far away and have not lead to a public wartime mentality, as previous conflicts have done, and partly because of the perception that the world has grown safer since the end of the Cold War, and that current threats to Britain do not require a military response.



Thinking

1. The danger of cuts

It is worth listing some of the variety of ways in which cuts would endanger Britain.

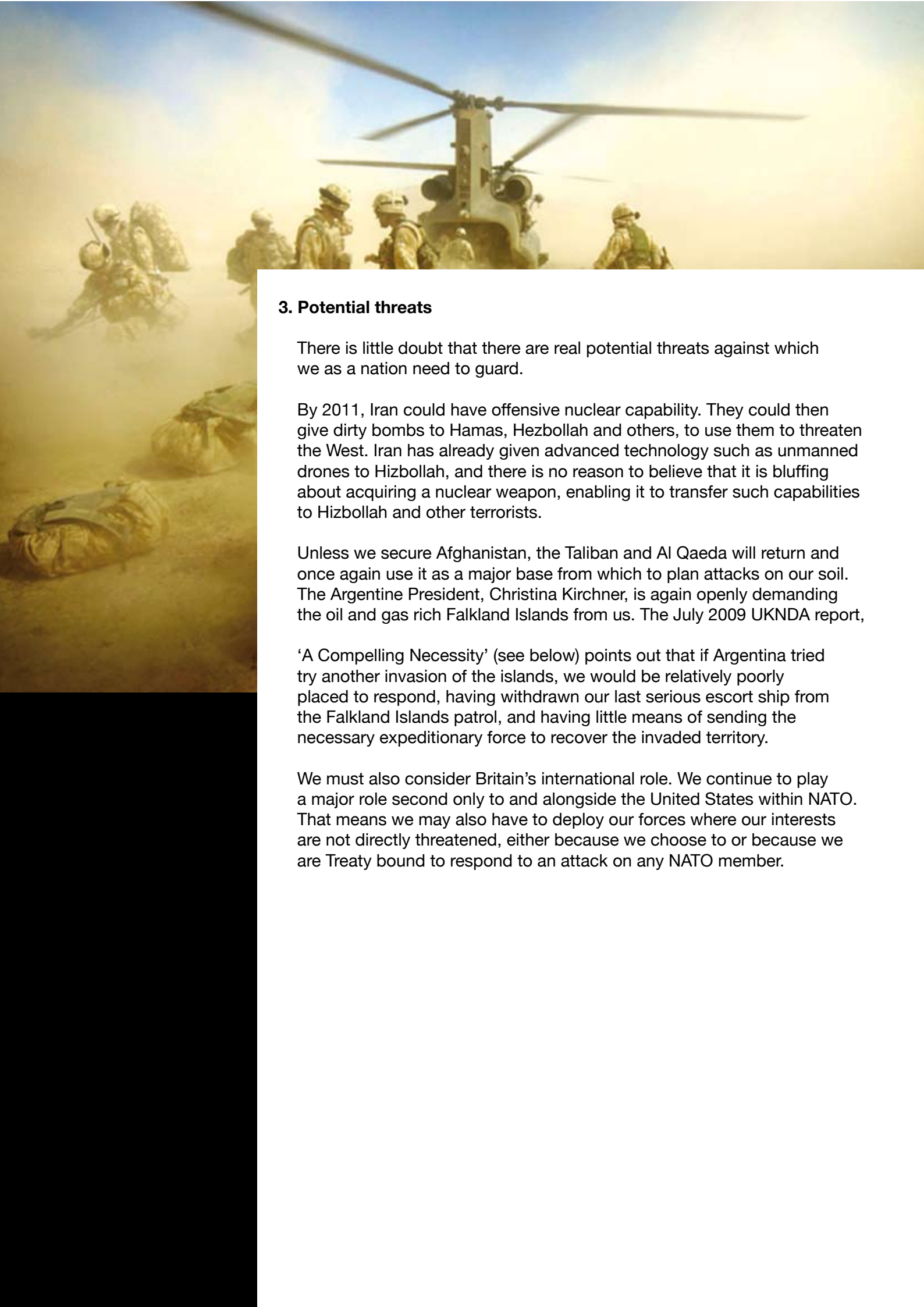
- It has been suggested that Britain save money by buying material “off the shelf” from US suppliers. This would sometimes be a dangerous policy because it ignores the long-term costs of refitting and upgrading equipment, and because it could unnecessarily harm the UK defence industry with which, in the interests of national security, the Government must maintain a long-term purchasing relationship.
- It has been suggested that Britain saves money on the Trident nuclear deterrent either by reducing the number of nuclear-armed submarines or by refitting the existing Vanguard class vessels rather than replacing them. Trying to maintain our nuclear power “on the cheap” would run serious risks and would send a sure signal to our international friends, competitors and potential enemies that we are not serious about maintaining our role in the premier division, and the legitimacy of our beneficial role and influence on the UN Security Council would be further questioned.
- Further delays to, or – worse – cancellation of the new aircraft carrier programme would seriously affect Britain’s global reach, which is critical for the protection of our interests and the projection of British power worldwide. In an increasingly dangerous world, the idea that we can afford to neglect our naval power is folly.



2. Defence funding is more important than other departmental spending because it is about safety; we have to identify the potential threats, and then spend to guard against them.

Part of the problem is that all too often, politicians and civil servants think that defence funding can be calculated in the same way as other departmental spending. Other departments calculate expenditure by looking at how much they spent in the previous year, then deciding whether they have more or less to spend this year and what they want to do with the budget, and how much to spend based on that. That is appropriate for most types of spending.

But defence spending is different, because it is about keeping the nation safe. Expenditure on the security of the nation is the spending on which all others depend. To put it simply, it is more important. The traditional departmental budgeting method is not appropriate. Rather, the Government must calculate the potential threats, then assess how much to spend to guard against them. Defence is a necessity admitting of little leeway. The Taliban will not fight less hard because our budget is lower than last year's. Rather they will be encouraged to step up their pressure as they perceive us weakening.



3. Potential threats

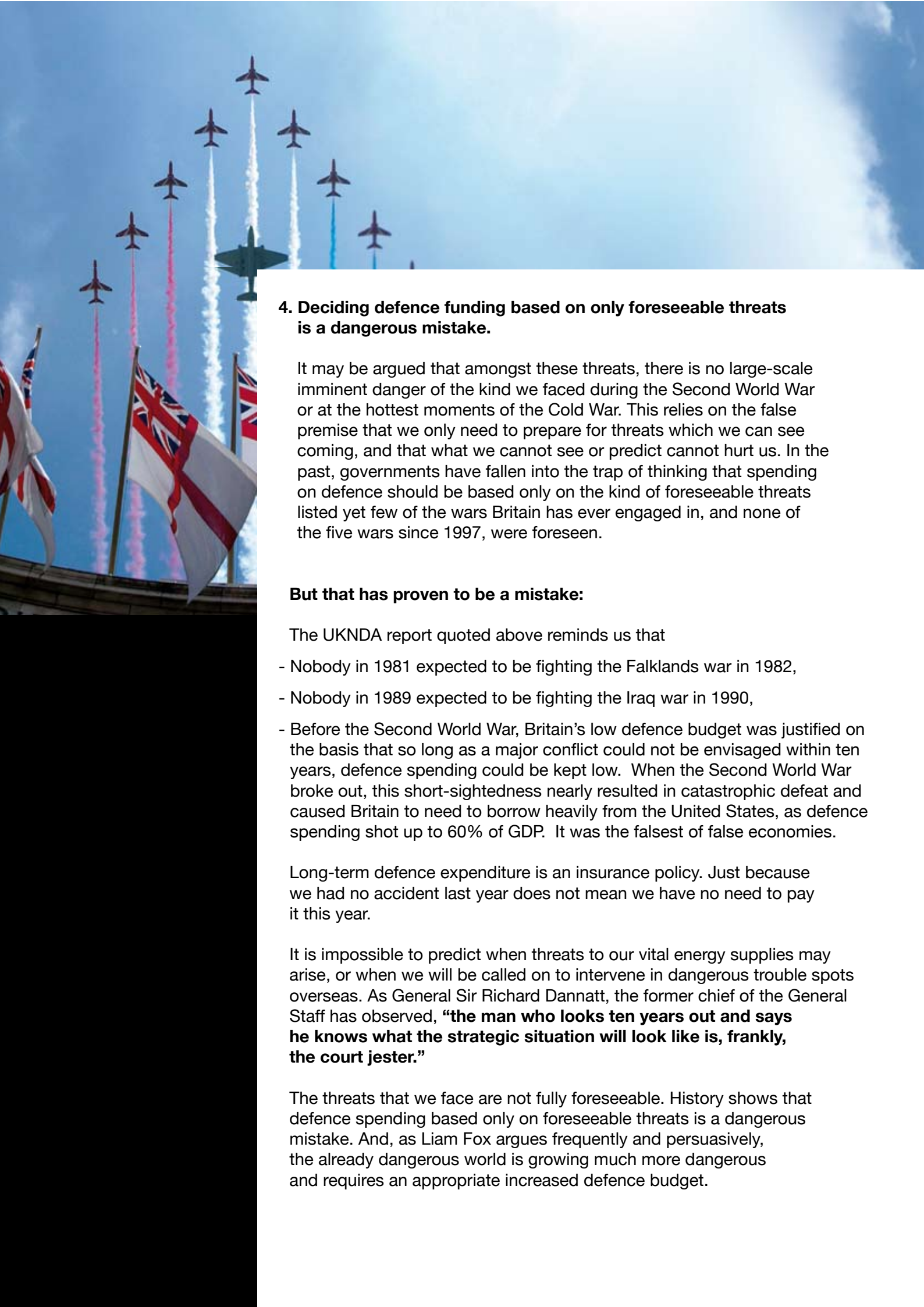
There is little doubt that there are real potential threats against which we as a nation need to guard.

By 2011, Iran could have offensive nuclear capability. They could then give dirty bombs to Hamas, Hezbollah and others, to use them to threaten the West. Iran has already given advanced technology such as unmanned drones to Hizbollah, and there is no reason to believe that it is bluffing about acquiring a nuclear weapon, enabling it to transfer such capabilities to Hizbollah and other terrorists.

Unless we secure Afghanistan, the Taliban and Al Qaeda will return and once again use it as a major base from which to plan attacks on our soil. The Argentine President, Christina Kirchner, is again openly demanding the oil and gas rich Falkland Islands from us. The July 2009 UKNDA report,

‘A Compelling Necessity’ (see below) points out that if Argentina tried try another invasion of the islands, we would be relatively poorly placed to respond, having withdrawn our last serious escort ship from the Falkland Islands patrol, and having little means of sending the necessary expeditionary force to recover the invaded territory.

We must also consider Britain’s international role. We continue to play a major role second only to and alongside the United States within NATO. That means we may also have to deploy our forces where our interests are not directly threatened, either because we choose to or because we are Treaty bound to respond to an attack on any NATO member.



4. Deciding defence funding based on only foreseeable threats is a dangerous mistake.

It may be argued that amongst these threats, there is no large-scale imminent danger of the kind we faced during the Second World War or at the hottest moments of the Cold War. This relies on the false premise that we only need to prepare for threats which we can see coming, and that what we cannot see or predict cannot hurt us. In the past, governments have fallen into the trap of thinking that spending on defence should be based only on the kind of foreseeable threats listed yet few of the wars Britain has ever engaged in, and none of the five wars since 1997, were foreseen.

But that has proven to be a mistake:

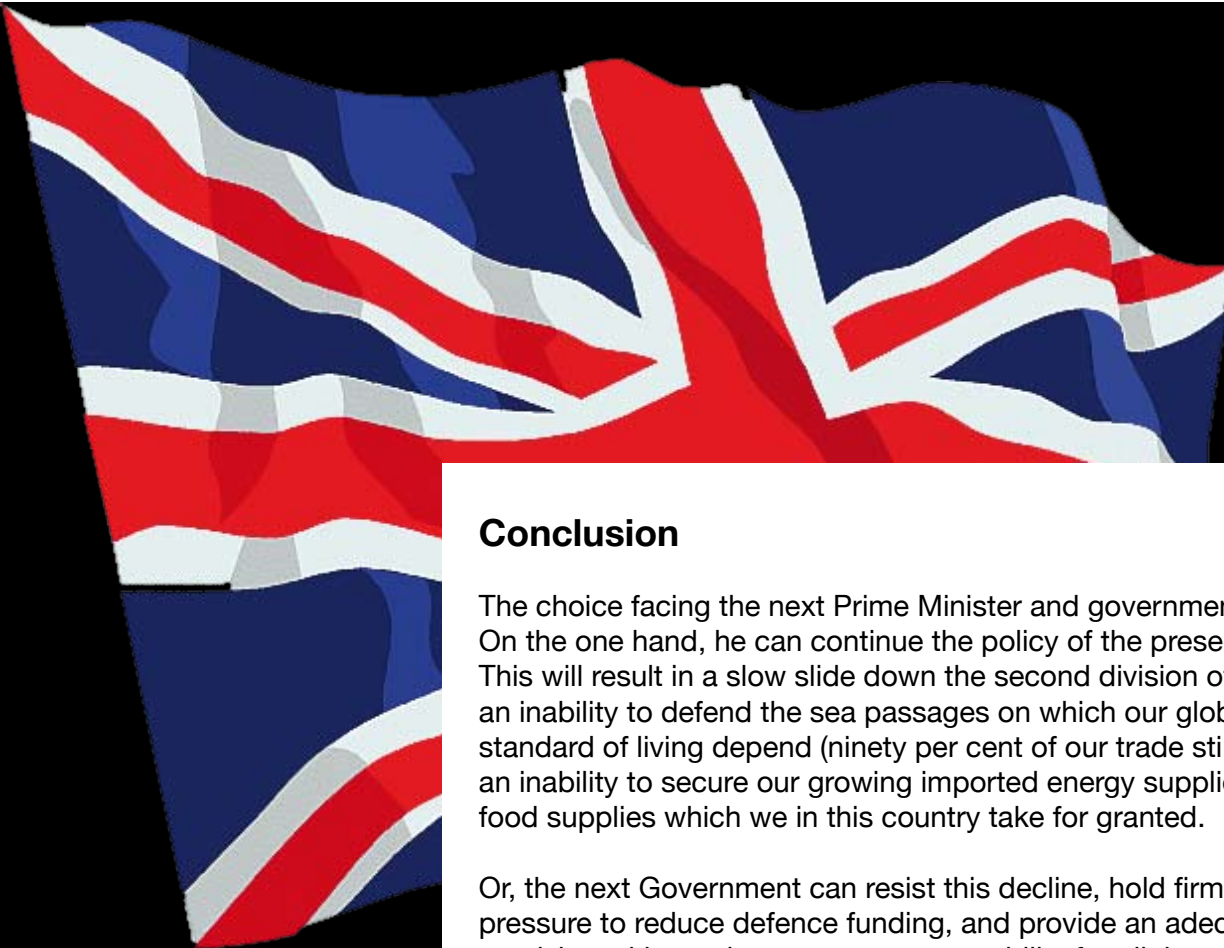
The UKNDA report quoted above reminds us that

- Nobody in 1981 expected to be fighting the Falklands war in 1982,
- Nobody in 1989 expected to be fighting the Iraq war in 1990,
- Before the Second World War, Britain's low defence budget was justified on the basis that so long as a major conflict could not be envisaged within ten years, defence spending could be kept low. When the Second World War broke out, this short-sightedness nearly resulted in catastrophic defeat and caused Britain to need to borrow heavily from the United States, as defence spending shot up to 60% of GDP. It was the falsest of false economies.

Long-term defence expenditure is an insurance policy. Just because we had no accident last year does not mean we have no need to pay it this year.

It is impossible to predict when threats to our vital energy supplies may arise, or when we will be called on to intervene in dangerous trouble spots overseas. As General Sir Richard Dannatt, the former chief of the General Staff has observed, **“the man who looks ten years out and says he knows what the strategic situation will look like is, frankly, the court jester.”**

The threats that we face are not fully foreseeable. History shows that defence spending based only on foreseeable threats is a dangerous mistake. And, as Liam Fox argues frequently and persuasively, the already dangerous world is growing much more dangerous and requires an appropriate increased defence budget.



Conclusion

The choice facing the next Prime Minister and government is clear. On the one hand, he can continue the policy of the present Government. This will result in a slow slide down the second division of nations, an inability to defend the sea passages on which our global trade and standard of living depend (ninety per cent of our trade still comes by sea), an inability to secure our growing imported energy supplies and the vital food supplies which we in this country take for granted.

Or, the next Government can resist this decline, hold firm against the pressure to reduce defence funding, and provide an adequate defence provision with contingency reserve capability for all three Services. If this decision is made, it should be done as a deliberate and well researched policy.

To this end, Britain urgently needs a new Strategic Defence Review. The last one was pre-9/11, in 1998. Since then, we have deployed in Iraq, Afghanistan, Sierra Leone, Bosnia and Kosovo (none of these foreseen), and the global scene has changed out of all recognition. This time it must be an intellectually realistic appraisal of the threats we face and of what we must spend to counter them.

Any politician who really believes that the Government's first duty is defence of the realm must reverse the present dangerous downward drift in defence funding.

If they do not, then if whoever is elected will be remembered as the Prime Minister who let Britain's military prowess fatally wither and recklessly risked national security. If they do, we will continue to exercise our powerful beneficial world role, maintain our influence and respect, and above all, assure the future safety of the nation.

Further UKNDA Reading

'A Compelling Necessity' by Andrew Roberts and Allen Sykes, Foreword by Irwin Stelzer (July 2009).

'A Decision the Next Prime Minister must make' by Tony Edwards (February 2009).

