



# UKNDA COMMENTARY

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### UKNDA COMMENTARY No.4

## DIMINISHED CAPABILITIES AND INCREASED RESPONSIBILITIES

### Time for an objective defence review

In 2010 the incoming Coalition government published a Strategic Defence and Security Review (SDSR 2010) which resulted in significant reductions in Britain's defence capabilities. The review came in the context of the post-2008 economic financial crisis. Government spending had risen under the previous Labour government, dramatically in the case of health, education and welfare. Almost the only area of government expenditure to fall as a percentage of GDP had been defence. Nonetheless, given the massive government borrowing requirement to bridge the gap between reduced taxes and still rising expenditure, cuts had to be made.

The stresses of Coalition government cannot have been helpful when it came to deciding just what to cut. Nor was a prime ministerial commitment to maintain expenditure on the massive health budget. The result was a range of cuts across the board, with defence cut yet again, despite having already halved its share of GDP over the previous 20 years. Bizarrely, the one area of increased government expenditure was foreign aid, doubling to 0.7% of GDP.

SDSR 2010, unlike the previous review in 1998, was certainly not a strategic defence review. Given the predetermined level of government expenditure, cuts were not made to support strategic choices but where they were most readily available. The situation was made more difficult by the scale of outstanding defence equipment plans which could not be accommodated, even within the existing budget. This 'bow wave', estimated at £38 billion, was not unique. It has been common for programmes to be overheated to allow for the uncertainty, technical delays and changes which historically have always occurred; the Ministry of Defence had become used to programmes being strung out over time, allowing budgets more or less to cope. But the very substantial thinning-out of the equipment programme now meant that defence companies were completing programmes more swiftly.

The Conservative government had left a similar legacy in 1997, but this time, with a Coalition government determined not to spend a penny more on defence than they had announced lest it affect the willingness of other departments to accept their own painful cuts, public outrage was stirred up about this 'unfunded black hole' to justify further deep cuts to defence funding.

Much has been written about Britain's diminished military strength as a result of SDSR 2010. The list below is a brief summary:

**Army numbers were cut from 102,000 to 82,000**, with the fig leaf that the Army Reserve would in due course increase from 20,000 to 30,000 in partial compensation. There are serious doubts as to whether the Reserve will succeed in its recruitment target. The reduction in the capacity of the British

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Army to deploy for war for more than a few months means that it will be unable to field more than 8,000 to 9,000 men on continuous operations, after the necessary time for recuperation and training are taken into account.

The RAF are now left with nine squadrons of operational fast jets and for continuing operations would be unlikely to field more than thirty offensive aircraft. Also, with the cancellation of the nearly completed Nimrod-4, **the RAF lost its entire capability for maritime patrol, leaving a dangerously reduced capacity** to escort our nuclear deterrent submarines in home waters, or to conduct anti-submarine and surface surveillance operations. The Joint Harrier Force, which comprised the upgraded Harrier GR9s, was withdrawn from service and the Joint Strike Fighter order was reduced from 138 to 48.

Serious damage was also done to the Royal Navy. Although both the new aircraft carriers are to be completed – allowing one carrier to be operational at all times provided adequate trained manpower is available – the reduction in the Joint Strike Fighter (JSF) purchase will allow only one air group, half the size originally planned. Poorly handled attempts to convert the carriers to operate conventional catapult launched aircraft failed with additional costs resulting from the delay penalising the rest of the programme and precluding interoperability with US and French carrier aircraft. **The surface combat fleet has been reduced to 19 frigates and destroyers**, two thirds of them ageing ships, instead of the thirty two that the 1998 Strategic Defence Review considered the minimum for meeting the Navy's commitments. No surface combat ships are currently on order and shipbuilding capacity has been so reduced that the replacement of any ships lost in action will be extremely difficult. Even the new Astute class of nuclear-powered hunter killer submarines has been reduced from ten to seven. Finally, the arbitrary reduction of naval personnel to about 23,000 (excluding Royal Marines) will seriously endanger the manning of the fleet.

More serious than the simple arithmetic is the lack of strategic coherence in a review which announced that none of Britain's global influence would be surrendered. To this must be added the potential impact on force structures of any Scottish vote for independence. Even the sharply reduced numbers announced in SDSR 2010 are therefore still to be confirmed in SDSR 2015.

The Coalition government must now ask itself whether the diminished scale of military strength is appropriate for Britain's circumstances and aspirations, or whether, five years after the start of the economic crisis, with signs, confirmed on 21 January 2014, that the cycle of growth is returning Britain to a more normal state of economic health faster than previously thought – and hence a more robust tax base – the whole question of what we should spend on defence should require a further, more fundamental, review.

SDSR 2015, promised by the Coalition in 2010, approaches. Is it to be another budget driven review that asks only on what we should spend an arbitrary sum or should the question be put the other way round? **Should we determine a national strategy for the United Kingdom, derive from it a defence strategy and then calculate the force structure required to meet this and cost it?** If the cost is then judged to be too great the strategic assumptions must be revisited but, if it is concluded that the military risks we now run are too great, we might have to face a return to spending a somewhat higher proportion of GDP on defence rather than continue to make wholly unreasonable demands on the surviving armed forces.

No government should spend more money on defence than is necessary. However, the way to determine what it would be wise to spend cannot come from plucking a figure out of the air in order to demonstrate that the MoD is among those departments that have played their part in diminishing the government borrowing requirement.

Britain is not alone in cutting defence spending in favour of more electorally appealing objectives. Our major western allies, other than the United States, on average spend even less than we do, averaging 1.6% of GDP. However, we are all dwarfed by the Americans. The USA, with five times

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our population, spends over ten times as much on defence – some 4.7% of GDP. With a population smaller than Europe as a whole it spends more than double the EU average. We now expect the USA to play the leading role in every step that the western alliance takes to protect itself against terrorism, dysfunctional states, and states that oppose us to the degree that war could one day break out.

Up till 1990 we thought it wise to spend 4% or more of GDP on defence. Yet the world has, arguably, become more dangerous, and certainly more unpredictable, than during the Cold War. There may now be a lower chance of a nuclear exchange, but the new instability means that the need for conventional defences may be greater.

What then is Britain's defence and security strategy? Is it to be the most reliable and capable ally of the United States and thus in a position to seek that powerful country's support when our own interests are under threat? Or is it, not necessarily in contradiction, to be one of two or three leading powers in the EU capable jointly of ensuring Europe's ability to defend itself and protect its own interests even where they diverge from those of the United States.

America's defence deployment is increasingly focused elsewhere as the power and ambition of China and others continues to grow. Can we be sure that the rising nations have the same aversion to the use of military force that we now have? Surely our spending should follow those priorities that are truly strategic, which only government can deliver?

Any British government has an exceptionally difficult balancing act to carry out today when spending the nation's wealth. Health inexorably consumes more funding, partly because we continue to find more expensive ways of keeping people healthy and partly because, as a result, the number of older people requiring medical care is increasing. This problem is so large that, without reform of the way we fund health, the cost to the public purse may well overwhelm us, regardless of the collateral damage it does to defence and other spending. Few if any other nations attempt to fund health entirely from public funds.

We cannot tell the government where to spend the nation's tax revenues, other than to insist that priority be given to those public goods that only government can supply and to point out that the reduction in defence funding over the years has been a political choice, not one dictated solely by an economy in temporary crisis.

There are those in government who believe that the UK still spends too much on defence. They argue that the British have had a view of their country's role in the world that is outdated and cannot be sustained. Today, they say, it is 'soft power' that really counts. With less war fighting capability we can keep out of 'bad wars'. However, how can we be sure that the world will not change for the worse? **We are taking decisions now that will fix our defence capabilities for twenty years, far beyond the forecast horizon of any threat.**

Our view is unambiguous. Soft power *is* important but demands an underpinning by hard power to be effective. We believe that Britain, as a permanent member of the UN Security Council, cannot abdicate its proper role in global security. We should play an appropriate part in the American-led alliance if we wish to rely on America's protection in a crisis. Only a proper strategic examination of the sort described above, and the willingness to face honestly and openly the cost of what we wish to do, can establish what that appropriate share is.

A very senior politician once told one of us in private that defence is not an electoral issue and the public does not care about it; he implied that the government would do the minimum necessary. There has been some increase in public criticism of where SDSR 2010 has left us as a nation, and as an ally, yet there is sufficient truth in that observation to make it necessary to appeal to any government to do what is right rather than what is politically advantageous in the near term. The only serious political threat to a

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government which fails to spend adequately on defence comes if it is in power when the music stops and Britain suffers a serious military reverse. Perhaps the politics of defence are better likened to a game of Russian roulette than to musical chairs. You can hold the revolver to your head, rotate the chambers – the more chambers you can afford the better the odds – and fire many times before it ends in bloody ruin, but the politician who is in power when the live round is fired will be remembered, at best as naïve and incompetent, but more likely as the man who risked national humiliation.

So let SDSR 2015 be a genuine strategic review. Let it do its work unconstrained by a pre-determined figure for defence expenditure. Let our national aspirations be quantified. Let the weaknesses which the missing capabilities represent be carefully considered. Let the best ways of spending as much as we do now, or a little more, be measured and laid out. Let us consider the need for a defence industry strategy. Let us have a national debate about where defence lies in our priorities. Is it really the first duty of government? One can be forgiven for believing that, whatever politicians say on that point, it takes a crisis for them to act as though it were so. Let us settle, for this generation at least, the level at which we should punch in the Western alliance, the role we should have in the leadership of the defence of Europe, the closeness of our alliance with the United States and our capacity to do things for ourselves when nobody else is interested. It would be surprising, but not impossible, for far-sighted strategists to conclude that what we now spend is about right. All we ask is that we take a completely honest look at defence needs, set out the range within which spending might reasonably lie and then explain why it is that we choose to position ourselves at a particular point in that range.

Do not ask, as one senior politician asked us, where we think the money is going to come from if the conclusion is that we should spend more on defence. It is a question of political priorities. Do we have to budget over £11 billion a year for foreign aid? Do we have to have a nearly free NHS instead of a co-payment system? Do we have to have such a generous level of benefits for so many people? Remember that Britain is one of the six richest countries in the world. Money can be found if there is a good enough reason for spending it.

Between now and 2015 let us look very carefully at the state of our defences and what the implications are for the long term strategy and security of this country. And let us always remember that **if Britain does not continue to bear its fair share of the cost of the western alliance and the protection it brings, our special relationship with the United States will wither and die – and our guarantee of security with it. The need to increase our defence capabilities must also reflect the fact that America is now cutting its defence budget and its commitment to Europe and the Middle East. This is a fundamental change in the assumptions underlying SDSR 2010.**

*This Commentary has been prepared by the UKNDA panel of authors including Antony Hichens, Air Chief Marshal Sir Michael Graydon and Vice-Admiral Sir Jeremy Blackham.*

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