

Defence Budget

Guiding principles, objectives, and distribution in time

Preliminary considerations

In order for any kind of policy to be credible, it must come hand in hand with the corresponding draft budget. This is also the case with defence policy, which as already proven in our latest document,¹ in no way is contrary to welfare policies. This mantra, repeated to death by the Pacifist lobby, is only true when the defence budgets are not properly managed. As we are aware, countries like Norway or Denmark have much larger defence budgets than the Kingdom of Spain while enjoying an enviable welfare state. As a result, as in any area where public funds are invested, one has to ensure that management is rational in planning and effective when it comes to implementation. We must also say that this document is a brief guiding summary of our larger, more detailed, papers on each of the branches of the CDF (Catalan Defence Forces). One must take into account, though, that a reflective reading of the documents "[A strategic analysis](#)" and "[Military doctrine: development of our own model](#)" is essential to understand this paper. These two documents "support" those dealing with the dimensions of the Naval Force, the Air Force, the Army, the Common Services, and the Reserve (the latter two yet to be published).

BASIC CONCEPTS

As we said, defence is just another area of public administration, and therefore, in a democratic state it is subject to a set of regulations. Also concerning budgets. It is the case of defence budgets, although there may be methodological variations among states, we always tend to find the same chapters. Here we shall use those employed by the [European Defence Agency](#) (EDA), yet from a purely methodological perspective, without this implying any support for or against EU membership. There are thus four main chapters:

1. **Operations and Maintenance:** it is the chapter referring to the necessary costs to be able to keep one's own forces functioning, regardless of whether in exercises or operational deployments.
2. **Personnel:** this chapter comprises payments to all people working in the defence arena. It includes both civilian (management, administration, and services work) and military personnel, the latter being either full time or reserve.
3. **Investment (procurement and R+D):** This refers to expenditure for the acquisition of material (not maintenance), together with research to develop and improve one's own systems. It is an area where it is necessary to seek a balanced cooperation between the public and the private sectors.
4. **Infrastructure:** This chapter includes all expenditure concerning facilities (barracks, ports, airfields, depots,..)

¹ S.E.M. : [La defensa es contraposa al bienestar?](#) (in Catalan)

We want to focus much more on the issue of the correct distribution of resources among these chapters than on the total amount devoted to the defence budget. Let us imagine, for example, two states: “A” and “B”. Both devote the same amount to defence, but whereas state “A” commits 80 percent of the budget to the personnel and investment chapters, state “B” only devotes 50 percent to them. Which of the two will be in a better shape to sustain a prolonged campaign? This does not mean that we should not be concerned with the total amount devoted to defence. As seen in previous studies, minimum defence spending should be 1.2 percent of the GDP, granted we were in some sort of Alliance to pool spending. Should we not be a member, the figure would be higher.

Let us now return, though, to the budgetary chapters and our distribution proposal.

GUIDING PRINCIPLES

Defence is a public good having an impact on all citizens, as is health care. However, whereas health care “returns” can be quantified (number of patients treated, ratio of doctors, ...), in the case of defence this is much more difficult. One can make a parallel with insurance: we hope never to resort to it, but we demand the best cover in exchange for the money we devote to it. If war is (as thinkers from Thucydides to Martin Van Creveld have said) the most uncertain of human activities, how can we make sure of how much investment in defence is enough? The thing is, we simply do not know. We shall never be able to cut down uncertainty since, if it was zero, then wars would never be waged since we would know their result in advance. What we can indeed do is to try to minimize this uncertainty margin by laying down a defence system as well prepared and ready as possible with the resources within our reach. A system that, due to the costs involved in attacking it, prompts potential threats to desist. In a word: **deterrence**.

As we said earlier, we believe that in the defence budget the *how* is more important than the *how much*. Thus, we shall proceed to explain how it is necessary to distribute spending among the four chapters, so that from each euro invested in defence we get the maximum return in terms of possible deterrence.

Operations and maintenance

This chapter is given priority over investment, since the former guarantees our conventional deterrence. It has been a problem common to many Western armed forces to lack available resources in this area due to the excessive costs of acquisition programs. In the Kingdom of Spain, one must furthermore add a macro-cephalic command system, which has become a serious dead weight. The Catalan Defence Forces (CDF) cannot make these mistakes. We thus believe that, once the CDF's foundations have already been laid down, the percentage of the defence budget devoted to operations and maintenance should be between 35 and 40 percent. This would enable us, in peace time, to guarantee a high level of readiness. As history shows, maintaining this level gives rise to a multiplier effect. The best example of this, we believe, are the Israel Defense Forces between 1947 and 1973. Despite always being inferior in numbers, and in most cases materiel, they emerged victorious. Constant training, and utmost tenacity, were crucial. In addition to keeping a high level of training, ample funds in the operations chapter also have an impact on availability. In other words: what is the point of having 100 fighter planes if we only have the budget to maintain 20 of them in operational conditions.

Personnel

We must remember that a defence ministry comprises both civilian and military personnel. Civilian personnel are in charge of all management and services tasks, in order to leave the highest possible percentage of military personnel available for purely operational work. We also need to distinguish between permanent and reserve forces. In previous documents we have already argued in favour of large reserve forces, as in Denmark and Norway². The first reason for this option is to keep the armed forces connected to the society they defend. On the other hand, it also saves taxpayers money. We believe that a reservist must have the same rights and duties as full-time active duty personnel. Thus, with a one month annual activation period, it is possible to have up to a dozen of reservists for the price of a full time member of the military. We thus envision a personnel chapter accounting for between 30 and 35 percent of the defence budget.

Investment

Although we will receive tempting “package” offers, investment in materiel must be thoughtful and studied in utmost detail. We must draft a set of procurement guidelines so that all systems (weapons, sensors, communications, ...) that we buy fit perfectly and are not a burden. We must not only take into account a given system's technical specifications and price, but the costs of its whole life cycle. While there is almost no state that is completely self-sufficient in defence hardware, we must try to reduce this dependency in some key areas, such as the life cycle. This is the case of Finland, which despite having few domestically-produced systems, manages to a large extent their maintenance and upgrades. This is spending which, let us say it, generates jobs. We should not forget, either, the Research and Development milieu. This is an area where Catalan universities have much to say. Centres such as the Institute of Photonic Sciences or the UPC's Applied Bioacustics Laboratory could make good contributions to laser and sonar technology, respectively.

Infrastructure

This is an area that will require a significant initial investment, since we have very few Spanish Armed Forces infrastructures that can be used. For the most basic Army drills, Sant Climent, Talarn, and El Bruc, can serve our purposes, but they do not go far enough. We will need to look for a large-enough space where it is possible to conduct exercises with different kinds of units (mechanized, airborne ...). It is very likely that the Lleida Plain area, and/or Noguera County, may fit with these requirements. We should not rule out, either, as is the case in the United Kingdom, reaching agreements with local councils and rural landowners concerning certain drills not involving real fire. For the Air Force, we bet on Alguaire Airport, a clearly underutilized infrastructure. We should not rule out, either, additionally refurbishing airports such as Reus, Girona, and Odena. In the case of the Naval Force, the void concerning infrastructures is desolating. Palamós and Vilanova I la Geltrú appear in our eyes as the facilities most easy to adapt and expand, these are ports with already significant traffic volumes, despite their size. At the same time, this medium size makes these facilities easier to protect. Let us stress that this geographical distribution, in addition to the requirements for each of the mentioned facilities, is also a response to the will to correct Catalonia's territorial imbalance, victim of a macro-cephalic capital city.

DISTRIBUTION IN TIME

² S.E.M. : [Pau i Defensa segons el GPI](#) (in Catalan)

We believe that it would be a useless exercise to try to provide a yearly budget, even more so when we are creating armed forces from scratch. We believe it more suitable to design a multi-year program. In this case, we shall choose the model followed by the Kingdom of Denmark, which lays down five-year programs amenable to review. These programs start with a white paper detailing the strategic situation (with the applicable risks and threats), the state of the country's own forces, and a forecast of the needs for the following five years. It is also a system that serves the purpose of putting some distance between defence affairs and petty party quarrels. We believe that, from the year of independence onwards, we must establish two successive growth programs:

- **Program 1 (years 0-5):** setting up basic institutions and legislation, agreements to instruct the initial cores, structuring the forces, purchase and refurbishment of facilities, protection of borders and critical infrastructures. Nominal target: 1.2 percent of the GDP on defence.
- **Program 2 (years 5-10):** own military training centres fully working, expansion of the Army's initial cores (from companies to battalions), first classes of reservists, Littoral Patrol Command fully operational. Beginning of participation in international exercises and deployments. Nominal target: 2 percent of the GDP on defence.

CONCLUSIONS

As explained, we believe a distribution of the defence budget giving priority to operational capability to be more important than approaching the issue of the amount to be devoted to defence. However, this is no excuse for "low cost" defence budgets. If Europe has been able to afford them since the end of the Cold War, it is because the United States made up for them, but this is already over. On the other hand, it remains to be seen whether it is in independent Catalonia's interest to belong to the European Union or not. Thus, we cannot take for granted that we shall be able to pool our defence spending within this organization. Furthermore, in the case of joining NATO, let us repeat it, the United States have already said that they will not remain responsible for what it is the Europeans' duty to do. For all these reasons, we believe in laying down the target of investing 2 percent of the GDP on defence. Also, this budget will allow us to punch above our weight. If we really want to be somebody in the international arena, tweets and likes are of little use, instead we must be ready to do what it takes.