Funding the Future

What are we defending?

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There is a worrying and increasingly unquestioned assumption in British political debate at present, which is that higher defence spending is unavoidable, and that it must be paid for by cutting back care, public services, and social security. We are told this is the price of security in a more dangerous world. That claim is rarely interrogated, being nodded through by interviewers as if it is a foregone conclusion, and yet it should be challenged, because once examined, it unravels very quickly.

If defence spending requires austerity elsewhere, the first and most fundamental question is not financial but moral and political and is instead what exactly are we trying to defend in that case? It should be obvious that a country in which public services are degraded, poverty is allowed to rise, and insecurity becomes a normal condition of life is not a society organised around shared purpose or mutual care. If, at the same time, as would appear to be the assumption, the interests of the wealthy are protected from sacrifice, the message is unmistakable: defence is not about collective security but about preserving an unequal status quo.

This matters. The discussion is about defence, and a call to arms, but people do not fight for abstractions. If they are willing to fight at all, they fight for places where life feels worth living, where citizenship carries meaning, and where burdens are shared fairly. A state that hollows itself out in the name of defence, while insulating wealth and power, is not strengthening itself. It is eroding the very social foundations on which legitimacy and loyalty rest. That is not a country that many would willingly defend. This form of funding demand is, then, wholly counter-productive in defence policy terms.

The claim that we face an unavoidable choice between military capacity and care also rests on a profound misunderstanding of how the economy works. It assumes that there is a fixed pool of both financial and physical resources available to the government, and that spending on defence necessarily crowds out spending on health, education, housing, and social security. The reality is that this assumption is false, and we all know it is because the UK economy is (and has been for some time) characterised by persistent under-use of resources. Official unemployment remains around five per cent, and when under-employment and insecure work are taken into account, the waste of

human capacity is far higher. Skills are unused, labour is idle, and social needs are going unmet by policy choice. The argument that available physical resources are the constraint on action is, then, entirely incorrect.

There is, in fact, no economic reason to force an either-or choice between defence and public services. The real constraint is not the availability of government finances (which, in fact, always exist, as modern monetary theory explains), but the availability of real resources: people, skills, materials, and organisational capacity. Where those resources exist, as they do in the UK, a currency-issuing state can always mobilise them. The conclusion is obvious: if the preservation of the state genuinely requires additional defence capacity, then the state can run a deficit to secure that aim without dismantling the care systems that give it social meaning. Treating defence spending as financially constrained while tolerating the underuse of available economic resources is not realism; it is ideology dressed up as prudence.

History makes this even clearer. The idea that military spending necessarily precludes social investment is not supported by experience. In the 1950s and 1960s, Britain maintained a large standing military within the pressures of the Cold War while simultaneously undertaking vast programmes of public investment. This was the period when the National Health Service was established, public housing expanded, transport systems rebuilt, and access to education widened dramatically. Defence and development were not seen as mutually exclusive because policymakers understood that social resilience is itself a form of security, and a precondition of successful defence policy.

History also provides another precedent, this time from World War II. If additional tax is required to constrain resource use for consumption as a result of required defence effort, then those who must pay that additional tax were then, and should be now, those with the greatest capacity to do so, precisely because it is their excess consumption that can and should be forgone if greater allocation of resources to defence is required. Those with the least should not be asked to make that sacrifice: they do not have the capacity to bear it. This was Keynes' prescription in 1941, and he was right: this was how to fund the defence of a nation. The lesson has been forgotten, but should not have been.

The evidence from all this is obvious. What has changed since then is not what is economically possible, but what political elites are willing to imagine or admit. Scarcity narratives have become a tool for disciplining public expectation while leaving wealth untouched and power unchallenged. When defence is framed as requiring austerity, the real effect is not greater safety but a weaker, more divided society.

The real question, then, is not whether we can afford defence and care together. We can, if we need to. The question is whether we are prepared to reject the false choices that justify austerity, protect privilege, and steadily undermine the social fabric on which any meaningful notion of national security depends.

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