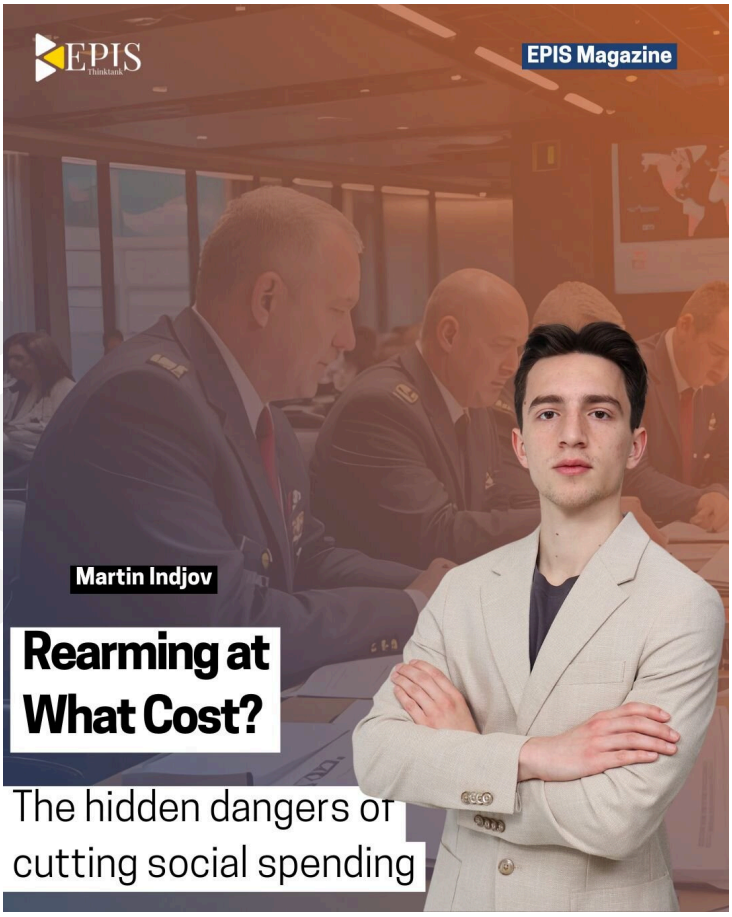
Rearming at What Cost?

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New realities

At around 5 a.m. local time the first explosions were reported all across Ukraine (Sheftalovich, 2022). Europe woke up to a new reality: war on the continent has re-emerged. What followed was in many ways unprecedented. Political leaders met in emergency meetings after emergency meetings to try and find an appropriate and unified response. On TV channels all across Europe ran countless talk show specials, and military experts provided the public with their analysis left, right, and centre. The topic of national defence turned from politically negligible to taking centre stage.

Political leaders used that stage to emphasise the necessity of national defence and the subsequent need for large-scale investments and reforms within national militaries (Zandee, 2024). The details of such proposals differ. From those who think minor reforms will be sufficient, to those who envision a European army to defend all EU states among which most prominently French President Macron can be found (Bergmann, 2025). Advocates from anywhere on that spectrum unanimously agree that the military threat posed by Russia has been the greatest in recent memory (Jones, 2025). Therefore, to ensure national safety, reforms and investments are essential to guarantee the safety and well-being of citizens. This essay argues that while such proposals may very well be appropriate in light of recent global developments, they should under no circumstances be done in a way that undermines the foundation of our safety and prosperity.

National defence at a cost

Military reforms, like those discussed, come at a cost, and that is not just the price tag that new machinery has. In this essay, I will lay out why contemporary military rearmament and the gutting of social benefit systems which occur to enable it will not create safety and security. The societal situation created by such policies will push people to the right-wing populists. But it does not have to be that way, there are ways to address our security needs while uplifting society.

But why would large-scale military rearmament lead to the gutting of social benefits? The answer to this is an age-old economic concept which has some new-found popularity among politicians: Guns versus Butter. The concept was coined in the early to mid-20th century when the crucial decision had to be made whether to prioritise the production of war materials or to spend the money on social needs (Mintz, 1989). As a consequence, the two are seen in direct conflict within a government's budget. An increase in spending for one leads to a decrease in spending for the other.

Proposed financing

In December 2024 NATO General Secretary and former Prime Minister of the Netherlands Mark Rutte expressed what was, according to him, necessary to ensure Europe's safety. He suggested slashing spending on social benefits dramatically to save enough money that could then be spent on the military (Posaner & Griera, 2025). The logic in his argument is exactly that of the Guns versus Butter approach. Crucially he is not alone in thinking like this. Former Belgian Prime Minister Alexander de Croo said that it is "logical" to cut unemployment and other benefits in order to meet the (former) 2% NATO spending target (Carolan, 2024). Similar suggestions come from Labour Prime Minister Keir Starmer (Dickson & Bloom, 2025). While many are still in the "figuring it out" phase about how to raise military spending, like Emmanuel Macron who seems to favour cuts to social spending (Goury-

Laffont et al., 2025). Others, like the Danish government or current Belgian Prime Minister De Wever, have already enacted such measures by eliminating a public holiday and reducing unemployment benefits respectively (Clapson, 2025; Wright, 2023). And, likely, this is just the beginning.

Why should this be a big issue? After all, the money has to come from somewhere right? Yes, Europe needs to rethink its approach to security. Russia, and to a smaller extent other authoritarian regimes, pose a digital but also increasingly physical threat to the safety and cohesion within European societies, and there is widespread agreement that this will cost a lot of money. But will shifting funds away from social benefits towards military expenditure help address these issues? No.

The consequences

In light of the post-Covid recession and inflation, the economic situation worsened dramatically for many citizens. In Germany, a country considered to be among the richer ones, 40% do not have any savings whatsoever (Fratzscher, 2017). And this is not a country-specific issue. Almost a third of EU households report that they are unable to cover unexpected financial expenses, and almost 10% of households are unable to warm their homes adequately (Directorate-General for Employment, Social Affairs and Inclusion, 2023). According to an Ipsos poll, slightly less than 50% of households "consider that there is a significant risk that they will find themselves in a precarious situation in the next few months" (Mercier, 2023). 62% of respondents have already had to restrict their travels, while 37% reported that they had a health problem for which they had to give up the treatment because it was too expensive (Mercier, 2023). Worryingly, these statistics come at a time when there are historically high levels of employment.

Reported financial distress by income quartile, 2012-2022, EU

Source: BCS, 12-month moving average (DG EMPL F.4 calculations).

These economic struggles translate quickly into social problems, as poorer people tend to be less engaged with society and also less attached to it. Someone who struggles financially will have fewer opportunities to meet with others, so they are more likely to feel isolated (Schulz, 2023). This makes them more susceptible to propaganda campaigns and more likely to adopt resentful opinions. Additionally, they become more desperate to find a way out of poverty. It is well-documented that poorer people are more likely to gamble (Grönroos et al., 2022). This, however, only makes things worse. In the context of national defence, it means that they are less likely to stand up or even fight for their country, as they have practically nothing to fight for. This is a vulnerability that foreign actors like Russia know all too well how to exploit and use for their purposes.

The consequences that these social benefit-cutting policies have will only fuel societal inequality and be counterproductive to the goal of national defence. It is not lost on people that the government easily burdens

working-class people more and more through measures like increasing taxes or eliminating public holidays (Wright, 2023). As mentioned above people have real struggles and worries and how do governments plan to respond? By punishing and taking away from those that have next to nothing. At least that is what the proposed spending cuts will do.

By cutting more strings of the net that are the social benefits, people who rely on it to barely make it to the next month will face struggles which are unworthy of a continent as rich as Europe. Cutting retirement benefits will not yield any positive results, it will merely lead to more elderly slipping into poverty in their last years (Schulz, 2023). Cutting unemployment benefits will not motivate people to start working. It will make people accept even the most disrespectful employment contracts from their employers with the worst conditions possible because they know that if they do not accept a much harsher punishment will wait for them; poverty, with no support structure to uplift them (Ernst, 2015). The only thing that people get is the occasional speech saying that they are not forgotten. But words do not pay the rent or the groceries.

And while devastating cuts are taking place governments spend millions upon millions into the defence industry to acquire the newest fighter jet or the newest machine gun. The message that people receive from this is: You are not a priority to us. This makes people vulnerable to populists who will give them what they are missing: attention. They tell people to vote for them to pay it back to the government for mistreating them so badly and that once they are in power everything will be better. And many people believe them, they believe them because they want to, because they have nothing else left, no power to change things except with their vote.

What are the alternatives?

But it does not have to be this way. There are ways to address the present security needs without sacrificing social cohesion. One way of doing so is to be more active diplomatically. The most effective and lasting agreements are those that are perceived, by all involved sides, to be just and fair. It becomes nearly impossible to establish such agreements if dialogue is abandoned.

However, it must be acknowledged that diplomacy will only get us so far. Increasing military spending may be adequate as there is a clear need for many European armies to modernise. Further this need for modernisation extends to many parts of our society and economy. However, only spending money on defence will not be very effective in the long run.

To ensure national defence, societal cohesion must be ensured (Aall & Crocker, 2019). This is most effectively done by uplifting those at the bottom of our society to decrease income and wealth inequality. This can and must be done via a more active social policy approach, and there are many ways to achieve this. Many people are struggling with housing. A more active social

state should take a more central role in constructing affordable housing in areas where it's needed most and not just delegate this responsibility to private companies. Further, many people feel like their hard work is not paying off, and that's because it isn't. Taxes on work are comparatively high in many European states. Things must be changed if people should regain trust in the system and in the promise that hard work pays off. Changing taxing approaches to benefit working people while reducing the disparities that inheritance can create will ensure that people feel that they are part of one single society and not that there is a society for the common people and the super-rich. If people are given the tools to uplift themselves and those dear to them, they will stick together (Aall & Crocker, 2019). They will fight for the safety of the country and society because they have something to fight for.

Instead of saving money where they can, governments should invest massively into the future, and to ensure lasting prosperity. Investments cost money, and that money must come from somewhere. Debt is historically seen as a bad thing for countries and many will argue that it leaves an unfair burden on the next generation. But these sentiments are misguided. Governments have been "indebted" for centuries, and yet they have progressed. History teaches us that debt is not necessarily holding us back, it can be used to propel progress and bring lasting prosperity (Bignon & Sicsic, 2020). Using debt as a means to finance investments has never been easier thanks to the ECB and its multinational mandate. If we stop investing in our society, in our future, and yes that includes our national defence, we will leave behind a much bigger burden, the burden of an outdated economy, a divided society which is incapable of defending our values and freedoms.

There is a great threat looming over Europe. Hostile actors from the outside and within are posing a great digital and physical threat to our way of life. European leaders want to answer this by cutting social benefits to fund military rearmament. This is reckless as many citizens are already struggling and burdening them further risks tearing us apart. Disregarding the poorest in our society for the newest military technology will make them more vulnerable to populists and other outside actors who fill them with hate while promising them the world. We need to rethink our financial priorities and support those in need. And we have the tools to advance and modernise our defence, society, economy, and the European Union as a whole. After all, having the newest tanks is worthless if no one is willing to drive them. A society that uplifts each other, that trusts each other and that fights for each other will truly ensure lasting national security and well-being.

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