

The 4 Percent Folly

Linking Defense Spending to GDP Could Backfire

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In Brief

“Recently, several prominent defense analysts from the Heritage Foundation have been promoting a concept they call “4 Percent for Freedom.” They argue that in order to keep America strong, we ought to set a floor on defense expenditures at four percent of gross domestic product (GDP) indefinitely. This concept is strategically flawed and would likely weaken rather than strengthen America.... We need to spend more to strengthen America. But this does not necessarily mean more for defense. It may mean more for the intelligence community, foreign service, foreign assistance, public diplomacy, nonproliferation initiatives or any number of other non-defense activities.”

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Recently, several prominent defense analysts from the Heritage Foundation have been promoting a concept they call “4 Percent for Freedom.” They argue that in order to keep America strong, we ought to set a floor on defense expenditures at four percent of gross domestic product (GDP) indefinitely. This concept is strategically flawed and would likely weaken rather than strengthen America.

The notion of setting a floor for defense expenditures is strategically incoherent. When threats are high, you spend more. When they are low, you spend less. There is nothing feckless about variability in the defense budget. Instead, this kind of adaptability is the essence of strategy.

There is no more logic in a floor for defense spending than there is for a ceiling in times of serious threat. Smart defense planners look at requirements, not percentages of GDP, to determine need. The desire to replace sophisticated analysis with rigid guidelines is a hallmark of poor planning.

Had this scheme been applied to the defense budget in the 1990s, we would indeed have spent more. But would we have a better military today? Or one more adapted to our current security environment? The answer is a resounding “No.”

More procurement in the 1990s would have purchased an endless series of useless and obsolete systems. We would likely have purchased the heavy-artillery system Crusader and the battlefield scout helicopter Comanche. Neither of these tremendously expensive systems would have any utility in the current wars in Iraq and Afghanistan.

Worse, we would likely have spent money on flawed systems or on those that still had major kinks. Our Marines would be struggling with a generation of V-22s with major engineering problems. Our Air Force would be flying F-22s that had been rushed into production to take advantage of excess budgets.

There is a parallel from the past. When Ronald Reagan came into office, he revived the B1 bomber program, providing the Air Force with a flawed and costly weapon system with virtually no utility. The mistakes from the 1990s might also have included a new (and unnecessary) Navy destroyer and other speculative and costly ventures. Anyone remember the “Arsenal Ship” concept?

Indeed, the whole notion of setting a floor for defense expenditures is based on the false notion that the so-called procurement holiday of the 1990s created a hollow force. It did not. The military George W. Bush inherited from Bill Clinton was a tremendously capable force with high morale, superior training, and exceptional (though aging) equipment.

It is Bill Clinton’s military (as well as his intelligence service) that defeated the Taliban, and Bill Clinton’s military that toppled Saddam Hussein. If Clinton deserves some blame for failing to focus sufficiently on the rising threat of al-Qaeda, he certainly deserves credit for leaving his successor an unparalleled military force.

Further, to the extent that there are gaps in current American military capabilities, they are not a function of the mistakes of the 1990s but a result of the Bush Administration’s decision to wage wars in Afghanistan and Iraq on the cheap: too few boots on the ground, and too little in investment and recapitalization of forces run down by years of combat operations.

Instead of worrying about the supposed mistakes of the 1990s, smart defense analysts should focus on avoiding the mistakes of the 2000s, when wishful thinking and expedient replaced strategic assessment and when tax cuts were seen as more important than equipment for the troops.

A proposal by Rep. David Obey, D-Wis., to tie defense supplemental funding to a temporary tax increase would do much more to ensure a balance between political ends and military means than any rigid four percent floor on defense spending would.

In a broader sense, the “4 Percent” campaign misses the key issue in American national security. Given the kinds of threats we face today from terrorist groups, state collapse, transnational criminal organizations, ungoverned spaces and environmental disasters, the military is rarely the best or only response.



The concept of a defense budget is as obsolete in today's world as is the concept of separate Army, Navy, and Air Force budgets in a world of joint military operations. We need to move toward the concept of a national security budget that brings together all the elements of power needed to ensure American security in the world.

We need to spend more to strengthen America. But this does not necessarily mean more for defense. It may mean more for the intelligence community, foreign service, foreign assistance, public diplomacy, nonproliferation initiatives or any number of other non-defense activities.

There are more sailors in a single carrier battle group, about 7,800, than there are foreign service officers in America's diplomatic corps, roughly 6,500. Given the challenges we face today, shouldn't we be weighing the relative costs and benefits of each rather than lockboxing 4 percent for guns and bombs regardless of strategic necessity?

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