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# Rearmament: The French Effort Will Involve Reforms, Savings... and Europe!

In France, as in the rest of Europe, we will need to make a radical effort to strengthen our defence in the years to come. Many figures are being discussed, with targets of 3.5% or even 5% of GDP. It is important to include orders of magnitude and financing methods in discussions that cannot remain superficial.

To be credible, sustainable, and acceptable, this effort must be coordinated with other societal priorities, such as respect for the social model, the green transition, and investment in education and knowledge. For France in particular, restoring sound public finances is also essential, as it is a guarantee of sovereignty.

This note contributes an educational dimension to the debate. While the subject will be explored in greater depth, three key conclusions can already be drawn.

**First**, we must assess the actual defence needs and their content. An effort approaching 3.5% of GDP by 2030 would mean doubling France's current defence budget (and a 70% increase for a target of 3% of GDP). Such strong and rapid growth would be unprecedented since the post-war period, and cannot be taken for granted. It requires a thorough reassessment of needs, particularly in terms of equipment, and precise targeting. The increase in the national defence budget—substantial in any scenario—could also support the implementation of a broad engagement programme for young people (e.g., civil-military service), the cost of which we estimate at around €5 billion per year.

**Second**, a combination of financing methods will be needed. Given the scale of the effort, there is no quick fix. France's fiscal situation must be examined with clarity: compared to our European partners, our room for manoeuvre in terms of public spending, taxation, social contributions, and debt is exhausted. To combine increased defence spending, a restructured budget, and a preserved social model, we must rely on two key levers: cost-saving reforms and a higher employment rate.

**Finally**, in all respects, the key lies with Europe.

This is true financially. Beyond the “ReArm Europe” initiative, more ambitious solutions should be explored. A European loan—not only to finance joint defence spending, but also to enable shared acquisitions and industrial programmes—is gaining traction. An envelope of around €500 billion, as mentioned here, would be nearly half the amount mobilised during the COVID crisis and would greatly facilitate national efforts, especially as the European Union's overall debt level remains moderate. Other avenues should also be explored, such as extending defence-related lending by the European Investment Bank (EIB), or even by the European Bank for Reconstruction and Development (EBRD), which includes the United Kingdom.

This is also true on an industrial level. The turbulent times we are living in must prompt Europeans to overcome national fragmentation. Upstream, the European Defence Agency could evolve into a “European Directorate-General for Armaments”, under the authority of Member States, to jointly define and procure new equipment, entrusted to European industrial actors through cooperative or more integrated approaches. From strategy to production, we need to invent a European model. The errors made in the space sector—especially the ineffective “geo-return” system—should motivate us to build a better model, likely based downstream on more assertive national industrial specialisation.

Lastly, this applies to governance as well. A new framework must be invented that respects national prerogatives. If we wish to align on shared benchmarks—such as defence spending as a percentage of GDP (2%, 3.5%, etc.)—cooperation could rely on a European-level strategic review, coordinated with national reviews to reflect actual needs and avoid duplication of effort. This process could lead to the development of a non-legislative “Military Programming Document” at European level, bringing together the specific commitments of each Member State. It would serve as a basis for annual public monitoring across the EU, ensuring that commitments are upheld.

In essence, we need to establish a “Security and Defence Pact”, analogous to the Stability and Growth Pact for fiscal matters. At the intersection of this political and industrial architecture, a clear principle of “European preference” must be established for defence procurement. A new guiding metric could be introduced to reflect this paradigm shift: the “European 1%”, meaning a minimum of 1% of each Member State’s GDP devoted to the purchase of European equipment by 2030. This “1%” could also include the United Kingdom, as part of a strengthened security partnership, which is now more necessary than ever.

This year, our work programme will include several studies on public finances and defence, particularly concerning the appropriate European industrial framework.

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« How to finance French rearmament  
and other priorities by 2030? »

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