

Budget 2011: As defence spending falls, British influence may be on the wane

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Matthew Partridge of LSE Economic History comments on the likely impacts of today's budget on defence policy.

While many commentators have argued recent events represent a decisive victory for cabinet supporters of an interventionist foreign policy, the budget does not reflect this. Although George Osborne has confirmed that the Ministry of Defence will be able to claim back some of the cost of British participation in Libyan operations from government reserves, its budget is still planned to fall to £24.7 billion (£32.7 billion including capital expenditure) by 2014/15. This will represent a cut of nearly 15 per cent in nominal terms alone. With inflation running at over 4 per cent, it is likely that the substantial planned reductions in personnel and forces will continue, although they may be shifted to units not currently involved in operations.

Given that the air campaign is essentially a US-French operation, with Britain's involvement both token and symbolic, this will have minimal short-term impact on the Libyan mission. However, Cameron will have little leverage if Obama and/or Sarkozy decide to limit the mission, or accept a deal which leaves Gaddafi in place. In the longer term, this will further limit Britain's ability to launch unilateral operations along the lines of Sierra Leone in 2000, or to win NATO support for other missions. With American public opinion souring on operations in Afghanistan, and the strong possibility of the Socialists winning next year's French Presidential election, supporters of "muscular liberalism" may come to regret this loss of British influence.

Given the largely positive coverage that British Libyan policy is receiving, Osborne had more than enough political cover to reverse the planned defence cuts. The fact that he did not take this opportunity suggests two possibilities. It may be that Cameron truly believes that Britain's future lies (to misquote Abraham Lincoln), in "[holding down a leg](#)", by focusing on diplomacy, soft-power and coalition building, rather than "skinning". A more cynical interpretation is that the Prime Minister is only interested in interventions that can be carried out with a minimum expenditure of money and political capital. Either position suggests that he has a long way to go before he can claim to truly be the "heir to Blair" on foreign policy.