

Abstract

For several decades, defense expenditures have occupied a rather low rank in the national political debate in Sweden. There has been a tacit consensus among policy makers and political parties on the basic tenets of Swedish defense which were put in place after World War II. The central goals for Sweden's national security policy have been to stay out of armed conflicts abroad and to make it unprofitable for anyone to invade Swedish territory. This led to neutrality as the major principle in foreign policy, to non-membership in peace-time military alliances, and to general support for the idea that Swedish defense should be as capable as possible.

This study argues that, as a general model for policy making, these principles are no longer applicable and require a reevaluation from the ground up. First, since the disappearance of the USSR and the Warsaw Pact, the threat of a war in Europe has been reduced very significantly and the potential for Sweden being drawn into a conflict now seems more remote than ever. Second, the public finances in Sweden are currently so strained that reductions in defense expenditures have become a necessity. Third, there is a new government in Sweden with a somewhat different outlook on defense than its predecessor, and this will undoubtedly influence developments in both foreign policy and national defense. Fourth, the traditional Swedish practice of presenting a five-year defense plan around which annual budgets are then built no longer fits an environment characterized by rapid changes.

It is shown in the study that the fundamental principle of a strong defense as a deterrence against an invasion has not really been as binding on defense policies in Sweden as official statements would have one believe. Swedish war planners have made it a basic assumption that Sweden would only be attacked in the context of a major war in Europe. On that basis, the threat of war in Sweden must have increased significantly during the 1980s, as tensions grew between the

alliances led by the two major powers and as military capability increased significantly on both sides. Yet these developments did not lead to increased defense expenditures in Sweden, which throws considerable doubt on the official goals of having a strong defense as a pillar of the policy of neutrality. Likewise, after the breakdown of the Warsaw Pact, Swedish defense expenditures have not declined as the threat has virtually disappeared. Clearly, over the last fifteen years, there has not been any direct connection between changes in the threat of war and the level of defense expenditures in Sweden.

This study argues that, by making such a connection, Swedish policy makers can now create a credible new model for defense planning that will achieve two central objectives: first, support of the continued central goal for Sweden's national security policy, i.e., to stay out of future wars; second, the creation of a significant peace dividend for the foreseeable future. The two conditions that make this feasible now are that any threat against Sweden that might have existed in the past has disappeared – which argues for taking out a sizeable peace dividend – and that it will be several years before that threat can re-emerge – which argues for putting in place a reconstitution plan that will allow the rebuilding of as strong a national defense as Sweden can muster in time to meet the reemergent threat.

Unlike past Swedish defense planning, this requires tying annual defense expenditures closely to changes in the perceived threat. The basis for national defense should not be, as in the past, a high current level of defense expenditures, but a realistic multi-year reconstitution plan that is tied to changes in the external threat. The most important requirement in such a model is a credible political commitment to rebuilding defense in response to signals of a growing threat from abroad. This is of course the most important weakness of the past Swedish planning model: it has not proved politically credible since defense expenditures have been so poorly aligned with changes in the threat. The study therefore argues that one way in which Swedish defense policies of the future can be made more credible is for Sweden to become a member of a peacetime defense alliance, e.g., with the other Scandinavian countries or NATO. Also, the study makes a strong argument that the practice of five year defense plans should be discarded as unworkable in a rapidly changing external environment.

A major point of the study is to show that Sweden currently has an extremely inefficient and inequitable version of compulsory military service. Only about half of each eligible cohort is called up, and the selection method used picks the most qualified for each position. Since these recruits are likely to have the best earnings capacity in private jobs, the system maximizes the economic cost of compulsory service. The study shows that an economically more efficient system would be either a volunteer force of professionals or an equitable lottery to pick those who should serve in the military.