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## **NATO allies should take Canada's lead and spend less on defense**

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## NATO allies should take Canada's lead and spend less on defence

When defence spending is expressed as a percentage of GDP, Canada appears to be a laggard. But if measured per capita, Canada ranks high. Still, NATO should consider Canada's other contributions to peace and security, not just its military spending.

Prime Minister Justin Trudeau, left, with Defence Minister Anita Anand. Last week, Trudeau's government committed \$62.3-billion in new military spending over the next 20 years, including its purchase of 88 F-35 fighter jets.

*The Hill Times photograph by Andrew Meade*

**OPINION** | BY [ERIKA SIMPSON](#) | April 24, 2023

Prime Minister Justin Trudeau dealt with questions about NATO defence spending by [privately](#) telling NATO officials that Canada will [never meet](#) the alliance's two-per-cent-of-GDP spending target. A military guardsman leaked that secret assessment as part of a collection of documents distributed to social media sites earlier this month. Asked about the leak last week, Trudeau said that Canada is a reliable partner to NATO, and a reliable partner around the world; however, lobbyists and defence officials in the Conference of Defence Associations Institute are [criticizing](#) this government—and previous governments—for not fully discharging and safeguarding Canada's collective security commitments.

When spending is expressed as a percentage of GDP, Canada does appear as a laggard, as it contributes [1.27 percent](#). However, most NATO member states lag behind, with only nine of 31 NATO allies having reached the two per cent target (Croatia, Estonia, Greece, Latvia, Lithuania, Poland, Slovak Republic, the United Kingdom, and the United States).

Greece's defence spending is the highest in NATO, at 3.76 per cent, followed by American defence spending at 3.47 per cent of GDP. The U.S. spends far more on defence compared to all 31 NATO allies and the rest of the world. The five biggest world spenders are the U.S., China, India, U.K., and Russia, which together account for [62 per cent](#) of global military spending.

Beginning in 1969, Canada has consistently spent less than two per cent of its GDP on defence. In 2006, NATO defence ministers agreed to commit a [minimum of two per cent](#) of their GDP to defence spending. The allies whose

proportion of GDP spent on defence was below this level were supposed to aim to move toward the guideline within a decade, and the traditional two-per-cent commitment has become a principal indicator of a country's political will to contribute to the alliance's common defence efforts.

During his first state visit to NATO headquarters in Brussels in June 2017, then-U.S. president Donald Trump began to loudly criticize the U.S.'s NATO allies for failing to spend the equivalent of two per cent of their GDP on defence. As Trump wrote in his [June 19, 2018, letter](#) to Trudeau, Canada's failure to meet the commitment "undermines the security of the alliance and provides validation for other allies that are also not meeting their defense spending commitments." The U.S. president sent letters in 2019 to Western alliance leaders—including Canada's Trudeau and Germany's Angela Merkel—that suggested they both should be heavily criticized for failing to meet the two per cent commitment.



Erika Simpson is an associate professor of international politics at Western University. *Photograph courtesy of Erika Simpson*

When Trump asked Trudeau about this matter, Trudeau initially deflected his assertive questions. This led to an [awkward exchange](#), until Trudeau quietly settled on saying that Canada would be spending 1.4 per cent of its GDP, a goal that the Liberal government hoped to reach in 2024-25. In terms of per capita defence spending, Canada ranks high because of its small population of under 40 million people. [In 2022](#), Canadians spent about \$569 per person on defence. Still, Americans spent \$2,167 per capita—a four-to-one differential that has stayed relatively constant since 1990.

Now the Canadian government has committed to \$62.3-billion in new military spending over the next 20 years, including on the purchase of [88 F-35 fighter](#)

[jets that are expected to be delivered in 2026](#). Yet, in addition to the new money committed, [in order to meet NATO's two-per-cent benchmark](#), Canada would have to commit an additional \$75.3-billion before the end of 2027, according to Parliamentary Budget Officer Yves Giroux.

Many countries can learn lessons on keeping score by examining how Canada's commitment to NATO and its defence spending has stayed relatively low since the 1970s. In Canada's case, its defence spending has hovered around [1.1 to 1.45 per cent of GDP](#) since 2011. In 1953, during the Cold War, Canada's defence spending was at its highest, at 7.4 percent of GDP; however, after the end of the Cold War in 1989-91, it hovered between 1.1 to 1.8 per cent of GDP. In 2017 and 2020, under the Trudeau administration, it stood at 1.44 and 1.42 per cent, and dropped again this year to [1.27 per cent, placing it among NATO allies](#) like Belgium, the Czech Republic, and Turkey.

In 2017, Prime Minister Trudeau and then-defence minister Harjit Sajjan indicated they would be looking at new ways to measure Canada's contribution to NATO other than solely a monetary context, and they also suggested the traditional ways of calculating defence spending needed more examination. As [Trudeau said](#) in 2017, "There are many ways of evaluating one's contribution to NATO." As an alternative to measuring pure defence spending, NATO might also consider the money Canada spends on asserting sovereignty in the Arctic, its contributions to UN peace support and civil society operations, and its research on bio-defences against disease.

In sharp contrast to Canada's annual spending, U.S. defence spending increased in 2022 to a historic high of [approximately US\\$797-billion](#) (excluding supplemental funding to Ukraine). According to different foundations that monitor worldwide defence spending based on open sources, the U.S. will spend [approximately US\\$801-billion](#) this year, or twice as much as nine countries combined, including China and Russia. In 2023, the Stockholm International Peace Research Institute estimated the world's entire annual military expenditure passed [US\\$2.1-trillion](#) in 2022. Canada has quietly avoided taking any sort of lead on military expenditure. The NATO allies should learn from Canada's historical example and spend less.

*Erika Simpson is an associate professor of international politics at Western University, the author of [How to Address Ten Challenges Facing NATO Using Lessons Learned from Canada](#) and [NATO and the Bomb](#).*