



The European Dilemma: Five Percent and Manpower

By

Amit Gupta

[The Europeans have reacted with shock and dismay at President Donald Trump's initiatives on settling the Ukraine war.](#) The president is wisely keeping the Europeans out of any negotiations with Vladimir Putin. Getting consensus out of the 27 members of the European Union, whose attitudes range from the maximalist position of the Baltic states to the more pragmatic approach of Greece and Spain, is difficult.

In fact, months ago, the president asked North Atlantic Treaty Council Organization (NATO) countries for a proposal by each state for putting peacekeeping troops in Ukraine. The Europeans dithered and then expressed consternation that Trump was keeping them out of the negotiations with Putin.

More pertinently, the president suggested that NATO countries increase their defense expenditure to five percent of gross domestic product (GDP). This is a far more realistic assessment of the decline in European capabilities than that which calls for a growth of defense expenditure to three percent of GDP.

The British, French, and Germans all expressed varying degrees of outrage at Trump's actions including the suggestion by some that he is creating a "Munich"-like outcome in his negotiations with Putin by conceding too much even before the discussions began. The fact is that Trump is playing his cards knowing full well that the Europeans have no plan.

Why Five Percent Is Impossible

[When one looks at NATO's defense expenditure, countries like Canada, Italy, and Spain are below the two percent threshold while France, Germany, and the Netherlands barely cross it.](#) Yes, countries like Estonia, Latvia, and Lithuania are above the two percent threshold, but they are small nations with populations less than that of Chicago. Estonia has a mere 1.6 million people.

To get to three percent, let alone five, would require NATO countries to add tens of billions to their defense budgets and require cutting the social services that their citizens expect and value. [As Politico pointed out, for France, which is one of the voluble proponents of European rearmament, to go from two to three percent of GDP would require Paris to add about 30 billion euros to its defense budget.](#)

Given the country's budgetary problems that is unlikely to happen. Five percent is a bridge too far. Britain, which is also facing economic headwinds, cannot afford such an increase. In Germany, despite the 100 billion euros committed to modernization, which largely went to refurbish existing equipment that was mothballed, Berlin made it clear it is a long way from substantially increasing its defense budget. Countries like Italy and Spain, given their own economic compulsions, will also find five percent impossible.

The Europeans raise the issue that even if they went to five percent their defense industries are not able to crank up production to meet the demand for new weaponry. That is not the primary problem for these countries. Instead, it is an issue of manpower. Europe is aging and lacks the population for expanded militaries. Worse, as part of the peace dividend, conscription

was removed in most countries in the 1990s. This left Gen X, the millennials, and now Gen Z, without any memory of military service.

Reinstating conscription, as seen from the figures below, would be the way to give teeth to European militaries. Compulsory military service, however, is hugely unpopular among the younger generation and a push to draft people would lead to an electoral backlash that few politicians in Europe want to face.

As Table I shows, the major European militaries drastically downsized after the Cold War:

Country	Army 1972	Army 2017	Army 2023	Army 2024	Aircraft 1972	Aircraft 2017	Aircraft 2023	Aircraft 2024
Britain	180,458	85,600	79,350	80,350	500	254	201	201
France	328,000	111,650	114,000	113,800	500	281	261	234
Germany	327,000	111,650	62,950	61,900	459	235	226	226
Italy	306,000	102,200	93,100	94,300	320	244	231	192
Sweden	22,000 (750,000 reserves)			6,850 (40,000 reserves)	400			99

Source: *The Military Balance* [IISS: London], 1972, 2017, 2023, 2024 editions.

The above figures clearly show that remilitarization would require a major intake of manpower that the European countries would be unable to achieve because of the factors discussed above. Yet, this does not stop them from making bold pronouncements about future militarization efforts. Reality is something else.

[The Kiel Institute for the World Economy states the German case of weakness quite bluntly:](#)

The decline in German numbers over the past 20 years is particularly striking: in 2004 Germany had thousands of tanks and infantry fighting vehicles and even almost one thousand howitzers. By 2021, these numbers had come down to the hundreds, as Germany only had 339 tanks and 121 howitzers. The German numbers for 1992 must be interpreted carefully, as they include weapons and equipment from the newly incorporated East German army. Still, when considering the available Leopard tanks, i.e., the West German tanks, Germany had around 4200. The German decline in military stock is thus massive.

Despite all the optimistic talk emanating from Berlin, German rearmament is a myth. The country's industrial capability, which is in the doldrums, will not allow it to rapidly militarize. And young people will not join the military in droves as Olaf Scholz and Ursula van der Lyon fondly believe. There is a reason Ukraine has not dipped into its pool of 18–21-year-olds for the current war. It would probably lead to mass flight from the country by younger Ukrainians.

If Europe cannot remilitarize easily and lacks the manpower to build Cold War-level forces, what can it do? The answer is simple. Write checks.

[Ukraine requires reconstruction. The World Bank estimated that it would cost around \\$486 billion](#), while Zelensky put the number closer to \$700 billion. It is a year since the World Bank made its estimate so one can safely assume that in the intense conflict of 2024 the damage to infrastructure may have added another \$50 billion to \$100 billion to the bill. The Europeans



can make a \$25 billion a year commitment to Ukraine for the next twenty years to aid reconstruction. This would lead to the rapid build-up of Ukraine's economy and stop the population from fleeing the war-torn nation.

As things stand, Ukraine's population is set to decline to around 30 million by 2050 and it will largely be a country of old people thanks to a decline in fertility. If Kyiv stands a chance, it needs a sustained dose of financial aid with no strings attached. A side benefit would be that China would not be the major post-war economic player in Ukraine.

From the European perspective, Brussels can go to Trump and say that yes, we engaged in burden sharing and it would be a lot less expensive than five percent of GDP and far less socially divisive than the imposition of conscription.

Xi Jin Ping suggested Chinese and Indian peacekeepers be inserted in Ukraine. This would change the future security architecture of the region. Russia will be far more comfortable with such a peacekeeping force rather than a crypto-NATO force posing as peacekeepers. It will be interesting to watch how this plays out.

Perhaps most interesting is the fact that Trump called Europe's bluff. If London, Paris, and Berlin want to be relevant, it is time to write a big check. At least for now, Americans are no longer willing to subsidize Europe's welfare states.

Amit Gupta is a Senior Fellow of the National Institute for Deterrence Studies. The views in this article are personal.