

WHAT THE EUROPEAN UNION OWES THE UNITED KINGDOM

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Introduction

The United Kingdom (UK) has come under intense fire on both sides of the Channel over the past year for its decision to leave the European Union (EU). Perhaps the most contentious issue to date has been the so-called 'divorce bill', which the country agreed to pay in the Joint Report, issued by the UK and EU on 8 December 2017. Certain EU politicians and officials argue that the degree to which London honours its longstanding financial commitments will greatly determine whether the EU will agree to a new form of commercial relationship. The EU quickly established a sequencing procedure, which the UK subsequently - if ill-advisedly - accepted. Its objective was to force the British government to accept EU terms before moving on to discuss a new arrangement. This should not be a surprise: Britain is a major net contributor to the EU budget; the loss of British financial input will be keenly felt once the UK leaves the bloc. Compounded by ongoing political volatility in London and misconstrued statements by some British ministers, it is entirely unsurprising that EU politicians are suspicious of whether or not the British will pay, particularly if negotiations are derailed.² Consequently, the EU's language and behaviour has been at times strident and forceful: EU leaders have made it clear that Britain must acquiesce to their demands before any new trade relationship is reached.

For example, after British Prime Minister Theresa May offered £20 billion as a settlement in her Florence speech on 22 September 2017, French President Emmanuel Macron dismissed the sum outright: "It's not about

making concessions. I would say we [Britain and the EU] are far from having reached the necessary financial commitments before we can open phase two [in the negotiations]. We are not halfway there". ³ Likewise, German Chancellor Angela Merkel has propelled a similar narrative: "This is about obligations that Great Britain has entered into and that naturally must remain on the books. It's not about the cost of divorce – that makes it sound like fines". ⁴ Equally, European Commission Lead 'Brexit' Negotiator Michel Barnier claimed:

You can't have twenty-seven paying for what was decided by twenty-eight, so what was decided by twenty-eight member states – that has to be borne out by twenty-eight member states right up to the end. It's as simple as that. I've been very disappointed by the UK position, because it seems to me [to be] backtracking on the original commitment of the UK to honour its international commitments, including the commitments post-Brexit.⁵

This Policy Briefing does not take issue with these assertions: earlier British governments bound the country to honour the legal and moral responsibilities of EU membership; any decision to renege on these would only validate the concerns of the Europeans. Instead, it will demonstrate that Britain, far from bowing down to EU demands, is actively behaving as a responsible, albeit temporary, EU member.

At the same time, this Policy Briefing will argue that the British government would do well to push back against the emergence of a more malevolent undertone, reflected in the attempts of some EU politicians and officials to taunt the UK or reposition it as a kind of pariah state. The European Parliament's lead negotiator on UK withdrawal, Guy Verhofstadt MEP, is a case in point: whereas Mrs May sought to allay the concerns of the Europeans in her Florence speech, Mr Verhofstadt responded, to scornful and derisive laughter, by asserting that: "She [Mrs May] chose Florence because Florentine politics in the 15th century made her feel at home I think – backstabbing, betrayal, noble families fighting for power and so on. So, I think it is an environment that she recognised very well". More seriously, on a later occasion, Mr Barnier accused Britain of reneging on its commitments to European security, notably in the fight against Islamist extremism:

It [Brexit] was a decision that came after a series of attacks on European soil, committed by young people who grew up in Europe, in our countries. It was a decision that came six months after the French minister of defence [Jean-Yves Le Drian] issued a call for solidarity to all his European counterparts to join forces to fight the terrorism of Daesh [i.e., Islamic State]. Never has the need to be together, to protect ourselves together, to act together been so strong, so manifest. Yet rather than stay shoulder to shoulder with the union, the British chose to be on their own again. ⁷ [Emphasis added]

As this Policy Briefing will show, such resentment is largely without foundation. Mrs May has repeatedly made this clear: "The UK may be leaving the EU but we are not leaving Europe, and we are unconditionally committed to maintaining Europe's security". 8 Consequently, the British departure cannot be used to justify the allegations and smears in relation to Britain's supposed unreliability. On the contrary, this Policy Briefing will emphasise that the UK continues to underpin the geopolitics of continental security, just as it has done for at least the last 70 years, if not the past 500. Finally, it will question whether or not the time has now come for mainland European countries to honour their own commitments to European security, given that Britain and its North American allies continue to play a disproportionate role in underpinning the wider Euro-Atlantic order, on which the EU depends.

1. The 'Brexit Bill': What the United Kingdom Owes the European Union

To settle its outstanding EU financial commitments, and move talks on toward a future commercial relationship with the bloc, London has now concluded negotiations with its European interlocutors committing Britain to the payment of a so-called 'Brexit divorce bill'. Yet a false accusation is emerging wherein London buckled under the pressures of an impending deadline, capitulated to European demands, and so betrayed core UK national interests. All manner of British politicians have entered the foray: former leader of the UK Independence Party (UKIP) Nigel Farage told Reuters the deal signalled the betrayal of British national interests: "The British prime minister needs to say [to the EU]: 'Look, either start to behave reasonably, either start to behave in a grown-up way, or ... we are walking away [from concluding a trade deal]"". 10 Priti Patel, resigning from her Cabinet position earlier this year, similarly informed the audience of a Spectator-hosted event that Britain "should have had conviction and clarity in terms of our end state and destination and presented that and been pretty forthright about it as well". "My views on money are pretty clear," she added, "I don't like spending money so I would have told the EU to sod off with their excessive financial demands".11

Prominent politicians in favour of remaining within the EU have also criticised the conduct of government diplomacy. Labour MP Chuka Umunna targeted specific Leave campaigners – now appointed Cabinet officials – who omitted substantive discussion on the terms of payment upon withdrawal: "Boris [Johnson], [Michael] Gove and other Leave campaigners never said there would be a big divorce bill to pay – quite the opposite". Sir Vince Cable stated: "If these numbers are correct, it means we're paying a heavy price to leave an institution that has benefited the country for decades". 12 And the Scottish National Party (SNP) announced: "Despite trumpeting the rhetoric of taking back control, this latest episode over one of the key issues show this is a government that has completely lost all control of its obsessive hard Brexit bandwagon". 13

Such verbal jousting is wholly irrelevant and inaccurate. The 'divorce bill' is only an agreement-in-principle: one wherein both negotiating parties have conceded the need for a method by which to reliably calculate what costs should be included in the final bill. 14 The EU stipulations contrast sharply with UK interests, however, over the degree to which Britain honours its outstanding membership commitments. Whereas the EU has argued the UK should be theoretically expected to contribute approximately €30 billion (£27 billion at current prices) alone to its outstanding commitments, London insists the UK will only contribute in accordance with its prior seven-year budgetary commitments and thereby ensure no member state is impoverished by British withdrawal. This sum might total €20 billion (£18 billion), to be paid incrementally until a mutually agreed date. Doubtless to say, the UK will need to honour long-term commitments like pensions contributions and contingent liabilities (i.e., loans that are guaranteed to Ireland and Ukraine, repaid to Britain); but since these could each potentially total another €10 billion (£9 billion) and €11.5 billion (£10

billion) respectively, the UK has expressed an interest in calculating its pension liabilities. ¹⁵ And Brussels has alleged that London would need to commit more than €20 billion (£18 billion) in future investment projects amongst the less-developed European member states – despite such works only due to begin after the UK has left the EU. ¹⁶

Britain, in other words, maintains enduring legal requirements to pay into the seven-year budgetary cycle that concludes in 2020. This bill is not an additional expense heaped upon the British taxpayer; rather, the UK government has always agreed to honour the bill. As explained by Mrs May, on the day the British government triggered Article 50:

Of course we have to look at the rights and obligations we have as a member of the EU. While we continue to be a member until we leave we will carry on paying according to the obligations we have as a member.¹⁷

Her speech in Florence reiterated this stance:

...I do not want our partners to fear that they will need to pay more or receive less over the remainder of the current budget plan as a result of our decision to leave. The UK will honour commitments we have made during the period of our membership.¹⁸

Thus, it would be mendacious to suggest the costs of withdrawal – inherent to both the UK's continued membership and unwavering aspiration to uphold international law – necessitate any reconsideration of the decision to leave the EU. ¹⁹ Equally, given that Britain has already offered to settle its accounts amicably, it is absurd to argue the EU has the UK 'over a barrel' on this issue. ²⁰ These responsibilities transcend the petty squabbling of multifarious politicians; to renege on them so early in the negotiations would almost certainly give legitimate credence to illusory European accusations of British pariahood.

2. Comparing the British and European Commitments to European Security

EU officials and politicians have sought to maintain the focus of the withdrawal negotiations exclusively on UK-EU relations, insofar as this strengthens their hand and compounds Britain's isolation. Most pressingly, they have been keen to overlook the British role in relation to European defence and security since even before the UK population voted on the future of their EU membership.²¹ Here, they have been assisted by the growth of what might be described as the 'peace narrative', which equates European security and prosperity directly with the project of European integration. Indeed, Chancellor Angela

Merkel articulated the idea most fervently during the German general election in 2017 when she declared: "Strengthening Europe means strengthening Germany. *The greatest security, the greatest peace project for us, is the European Union*" [Emphasis added]. ²² So far, UK officials and politicians have failed to expand the context of the negotiations, to draw in alternative and connected matters, not least those pertaining to European security.

Aside from the way in which it traps the UK and prevents it from playing some of its strongest cards, the 'peace narrative' is highly problematic. Undoubtedly, EU integration helped mainland Europeans to move beyond their ancient feuds, but insofar as both the European Coal and Steel Community (ECSC) and later the European Community (EC) involved only a small number of countries until the end of the Cold War, the EU can hardly be held responsible for European peace. Moreover, the 'institutionalisation' of the power of the Atlantic democracies – Britain and the United States (US) – upon a largely defanged continent, stupefied by the trauma of two consecutive world wars, has been largely overlooked. By enlarging the context, it is possible to develop a more sophisticated appraisal of the way in which European peace has taken root, as well as the unique role the UK has played a special role in acting as its midwife.²³

This order can be better understood if relayed through the analogy of the 'tenant' and the 'landlord':

The UK played and plays a unique role in the system. It is not in any meaningful sense 'equal' to the other states of the 'club' that it is leaving ... because the EU depends entirely on Nato [sic.], of which Britain is the dominant European member, for its security.

Accordingly:

The EU may be a club and it can make whatever rules it likes, but it should never forget that the Anglo-Americans own the freehold of the property on which the club is built. Brussels and the continental capitals are at best leaseholders, and in many cases just tenants of this order. Put another way, the UK is not just another European 'space' to be ordered, but one of the principal ordering powers of the continent.²⁴

To some extent, Mr Juncker has even alluded to Britain's special role as a kind of European landlord, not least when he declared that London could not use the contributions it has made to European peace in the past to make claims either against its final payment, or on a future EU-UK arrangement. As he put it before the European Council in October: "I'm not in a revenge mood; I'm not hating the British. *The Europeans have to be grateful for so many things Britain has brought to Europe before war; during war; after war, everywhere and everytime*, but now they have to pay" [Emphasis added].²⁵

But Britain's role has not subsided. As indicated by the Secretary of State for Exiting the EU David Davis,

the UK still matches its commitments to European security with a substantial military capacity. ²⁶ Indeed, the strategic role countries like the UK continue to play in underpinning European security can be readily quantified by analysing European military spending, important because it provides the means for countries to procure armaments to protect themselves and their allies. So, logically, the larger the military budget, the more significant the country is likely to consider its regional or global obligations, especially if it feels that it is not under threat of direct attack. Here, British and American defence spending contrasts sharply with most European countries, almost all of which have routinely shirked their military obligations for several decades and show – with few exceptions – little sign of improvement.

Given the stagnation of mainland European military expenditure during the mid-2000s, all North Atlantic Treaty Organisation (NATO) members agreed, albeit non-bindingly, at a Meeting of Defence Ministers in the run-up to NATO's Riga Summit in 2006, to gradually increase their defence spending to 2% of their GDP. 27 However, those mainland European members of both NATO and the EU failed to uphold their commitment: by 2014, NATO's official defence spending statistics reveal that the same countries were collectively spending just 1.23% of their GDP on defence. 28 Thus, with the Russian annexation of Crimea in 2014, and subsequent invasion of Eastern Ukraine, along with a push from London and Washington, NATO formally committed itself during the Newport Summit to enhancing military expenditure to 2% of GDP within ten years.²⁹ This would mandate an increase of just under 0.08% of GDP per year until 2024 to reach the target. Yet, since then, most mainland NATO/EU countries have failed to keep up with their targets: in 2015 they only spent 1.28% of GDP on defence, instead of 1.31%; in 2016 they only spent 1.32% instead of 1.38%; and in 2017, they will likely spend only 1.42%, rather than 1.48%. As such, if their actual military spending is calculated in relation to what they should be spending, i.e., 2% of GDP, it is possible to show by how much they are still shortchanging NATO, and, consequently, European security. To invoke the US President Donald Trump, this is what they might be seen to "owe" those countries - particularly the UK and the US – that are already meeting their obligations. ³⁰ Here, as shown by Table 1 (overleaf), the countries that are both mainland European members of NATO and the EU continued to shortchange the alliance – and therefore their own security - by over US\$96 billion in 2016, and a shocking US\$451 billion over the past five-year period (2012-2016).

The largest and richest European countries are the leading miscreants. France, ostensibly the alliance's third strongest military power, has shortchanged NATO, and thus European security, by some US\$24 billion over the past five years, meaning it has missed the alliance's spending target by 9%. Over the same timeframe,

Germany, with all its wealth and prosperity – and a vast trade surplus – has shortchanged European security by a whopping US\$142 billion. This means it has fallen short of its NATO spending target by 39%. Italy, a large and wealthy country of 60 million people, has shortchanged European security by almost US\$90 billion, or 43%. Another large NATO member, Spain, has shortchanged European security by US\$75 billion, which means it has failed to meet NATO's target by a massive 54%. And the Netherlands, somewhat smaller, but nevertheless wealthy, has shortchanged European security by US\$64 billion, or almost 42%. The failure of large and wealthy NATO and EU countries on the European mainland to meet their commitments is thrown into astonishing contrast to the less affluent countries of Eastern Europe (i.e., Poland and the Baltic states) which have managed to boost their defence spending as a percentage of GDP.

As NATO's Secretary-General remarked last year, once the UK leaves the EU, over 80% of NATO defence spending will come from outside mainland Europe, even though continental European countries are the most threatened, either from Russia to the east, or a combination of instability and extremism to the south.³¹ Over the past five year period, British defence spending – at US\$285.5 billion – accounts for 32% of spending by NATO and EU members, a figure that hides its true effect, not least because many European countries' armed forces are unable to fight at the highest intensities, even in self-defence. Worse, excluding the UK, the only states belonging both to NATO and the EU that consistently (2012-2016) spend more than 2% of their GDP on defence (i.e., Greece) account for just 13% of the alliance's total European surplus, meaning that the UK contributes 87%. This means that Britain has effectively subsidised the security and defence of the European mainland by an extra US\$23.9 billion from 2012-2016. Moreover, in terms of the concrete commitments in support of NATO's Enhanced Forward Presence, in the form of troops, armour and artillery, three of the four 'framework nations' - the UK, the US, and Canada - will come from outside mainland Europe, while only the British and Americans will provide the alliance with an explicit nuclear guarantee, insofar as France asserts nuclear autonomy and does not partake in NATO's Nuclear Planning Group. 32

A country's strategic commitment may also be quantified by looking at the size of its Official Development Assistance (ODA), otherwise known as *foreign aid*. ODA is important because it – if deployed effectively – can prevent threats from arising at source, by generating more resilient, prosperous and integrated societies in regions adjacent to NATO and the EU. Unfortunately, for mainland Europeans, their spending looks little better than their defence outlay. This is even more surprising given that most European countries have long committed in principle to spend at least 0.7% of their GDP on ODA, a target established in the 1970s and to which the EU committed in 2005. ³³ Some EU countries, insofar as they

realise they are shortchanging NATO, argue their aid spending would help them make up for the shortfall. In almost all cases, though, it would not: according to the Organisation for Economic Co-operation and Development (OECD), in 2016, almost all EU countries, with the exception of Sweden (0.94%), Denmark (0.75%) and Luxembourg (1.0%), as well as the UK and Germany, which spend 0.696% and 0.698% respectively, spend less than 0.7% of their GDP on ODA.

Consequently, as shown by Table 2 (overleaf), if the EU countries' (excluding the UK) actual ODA spending is calculated in relation to the 0.7% target, it is possible to ascertain that they have shortchanged the world's poorest people by over US\$199 billion – US\$39.8 billion per year – over the past five year period (2012-2016). Whilst Britain also shortchanged the world's poor, by US\$3.25 billion, over the same timeframe, the majority of this underspend occurred before the UK committed, through an Act of Parliament, to spending 0.7% of its national income on ODA per year. However, it should be noted that Britain allocated on average 0.67% of its GDP on ODA during this five-year period, while the rest of the EU allotted less than half as much.

Again, as with defence spending, the largest and richest EU countries are the principal culprits. Although Germany reached the target of 0.7% of its GDP on ODA in 2016, it has averaged at only 0.48% over the 2012-2016 timeframe, shortchanging the world's poorest people by US\$36.4 billion. France, with the second largest mainland European economy, and with its interests and colonial inheritance in Africa and parts of Asia, spent only 0.4% of its GDP on ODA from 2012-2016, meaning it shortchanged the world's poor by US\$36.9 billion. Italy, the third largest mainland European economy, spent a lousy 0.19% of its GDP on ODA during the same period, meaning it shortchanged the world's poor by a whopping US\$45.2 billion. Spain, the fourth largest mainland European economy, and with a colonial history in South America, spent an equally lousy 0.18% of its GDP on ODA between 2012-2016, meaning it shortchanged the world's poor by US\$30.2 billion. Even Belgium and the Netherlands, two of the world's richest countries, and with colonial inheritances in Southern Africa and the East Indies respectively, also managed to shortchange the world's poor, by US\$5.9 billion between them.

Conclusion: What the European Union Owes the United Kingdom

Those who pressurise Britain from the European mainland appear to have overlooked their own failures. They will likely respond by claiming that NATO and the EU are as separate from one another as their defence

and ODA spending is from Britain's final payment to the EU. Such accusations belie reality, tantamount to nothing more than political deflection: The EU is not only connected to NATO, but completely dependent on the alliance; European integration is largely a *product* of peace and security, *not* its cause. While the EU has helped to dampen distrust between ancient opponents, Europe is peaceful and prosperous today primarily because the UK and the US have been willing to finance sophisticated armed forces and nuclear forces to deter countries – both within and without NATO, and by extension the EU – from disrupting the status quo. Whatever role the EU has played has been at best supplemental.

To be clear, this Policy Briefing does not mean to imply in any way that the final British payment to the EU should be offset by European taxpayers, insofar as the UK's contribution to European security can be quantified in both tangible and intangible terms. The fact that the UK has met NATO's defence spending goal every year since 2006, as well as committing to spend significantly more than the EU average on the provision of ODA, speaks for itself. British political and military support for NATO, particularly in relation to the Enhanced Forward Presence, also stands out. So, far from being a force for disintegration and destruction, as its opponents argue, Britain is still a resolute guardian of the European order. Meanwhile, an argument could be put that as they have shortchanged NATO and the world's poorest people by hundreds of billions over the past five years, the Europeans - particularly the largest countries, Germany, Italy, Spain and France – have undermined the security of their own continent, and by extension the integrity of the EU.

Ultimately, given the UK's enduring commitment to European security, this Policy Briefing asserts that the EU still owes the UK due regard and goodwill. As Britain is unlikely to shirk its commitments to the EU, albeit in keeping with the principle, as laid down by the European Council's negotiating guidelines, that "nothing is agreed until everything is agreed", 36 it is time to focus on the future. Whilst many Europeans may still feel shunned that the British decided to leave their union and chart a new destiny, they are not entitled to behave as if the UK is a pariah state.37 Encased by a volatile strategic environment, the EU will almost certainly need British military support in the future, in the form of the country's unique strategic military assets. So rather than descend into mutual acrimony, the EU and the UK must resist exchanging snipes, and instead work harder to establish a new and durable relationship.

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Table 1: Military Spending, 2012-2016 (Source: NATO)

	2016				2015				2014				2013				2012			7	2012-2016	
Country	Real GDP (Billion US\$ 2010)	Real GDP (%)	Total	Net	Real GDP (Billion US\$ 2010)	Real GDP (%)	Total	Net (Real GDP (Billion US\$ 2010)	Real GDP (%)	Total	Net (Real GDP (Billion US\$ 2010)	Real GDP (%)	Total	Net (Real GDP (Billion US\$ 2010)	Real GDP (%)	Total	Net 1	Total	Net
Belgium	514	0.93	4.7802	-5.4998	508	0.92	4.6736	-5.4864	501	96.0	4.9098	-5.1102	493	1.01	4.9793	-4.8807	493	1.04	5.1272	-4.7328	24.4701	-25.7099
Bulgaria	57	1.28	0.7296	-0.4104	55	1.26	0.693	-0.407	53	1.32	9669.0	-0.3604	52	1.46	0.7592	-0.2808	52	1.34	8969.0	-0.3432 8	3.5782	-1.8018
Czechia	229	0.97	2.2213	-2.3587	224	1.04	2.3296	-2.1504	214	0.95	2.033	-2.247	208	1.03	2.1424	-2.0176	209	1.05	2.1945	-1.9855	10.9208	-10.7592
Denmark	345	1.16	4.002	-2.898	341	1.1	3.751	-3.069	336	1.13	3.7968	-2.9232	330	1.2	3.96	-2.64	327	1.32	4.3164	-2.2236	19.8262	-13.7538
Estonia	24	2.15	0.516	0.036	23	2.06	0.4738	0.0138	23	0.196	0.4508	-0.0092	22	1.91	0.4202	-0.0198	22	1.9	0.418	-0.022	2.2788	-0.0012
France	2811	1.79	50.3169	-5.9031	2778	1.79	49.7262	-5.8338	2748	1.82	50.0136	-4.9464	2722	1.86	50.6292	-3.8108	2707	1.87	50.6209	-3.5191	251.3068	-24.0132
Germany	3766	1.2	45.192	-30.128	3697	1.18	43.6246	-30.3154	3634	1.19	43.2446	-29.4354	3577	1.22	43.6394	27.9006	3560	1.31	46.636	-24.564	222.3366	-142.3434
Greece	244	2.38	5.8072	0.9272	244	2.32	5.6608	0.7808	245	2.21	5.4145	0.5145	244	2.21	5.3924	0.5124	252	2.29	5.7708	0.7308	28.0457	3.4657
Hungary	146	1.04	1.5184	-1.4016	143	0.93	1.3299	-1.5301	139	0.87	1.2093	-1.5707	133	0.95	1.2635	-1.3965	130	1.04	1.352	-1.248	6.6731	-7.1469
Italy	2078	1.12	23.2736	-18.2864	2059	1.01	20.7959	-20.3841	2043	1.08	- 22.0644	-18.7956	2041	1.2	24.492	-16.328	2077	1.24	25.7548	-15.7852	116.3807	-89.5793
Latvia	29	1.44	0.4176	-0.1624	28	1.04	0.2912	-0.2688	28	0.94	0.2632	-0.2968	27	0.93	0.2511	-0.2889	26	0.88	0.2288	-0.2912	1.4519	-1.3081
Lithuania	46	1.49	0.6854	-0.2346	45	1.14	0.513	-0.387	44	0.88	0.3872	-0.4928	42	0.76	0.3192	-0.5208	41	92.0	0.3116	-0.5084	2.2164	-2.1436
Luxembourg	65	0.39	0.2535	-1.0465	62	0.43	0.2666	-0.9734	09	0.38	0.228	-0.972	57	0.38	0.2166	-0.9234	54	0.38	0.2052	-0.8748	1.1699	-4.7901
Netherlands	887	1.15	10.2005	-7.5395	898	1.13	9.8084	-7.5516	852	1.15	9.798	-7.242	840	1.16	9.744	8 950.7-	841	1.23	10.3443	-6.4757	49.8952	-35.8648
Poland	571	2	11.42	0	556	2.22	12.3432	1.2232	536	1.85	916.6	-0.804	519	1.72	8.9268	-1.4532	511	1.74	8.8914	-1.3286	51.4974	-2.3626
Portugal	231	1.28	2.9568	-1.6632	228	1.33	3.0324	-1.5276	224	1.31	2.9344	-1.5456	222	1.44	3.1968	-1.2432	225	1.41	3.1725	-1.3275	15.2929	-7.3071
Romania	199	1.41	2.8059	-1.1741	190	1.45	2.755	-1.045	182	1.35	2.457	-1.183	177	1.28	2.2656	-1.2744	171	1.22	2.0862	-1.3338	12.3697	-6.0103
Slovakia	104	1.12	1.1648	-0.9152	101	1.13	1.1413	-0.8787	26	0.99	0.9603	6.9797	95	86.0	0.931	696.0-	94	1.09	1.0246	-0.8554	5.222	-4.598
Spain	1461	0.81	11.8341	-17.3859	1415	0.93	13.1595	-15.1405	1371	0.92	12.6132	-14.8068	1352	0.93	12.5736	-14.4664	1376	1.04	14.3104	-13.2096 6	64.4908	-75.0092
EU/NATO 19	13807	1.32	180.0958	-96.0442	13565	1.28	176.369	-94.931	13330	1.23	173.3937	-93.2063	13153	1.24	176.1023	-86.9577	13168	1.27	183.4624	8 9768.67-	889.4232	-451.0368
UK	2730	2.18	59.514	4.914	2682	2.08	55.78 2 56	2.1456	2624	2.19	57.465 4 6	4.9856	2546	2.29	58.3034 7.3834		2498	2.18	54.456 4	4.4964 2	285.525	23.925

Table 2: Official Development Assistance, 2012-2016 (Source: OECD)

	2016				2015				2014				2013				2012				2016-2012		
Country	ODA (US\$	ODA (%	GDP	Net	ODA (US\$	ODA (%	GDP	Net	ODA (US\$	ODA (%	GDP	Net	ODA C	ODA (%	GDP	Net	ODA (US\$	ODA (%	GDP	Net	Total	ODA (%	Net
Austria		_	384791.15	-1127.44	1323.5	0.354	373870.06	-1293.59	,	1	370352.11	-1540.66			370474.45	-1578.22	1005.3	0.28	359035.71	-1507.95	5961.80	_	-7047.86
Belgium	2277.4	0.493	461947.26	-956.23	1904.2	0.416	457740.38	-1299.98	2062.9	0.463	445550.76	-1055.96	1950.3 0.	0.453	430529.80	-1063.41	2051.8	0.475	431957.89	-971.91	10246.60	0.46	-5347.48
Bulgaria*	41.475	0.088	46997.17	-287.51	40.9	980.0	47558.14	-292.01	43.8	60.0	48666.67	-296.87	44.9 0.	0.097	46288.66	-279.12	36.3	0.08	45375.00	-281.33	207.38	60.0	-1436.82
Cyprus*	19.025	0.099	19217.17	-115.50	18.2	60.0	20222.22	-123.36	16.7	0.094	17765.96	-107.66	18.4 0.	860.0	18775.51	-113.03	22.8	0.114	200000.00	-117.20	95.13	0.10	-576.74
Czechia	257.3	0.143	179930.07	-1002.21	199	0.118	168644.07	15.186-	6.081	0.112	161517.86	-949.73	0.871	0.114	152280.70	-892.36	183.2	0.121	151404.96	-876.63	994.00	0.12	-4702.44
Denmark	2370.3	0.753	314780.88	166.83	2565.6	0.847	302904.37	445.27	2531.7	0.856	295759.35	461.38	2486.3 0.	0.852	291819.25	443.57	2378.1	0.83	286518.07	372.47	12332.00	0.83	1889.53
Estonia	43.3	0.19	22789.47	-116.23	33.9	0.154	22012.99	-120.19	31.7	0.145	21862.07	-121.33	26.4 0.	0.127	20787.40	-119.11	21.4	0.106	20188.68	-119.92	156.70	0.14	-596.78
Finland	1047.4	0.442	236968.33	-611.38	1288	0.55	234181.82	-351.27	1388.9	0.594	233821.55	-247.85	1239.7 0.	0.535	231719.63	-382.34	1207.4	0.534	226104.87	-375.33	6171.40	0.53	-1968.17
France	9457.4	0.38	2488789.47	-7964.13	9039.3	898.0	2456331.52	-8155.02	8935.7	0.368	2428179.35	-8061.56	9584.2	0.406	2360640.39	-6940.28	10583.1	0.453	2336225.17	-5770.48	47599.70	0.40	-36891.46
Germany	24407.7	869.0	3496805.16	-69.94	17940.2	0.523	3430248.57	-6071.54	14121.8	0.419	3370358.00	-9470.71	12342.8 0.	0.381	3239580.05	-10334.26	11822.9	0.372	3178198.92	-10424.49	80635.40	0.48	-86370.93
Greece	264.6	0.136	194558.82	18'2601-	238.7	0.122	195655.74	-1130.89	204.7	0.105	194952.38	-1159.97	0.861	0.099	195858.59	-1177.11	267.3	0.131	204045.80	-1161.02	1169.20	0.12	-5726.30
Hungary	156.4	0.13	120307.69	-685.75	155.6	0.134	116119.40	-657.24	122.1	0.109	112018.35	-662.03	0 6.701	0.103	104757.28	-625.40	103.2	0.099	104242.42	-626.50	645.20	0.12	-3256.92
Ireland	803.6	0.332	242048.19	-890.74	718.3	0.318	225880.50	-862.86	715.6	0.375	190826.67	-620.19	732.7 0.	0.462	158593.07	-377.45	733.3	0.47	156021.28	-358.85	8703.50	0.39	-3110.09
Italy	4812.5	0.262	1836832.06	-8045.32	4003.4	0.221	1811493.21	-8677.05	3372.8	0.187	1803636.36	-9252.65	2909.4 0.	0.167	1742155.69	-9285.69	2427.2	0.137	1771678.83	-9974.55	17525.30	0.19	-45235.27
Latvia	27.6	0.1	27600.00	09'291-	23.2	980.0	26976.74	-165.64	21.3	80.0	26625.00	-165.08	20.2	0.076	26578.95	-165.85	18.9	0.075	25200.00	-157.50	111.20	0.08	-819.66
Lithuania	57.7	0.14	41214.29	-230.80	48.1	0.12	40083.33	-232.48	38.2	860.0	38979.59	-234.66	42.7 0.	0.114	37456.14	-219.49	46.2	0.127	36377.95	-208.45	232.90	0.12	-1125.88
Luxembourg	390.7	1.004	38914.34	118.30	362.9	0.952	38119.75	96.06	355.2	1.064	33383.46	121.52	365.6	1.002	36487.03	110.19	355.5	1.004	35408.37	107.64	1829.90	1.01	558.71
Malta	20.6	0.199	10351.76	-51.86	16.6	0.174	9540.23	-50.18	18.4	0.205	9108.91	-45.36	16.5	0.204	8088.24	-40.12	16.9	0.234	7222.22	-33.66	89.00	0.20	-221.18
Netherlands	4975.8	0.654	760825.69	-349.98	5725.5	0.749	764419.23	374.57	4663.3	0.635	734377.95	-477.35	4552 0.	699.0	680418.54	-210.93	4841.4	0.71	681887.32	68.19	24758.00	99.0	-595.50
Poland	628.9	0.134	469328.36	-2656.40	440.9	960.0	459270.83	-2774.00	380.3	0.086	442209.30	-2715.17	412.7	960.0	429895.83	-2596.57	368.2	60.0	409111.11	-2495.58	2231.00	0.10	-13237.71
Portugal	335.5	0.17	197352.94	-1045.97	308	0.158	194936.71	-1056.56	367.3	0.19	193315.79	-985.91	419.7	0.227	184889.87	-874.53	527.3	0.281	187651.25	-786.26	1957.80	0.21	-4749.23
Romania	199.6	0.11	181454.55	-1070.58	158.1	0.091	173736.26	-1058.05	192.5	0.108	178240.74	-1055.19	121 0.	0.074	163513.51	-1023.59	129.3	0.085	152117.65	-935.52	800.50	60.0	-5142.94
Slovakia	107.7	0.122	88278.69	-510.25	84.9	0.101	84059.41	-503.52	69.4	980.0	80697.67	-495.48	71.6	0.093	76989.25	-467.32	6.89	0.089	77415.73	-473.01	402.50	0.10	-2449.59
Spain	4082.2	0.332	1229578.31	-4524.85	1396.7	0.117	1193760.68	-6959.62	1577	0.134	1176865.67	90'1999-	1966.5	0.174	1130172.41	-5944.71	1768.6	0.156	1133717.95	-6167.43	10791.00	0.18	-80257.67
Sweden	4884.1	0.937	521248.67	1235.36	7089.3	1.405	504576.51	3557.26	5176.6	1.094	473180.99	1864.33	4675.2	1.014	461065.09	1447.74	4415.4	0.974	453326.49	1242.11	26240.60	1.08	9346.82
EU27	63234.9	0.313	13612910.49	- 32055.47	55128	0.309	13352342.68	38343.40	47640.6	0.295	13082252.50	43985.17	45489.8 0	0.293	12599815.33	- 42709.41	45399.9	0.297	12490433.65	-42033.14	256887.70	0.30	199076.58
UK	20095.1	969.0	2887227.01	-115.49	18544.9 0.704		2634218.75	105.87	17990.7	0.702	2562777.78	51.26	17825.5 0.705		2528439.72	126.42	13932	0.562	2479003.56	-3421.02	88388.20	0.67	-8253.47

NOTES:

- ¹ See: 'Joint report from the negotiators of the European Union and the United Kingdom Government on progress during phase 1 of negotiations under Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union', *European Commission*, 8 December 2017, available at: https://ec.europa.eu/commission/sites/beta-political/files/joint_report.pdf, last visited: 8 December 2017.
- ² For example, the Foreign Secretary, Boris Johnson, stated in the House of Commons that the EU could "go whistle" if it made excessive financial demands on the UK. However, this did not mean as Mr. Johnson later pointed out that he was stating that the UK should not pay anything. Rather, he was asserting that it should pay only if the fee is reasonable and in keeping with Britain's own expectations. See: 'Boris Johnson explains "EU can go whistle" remark', *BBC News*, 7 December 2017, available at: http://www.bbc.co.uk/news/uk-politics-42261967, last visited: 8 December 2017.
- ³ See: Boffey, D., Mason, R. and Rankin, J., 'Emmanuel Macron accuses Brexiters of bluffing over no-deal divorce', *The Guardian*, 20 October 2017, available at: https://www.theguardian.com/politics/2017/oct/20/brexiters-trying-to-bluff-no-deal-scenario-emmanuel-macron, last visited: 8 December 2017.
- ⁴ See: Maxwell, F., 'UK must pay Brexit bill, says Angela Merkel', *Politico.eu*, 26 August 2017, available at: https://www.politico.eu/article/angela-merkel-uk-brexit-bill-obligation/, last visited: 8 December 2017.
- ⁵ See: Stone, J., 'Britain is "backtracking" on its Brexit divorce bill commitments, EU's chief negotiator warns', *The Independent*, 8 September 2017, available at: http://www.independent.co.uk/news/uk/politics/brexit-eudivorce-bill-payment-michel-barnier-david-davis-backtracking-brussels-a7934296.html, last visited: 8 December 2017.
- ⁶ Quoted from: Morrison, S., 'Brexit is a "waste of time and energy", Guy Verhofstadt tells London students', *Evening Standard*, 28 September 2017, available at: https://www.standard.co.uk/news/politics/brexit-is-a-waste-of-time-and-energy-guy-verhofstadt-tells-london-students-a3646366.html, last visited: 8 December 2017.
- Quoted from: Stewart, H., 'Michel Barnier raises UK hackles with speech about Isis and Brexit', *The Guardian*, 29 November 2017, available at: https://www.theguardian.com/politics/2017/nov/29/michel-barnier-raises-uk-hackles-with-speech-about-isis-and-brexit, last visited: 8 December 2017.
- ⁸ See: Quoted from: Banks, M., 'UK Prime Minister May: "We may be leaving the EU but we are not leaving Europe", *Defense News*, 27 November 2017, available at: https://www.defensenews.com/global/europe/2017/11/27/uk-prime-minister-may-we-may-be-leaving-the-eu-but-we-are-not-leaving-europe/, last visited: 8 December 2017.
- ⁹ For ongoing commentary, see: Goodenough, T., 'What the papers say: How to convince Brits the Brexit divorce bill is worth it', *The Spectator*, 29 November 2017, available at: https://blogs.spectator.co.uk/2017/11/what-the-papers-say-how-to-convince-brits-the-brexit-divorce-bill-is-worth-it/, last visited: 8 December 2017.
- Quoted in: Faulconbridge, G. and MacAskill, A., 'Brexit campaigners accuse May of selling UK short over divorce bill', *Reuters*, 29 November 2017, available at: https://www.reuters.com/article/uk-britain-eu-brexiteers/brexit-campaigners-accuse-may-of-selling-uk-short-over-divorce-bill-idUSKBN1DT1Q5, last visited: 8 December 2017.

- Ouoted in: 'I would have told the EU to sod off over Brexit divorce bill, Priti Patel says', *The Telegraph*, 27 November 2017, available at: http://www.telegraph.co.uk/news/2017/11/27/would-have-told-eu-sod-brexit-divorce-bill-priti-patel-says/, last visited: 8 December 2017.
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- Ouoted in: Gourtsoyannis, P., 'SNP criticises UK Government's Brexit "divorce bill shambles", *The Scotsman*, 6 August 2017, available at: https://www.scotsman.com/news/politics/general-election/snp-criticises-uk-government-s-brexit-divorce-bill-shambles-1-4523916, last visited: 8 December 2017.
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- 15 The British government has claimed it should be entitled to its proportion of EU assets if it is to share responsibility for EU commitments after it eventually leaves the bloc; the predominant voices within the European community say that assets belong to the entire EU, and not individual states. See: 'The EU divorce bill', *Institute for Government*, 7 September 2017, available at: https://www.instituteforgovernment.org.uk/explainers/eu-divorce-bill, last visited: 8 December 2017. See also: Stone, J. and Watts, J., 'Brexit: Britain set to agree divorce bill with EU that could cost up to £45bn', *The Independent*, 29 November 2017, available at: http://www.independent.co.uk/news/uk/politics/brexit-divorce-bill-deal-cost-latest-uk-eu-agree-terms-michel-barnier-a8081141.html, last visited: 8 December 2017.
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- Quoted in: 'PM's Florence speech: a new era of cooperation and partnership between the UK and the EU', Gov.uk, 22 September 2017, available at: https://www.gov.uk/government/speeches/pms-florence-speech-a-new-era-of-cooperation-and-partnership-between-the-uk-and-the-eu, last visited: 8 December 2017.
- "38% of the electorate are changing our national destiny on the basis of a referendum campaign that is now widely regarded as dishonest, and that called for us to leave the European Union without beginning to address the question of what we do next. In foreign policy terms, it's a bit like invading Iraq without any plan for the day after Saddam Hussein has fallen. Look where that landed us and the people of Iraq". Quoted in: Westmacott, P., 'Project Fear has become Brexit cold reality. It is time to vote again', *The Guardian*, 1 December 2017, available at: https://www.theguardian.com/commentisfree/2017/dec/01/project-fear-brexit-cold-reality-vote-again-second-referendum, last visited: 8 December 2017.
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- ²¹ European Commission President Jean-Claude Juncker: "When I addressed the European Parliament back in June 2014, I was telling the Parliamentarians that amongst the ten priorities of my Commission, defence would be dealt with in a very privileged way. Nobody - or more or less nobody - did believe it at the time when I was saying this. That gives me the opportunity to say that all those who are writing that the proposals of the Commission – the recent ones – are a direct consequence of the election of Mr Trump as U.S. President or a consequence of Brexit are totally wrong, because this is an ongoing process since June 2014". Quoted from: 'Remarks by President Juncker at the joint press conference with Bohuslav Sobotka, Prime Minister of the Czech Republic, and Rose Gottemoeller, NATO Deputy Secretary-General', European Commission, Press Release Database, 9 June 2017, available at: http://europa.eu/rapid/press-release_ SPEECH-17-1589_en.htm, last visited: 8 December 2017.
- See: Huggler, J., 'Angela Merkel rounds on German car chiefs in opening election rally', The Telegraph, 12 August 2017, available at: http://www.telegraph.co.uk/news/2017/08/12/angelamerkel-rounds-german-car-chiefs-opening-election-rally/, last visited: 8 December 2017. See: "The year 2015 marked the start of Merkel's 10th year as Chancellor of a united Germany and the de facto leader of the European Union, the most prosperous joint venture on the planet. By year's end, she had steered the enterprise through not one but two existential crises, either of which could have meant the end of the union that has kept peace on the continent for seven decades". Quoted in: Vick, K. and Shuster, S., 'Person of the Year: Chancellor of the Free World', Time, December 2015, available at: http://time.com/time-person-of-the-year-2015angela-merkel/, last visited: 8 December 2017. See also: "Isolationism has never served this country well. Whenever we turn our back on Europe, sooner or later we come to regret it. We have always had to go back in, and always at a much higher cost". Quoted in: 'PM speech on the UK's strength and security in the EU: 9 May 2016 (Archived)', Gov.uk, 9 May 2016, available at: https://www.gov.uk/government/ speeches/pm-speech-on-the-uks-strength-and-security-inthe-eu-9-may-2016, last visited: 8 December 2017.
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- ²⁶ "And for those who claim that we are not good Europeans: Well, did you know that we spend one and half times as much on defence as the European average? That is how we stationed troops on Europe's border in Estonia and in Poland. I call that being a good European. We spend over twice the European average helping the poorest people on the planet". See: CCHQ Press, 'David Davis: Facing the Future', Conservatives.com, 3 October 2017, available at: http://press.conservatives.com/, last visited: 8 December 2017.
- ²⁷ See: "I should add that Allies through the comprehensive political guidance have committed to endeavour, to meet the 2% target of GDP devoted to defence spending. Let me be clear, this is not a hard commitment that they will do it. But it is a commitment to work towards it". Quoted from: 'Press

- Briefing by NATO Spokesman, James Appathurai, after the meeting of the North Atlantic Council at the level of Defence Ministers', *North Atlantic Treaty Organisation*, 30 October 2006, available at: https://www.nato.int/docu/speech/2006/s060608m.htm, last visited: 8 December 2017.
- See: 'Information on defence expenditures', North Atlantic Treaty Organisation, 29 June 2017, available at: https://www.nato.int/cps/ic/natohq/topics_49198.htm, last visited: 8 December 2017. All subsequent military spending data used in this Policy Briefing comes from this source.
- ²⁹ See: 'Wales Summit Declaration', North Atlantic Treaty Organisation, 5 September 2014, available at: https://www.nato.int/cps/ic/natohq/official_texts_ 112964.htm, last visited: 8 December 2017.
- ³⁰ As the US President put it: "Germany owes vast sums of money to NATO and the United States must be paid more for the powerful, and very expensive, defence it provides to Germany!" See: 'Donald Trump says Germany owes US and NATO "vast sums of money" for defence', *The Independent*, 18 March 2017, available at: http://www.independent.co.uk/news/world/americas/us-politics/donald-trump-angela-merkel-germany-owes-nato-money-united-states-defence-a7636686.html, last visited: 8 December 2017.
- ³¹ See: 'Remarks by NATO Secretary General Jens Stoltenberg at the European Parliament Committee on Foreign Affairs and the Sub-Committee on Security and Defence Committee', North Atlantic Treaty Organisation, 3 May 2017, available at: https://www.nato.int/cps/en/natohq/ opinions_143400.htm, last visited: 8 December 2017.
- 32 In a September 2017 visit to Estonia, one of the most vulnerable British allies, Mrs May affirmed UK support: "So I am proud that over 800 British servicemen and women are here leading a multinational effort, together with their French and Danish partners, and working alongside their Estonian hosts and that this British deployment is one of the largest we have made to Eastern Europe in recent times". Quoted from: 'PM's address to British Troops at Tapa Military Base in Estonia', Gov.uk, 29 September 2017, available from: https://www.gov.uk/government/speeches/pms-address-to-british-troops-at-tapa-military-base-in-estonia, last visited: 8 December 2017.
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- See: 'Net ODA', Organisation for Economic Cooperation and Development, 2017, available at: https://data.oecd.org/ chart/51sb, last visited: 8 December 2017. All subsequent ODA data used in this Policy Briefing comes from this source.
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- ³⁷ In this sense, the British government should also back a public relations campaign to correct the harmful narratives spun by those with their own agendas, who are using the British withdrawal from the EU for their own, often malignant, purposes.