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When guns eat butter

Romania has quietly prioritised defence at the expense of welfare, but public debate about it remains intentionally muted

The classic 'guns-versus-butter' debate captures a fundamental political choice: whether to prioritise military expenditure ('guns') or social welfare and economic well-being ('butter'). In Romania, this debate has been largely muted in recent years due to structural and geopolitical constraints. Yet the absence of such debate is not neutral — it is itself a political choice with tangible social consequences. And it is precisely because of these consequences – and in light of recent domestic reforms – that an open and democratic discussion has become increasingly necessary.

Romania's security environment narrows the range of politically acceptable positions. Since Russia's invasion of Ukraine, Romania's location on NATO's eastern flank has heightened perceptions of vulnerability. Defence spending is framed not as a discretionary policy preference but as a strategic obligation tied to alliance commitments and immediate security concerns. A broad elite consensus supports maintaining or increasing military expenditure, and questioning this trajectory is often portrayed as irresponsible. In such a climate, openly articulating a guns-versus-butter trade-off appears politically risky.

The rise of the far-right AUR (Alliance for the Union of Romanians), currently polling at around 41 per cent, further complicates the terrain. In line with its anti-system stance, AUR has long argued that Romania should reduce aid to Ukraine and redirect resources toward its own citizens. By framing social protection in nationalist and sovereigntist terms, AUR has effectively appropriated the language of 'butter'.

This dynamic constrains the Social Democratic Party (PSD), which might otherwise be expected to articulate a progressive version of the trade-off. Any attempt by PSD to advocate reallocating resources from defence or external commitments toward social spending risks being conflated with, or overshadowed by, AUR's rhetoric. There are legitimate concerns that this very type of discourse could be exploited by Russian

foreign information manipulation and interference efforts to drive a wedge between NATO allies and erode European unity. Consequently, mainstream parties avoid framing the issue as a direct trade-off altogether.

Difficult decisions

Yet fiscal reality makes the trade-off unavoidable. With a budget deficit of 9.3 per cent of GDP in 2024 and a projected 7.65 per cent in 2025 – the highest in NATO – Romania faces more severe budgetary constraints than any other ally. Increasing public debt to accommodate both rearmament and social spending is not a viable option; fiscal space is extremely limited. Under pressure from EU fiscal rules, financial markets and macroeconomic imbalances, the Ilie Bolojan government, supported by a coalition of National-Liberals (PNL), Social-Democrats (PSD), Progressive Liberals (USR) and the party of the Hungarian minority UDMR, has found itself between a rock and a hard place.

But fiscal scarcity does not eliminate choice. Calling it a budget problem only hides the fact that the government is making political choices about who suffers when money is tight. Since taking office, the government has introduced deep cuts to social benefits and public expenditure, disproportionately affecting low-income households and vulnerable groups. While defence commitments are maintained or expanded, welfare provisions are retrenched. The choice may not be acknowledged rhetorically, but it is experienced materially. Major trade union confederations in education, healthcare and public administration have initiated procedures for a general strike, and public anxiety over austerity measures is visibly increasing.

Citizens appear to support rearmament in principle while rejecting the social costs attached to it — a contradiction that makes political management of the trade-off particularly delicate.

The announcement that Romania will receive €16.68 billion from the European SAFE programme, designed to support member states' defence readiness, is frequently presented as a comprehensive solution to rearmament needs. In reality, this narrative functions as a political smokescreen. European funds may facilitate procurement and industrial projects, but they do not eliminate opportunity costs nor resolve structural fiscal imbalances. Presenting SAFE as a panacea obscures the difficult distributive decisions that rearmament entails under austerity conditions.

The economic nature of defence expenditure further deepens the

dilemma. Military spending is not an investment that directly generates future revenues. Military commodities – weapons systems, ammunition, heavy equipment – are, economically speaking, largely 'dead capital'. While they provide deterrence and security, they do not enhance human capital or generate the multiplier effects associated with investments in education, healthcare, infrastructure or social protection. Under severe fiscal constraints, these opportunity costs become particularly significant.

Recent sociological research underscores the political risks involved. Prioritising defence expenditure may compel governments to reduce welfare spending, but such choices are politically contentious and can trigger electoral backlash. The warfare-welfare trade-off is not merely a technocratic budgetary matter; it is contingent on electoral dynamics.

Romanian public opinion illustrates this tension. Polls conducted in early 2025 show that approximately 73 per cent of Romanians support increasing defence expenditure, and 57 per cent agree with allocating up to five per cent of GDP to defence. At the same time, over 60 per cent consider the government's austerity reforms unjust. Citizens appear to support rearmament in principle while rejecting the social costs attached to it — a contradiction that makes political management of the trade-off particularly delicate.

Who suffers when money is tight?

The political system itself appears ill-prepared to handle this tension. Within the governing coalition, deficit reduction has been prioritised over social justice considerations. Despite being the largest party in government, PSD has struggled to articulate or defend an alternative distributive vision. In the first months of the Bolojan Cabinet, the party adopted a largely accommodating stance, yielding to pressure from its centre-right partners.

The first reform package adopted in July 2025 overwhelmingly targeted vulnerable groups: the standard VAT rate was raised from 19 to 21 per cent; the minimum wage was frozen; social benefits were cut; the category of co-insured persons in the public health system was abolished; and previously exempt vulnerable groups were required to pay health insurance contributions. In education, austerity measures included cutting scholarships, merging schools, increasing class sizes and teachers' workload and restricting free transportation. These policies disproportionately affect the weak while shielding defence commitments from comparable scrutiny.

Romania is already living through a guns-versus-butter trade-off.

A structural weakness compounds the problem: the Romanian Social Democrats are not particularly visible in defence and security policy discussions. Over the past two decades, the party's support for the official foreign policy consensus has led it to deprioritise specialisation in this field. Moreover, its failure to secure the presidency since 2000 has kept it outside the core of the presidential apparatus, which constitutionally exercises significant influence over defence and security decision-making. PSD is therefore not best placed both institutionally and intellectually in shaping a comprehensive debate about rearmament, fiscal sustainability and social justice.

In contrast, other European social democratic forces have addressed these tensions more explicitly. Germany's Finance Minister Lars Klingbeil and Defence Minister Boris Pistorius have argued that 'guns *and* butter' can be pursued simultaneously through fiscal flexibility and strategic planning. Denmark's Prime Minister Mette Frederiksen similarly addressed the warfare-welfare dilemma directly in her 2025 New Year's speech, arguing that rearmament must be socially just and aligned with national values. Romania's fiscal position is far weaker than that of Germany or Denmark. Yet even in low-debt Denmark, the trade-off is openly debated, not suppressed.

In reality, Romania is already living through a guns-versus-butter trade-off. Social retrenchment, ambitious rearmament, European funding expectations and record deficits are interconnected elements of a single policy equation. The question is not whether the trade-off exists, but whether it will remain implicit and technocratic or become the subject of transparent democratic deliberation.

Given the social costs of recent reforms, the severity of fiscal constraints and evidence that welfare retrenchment can provoke political backlash, an explicit guns-versus-butter debate in Romania is not merely justified — it is necessary. Citizens deserve clarity about priorities, opportunity costs and the distributional consequences of policy choices. A transparent confrontation with these trade-offs – in parliament, in party platforms and in public discourse – is therefore not optional but essential to democratic legitimacy. After all, security without social cohesion may not only prove costly, but ultimately self-defeating, eroding the very trust, solidarity and shared purpose upon which lasting stability depends.



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