

Macro Roundup Article

Headline: [The 'Eye-Watering' Cost of Ending the Peace Dividend](#)

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Tweet: Western countries are facing tradeoffs to finance increased defense spending as the post-Cold War "peace dividend" fades in the face of Chinese and Russian revanchism, with 20 of 31 NATO members still below the 2% of GDP target.

Summary: Sweden, which has applied for Nato membership, announced on Monday that it planned to raise defense spending by more than 25% to meet the military alliance's target of 2% of GDP. Currently, only 11 of 31 members do. Persuading voters of the sacrifices required to make such commitments a reality represents a seismic reordering of the budget and electoral priorities. In Denmark, the government opted to fund its increase in public spending by cancelling a public holiday — to much chagrin from voters. "Leaders have signed up to a generational shift in defence policy. But I do wonder if they fully understand, or have told their finance ministers," a senior Nato official said. Related: The Age-Old Question: How Do Governments Pay For Wars? and The Cost of the Global Arms Race and Military Briefing: Ukraine War Exposes 'Hard Reality' of West's Weapons Capacity

Primary Topic: Security

Topics: Database, Fiscal Deficits, Fiscal Policy, News article, Security, Taxation

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