

# 3 MILITARY SPENDING - AND THE COSTS OF MILITARISM

*"Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. The cost of one modern heavy bomber is this: a modern brick school in more than 30 cities. It is two electric power plants, each serving a town of 60,000 population. It is two fine, fully equipped hospitals. It is some 50 miles of concrete highway. We pay for a single fighter with a half million bushels of wheat. We pay for a single destroyer with new homes that could have housed more than 8,000 people. This, I repeat, is the best way of life to be found on the road the world has been taking. This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron."*

(US President General Dwight D. Eisenhower, 1953)

## WHAT DOES THE WORLD SPEND ON THE MILITARY?

The greatest taboo in the development field is the silence regarding the costs of militarism. Global military spending levels – stimulated by the war on terrorism – are now climbing back to the heights they reached during the Cold War. After dropping substantially during the 1990s, now, some 15 years after the fall of the Berlin Wall, the world's military bill comes to **\$1035 billion, and is still rising.** (Stockholm International Peace Research Institute (SIPRI) figures for 2004). This is close to the Cold War peak of 1987-88, and as a global average corresponds to \$162 per capita. It is a colossal sum of money; one that – if it could be diverted – would go a long way towards achieving the Millennium Development Goals.

## Fundació per la Pau, Spain

**Fundació per la Pau** is a NGO that was created in 1983. It aims to establish a Culture of Peace in a progressive way. This foundation is the result of the cooperation of many citizens, and work, that raises civic, enlightened and well informed awareness to make a difference for peace in a democratic way.

**Fundació per la Pau** is actively involved in the movement for world-wide peace: It is a member of the International Peace Bureau (IPB) and promotes the Hague Appeal for Peace (HAP): In Catalonia, it is a foundational member of the UNESCO Centre of Catalonia and the Catalan Federation of NGOs for Peace.

**We work...** Promoting peace research to improve our knowledge about the causes of violence and wars and how we can avoid them (conferences, seminars, publications, etc.).

We carry out action plans and proposals for **Peace education** as a way of replacing, in a progressive way, the Culture of Violence for a Culture of Peace (exhibitions, activities and teaching materials, workshops, conferences, etc.).

We organise **awareness campaigns and political pressure** in order to engage our political institutions in compromises to bring about disarmament, demilitarisation, conflict prevention, respect for human rights and active promotion of the Culture for Peace

## Regional distribution of military spending, 2003 equivalents (US\$ billion)

Region <sup>a</sup>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1995-2004
<b>Africa <sup>a</sup></b>	8.8	8.5	8.7	9.3	10.3	10.8	11.0	11.6	11.7	12.6	+ 43
North	(3.4)	3.5	3.7	3.8	3.9	4.3	4.4	4.8	4.9	5.5	+ 65
Sub-Saharan	5.5	5.0	5.0	5.5	6.3	6.5	(6.6)	6.8	6.8	(7.1)	+ 29
<b>Americas</b>	367	347	347	340	341	353	358	398	446	488	+ 33
North	347	328	326	319	320	332	335	375	424	466	+ 34
Central	3.2	3.3	3.4	3.3	3.5	3.6	3.7	3.5	3.4	3.2	+ 2
South	17.2	15.6	18.1	17.4	17.0	17.9	19.9	19.6	18.4	18.8	+ 9
<b>Asia &amp; Oceania</b>	136	141	138	135	137	147	151	151	(158)	(164)	+ 21
Central Asia	0.4	0.5	0.5	(0.5)	0.5	..	(0.6)	..	(0.6)	(0.7)	+ 73
East Asia	113	119	115	111	112	121	124	123	(129)	(132)	+ 17
South Asia	13.4	13.6	14.2	14.4	15.5	16.2	16.8	17.0	17.5	20.0	+ 50
Oceania	8.7	8.6	8.8	9.1	9.6	9.5	9.9	10.3	10.6	11.0	+ 26
<b>Europe</b>	237	236	237	234	239	243	244	250	256	254	+ 7
CEE	28.1	26.2	27.7	23.4	24.8	27.3	29.2	30.7	33.2	34.2	+ 22
Western	209	210	209	211	214	216	215	220	223	220	+ 5
<b>Middle East</b>	40.1	39.1	43.0	46.5	46.0	51.7	55.3	52.9	54.4	56.1	+ 40
<b>World</b>	<b>789</b>	<b>772</b>	<b>774</b>	<b>765</b>	<b>773</b>	<b>806</b>	<b>819</b>	<b>864</b>	<b>927</b>	<b>975</b>	<b>+ 23</b>
Change (%)	..	-2.3	0.3	-1.2	1.1	4.2	1.6	5.4	7.2	5.3	



The 25 member states of the EU represent roughly 23% of the global total, or \$237 billion. Between 1998 and 2004, world military spending increased by 27%. The biggest rise was that of the USA (47%). The increase in the Middle East was 35%, with 35% and 21% increases for Africa and Asia-Oceania.

Western Europe's increase of 4% contrasts sharply with the 46% in Eastern Europe, giving an overall EU rise of 10%.

Some 2004 spending figures:

UK \$47.40 billion

France \$46.17

Japan \$42.44

China \$35.40

Germany \$33.88

Russia \$19.40

Saudi Arabia \$19.29

Nigeria \$518 **million**

(Source: SIPRI)

### For comparison: development aid figures

Rich countries spend up to 25 times as much on defence as they do on overseas aid, and have increased their assistance to the poorest African countries by just \$3 per head since 1990, according to the UNDP's 2005 Human Development Report.

is still only 0.36% (for OECD-DAC members as a whole), which is well below the 0.50% level achieved in the 1960s, when the DAC was created., and far less than the UN target of 0.7%. Furthermore, some of this 'aid' will in fact be emergency aid, debt relief or technical assistance which does not necessarily mean new money for developing countries to use.

(Source: DAC News, Sept-Oct 2005)

Thus the contrast between the amounts of taxpayers' money made available to the military and those for development aid is a stark one. Human security requires financial resources, in large amounts. The challenge is a double one: firstly how to persuade governments to reduce their investment in the military; and secondly how to ensure that the savings made are spent on sustainable development.

### What does the US spend?

It is no secret that the Pentagon is the world's biggest military spender. The US government spends \$466.6 billion on military programmes, **excluding the costs of the Iraq war and occupation.** This is 47% of the global spending total, and exceeds the combined military spending of the 15 countries with the next largest defence budgets.

The amount the US has spent on the war against terrorism (including the wars in Iraq **and** Afghanistan) amounts to \$238 billion for the years 2003-5 – ie approx. \$80 billion per year – more than the military spending of the entire Third World, including China. (SIPRI figures for 2004)

### Iraq War Costs

The National Priorities Project (USA) has devised a 'Cost of War Calculator' which is set to reach \$204.6 billion at the end of fiscal year 2005 (September 30, 2005).

"The amount is based on the National Priorities Project analysis of what Congress has allocated for the Iraq War. To date, four supplemental requests have been made by the Administration for funding, and Congress has appropriated funding with minor changes. The first included approximately \$54.4 billion for the Iraq War (enacted in April 2003); the second \$70.6 billion (enacted November 2003), the third \$21.5 billion (passed as part of regular appropriations for the Department of Defense for fiscal year 2005); and the fourth \$58 billion (enacted April 2005).



Gulf war 1991

Guardian, UK, 14 feb. 2003  
Photo: Steve Mc Curry

The Development Assistance Committee of the Organisation for Economic Cooperation and Development records the total aid flows from North to South. Total OECD-DAC spending was approx **\$78 billion** in 2004. Increases in aid announced at the G8 meeting in July 2005 suggest that the total annual figure will rise to around \$130bn in 2010. However as a proportion of Gross National Income, the level expected in 2010



"Our figures include military operations, reconstruction and other spending related to the Iraq invasion and occupation. Spending only includes "incremental" costs, additional funds that are expended due to the war. For example, soldiers' regular pay is not included, but combat pay is included. Potential future costs, such as future health care for soldiers and veterans wounded in the war, are not included. It is also not clear whether the current funding will cover all military wear and tear. It also does not account for the contribution of war spending to the deficits incurred in the federal budget. In other words, we have not included the cost of interest on the debt".

(National Priorities Project USA  
<http://costofwar.com/numbers.html>)

### Costs of nuclear arsenals

Another significant component of the US budget is the nuclear arsenal. Current estimates put the annual cost at around \$35 billion. Stephen Schwartz's team at the Brookings Institute estimated the total cost of the US nuclear weapons programme from 1940 to 1996 at **\$5.5 trillion**.

([www.brook.edu/FP/projects/nucwcost/weapons.htm](http://www.brook.edu/FP/projects/nucwcost/weapons.htm))

One can calculate from the Brookings Institute's figures that the overall cost to 2005 comes to around **\$7 trillion**:

"This is the only authoritative such study in the US. If one inflates their figures to 2004 dollars and extrapolates the total using current spending levels, one arrives at \$7.0 trillion to date in 2004 dollars. Updating to today (2005) brings one to about \$7.2 trillion...Since approximately 70,000 weapons have been fielded by the US, this gives a round number of \$100,000,000 as the average life-cycle cost per weapon".

(Greg Mello, Los Alamos Study Group, private communication, April 2005)

### How about the other nuclear weapons states?

Unfortunately, there have been no similarly detailed "audits" of the rest of the world's nuclear-weapons programs, few of which are noted for their transparency.

"No one can state the exact opportunity cost of all this investment. No one knows precisely how many other social and economic goals might have been achieved with this largesse, with additional benefits for international peace and security. Nor can one confirm the alleged benefits of such expenditures,

given the notorious difficulty of attributing the prevention of nuclear war to nuclear deterrence."

(Dhanapala, Jayantha, 'A Disarming Proposition', in: Harvard International Review, The Future of War, Vol. 23 (2) - Summer 2001)

### Some encouraging news

One small but positive sign as regards the US nuclear budget was the recent congressional defeat of a bill requesting funds for new nuclear weapons. All funds were eliminated for the Robust Nuclear Earth Penetrator (RNEP), or nuclear "bunker buster," (\$27.6 million) and for the Advanced Concepts Initiative, which could include research into low-yield nuclear weapons, or "mini-nukes" (\$9 million). In addition, funds to renovate the Nevada Test Site for a nuclear test were cut from \$30 million to \$22.5 million. Funds for the modern plutonium pit facility (for nuclear warheads) were reduced from \$30 million to \$7 million, and the bill prohibits this money from being used to select a site for the facility.

However given the government's positions on developing nuclear weapons, we can expect the Administration to return with fresh funding proposals.

(Source: Friends Committee on National Legislation, 5 January 2005)

### Who are the other big spenders?

While the overall picture is mixed – with many smaller countries continuing the post-Cold War downward trend in military spending – a number of important players are following the American example, in many cases explicitly encouraged to do so by the US and the UK. Large states such as Russia, China, India, and others such as Israel and Pakistan are using the new fashion for anti-terrorism to increase their military arsenals and personnel, re-equipping for long-term battles with rebels and/or hostile neighbours. Each has echoed in its own way the new doctrine of pre-emptive war advocated by Washington neo-conservatives. This provides the ideological support for inflating the military's share of the national pie.

North Korea, with one of the world's highest per capita military budgets, and under permanent threat from the US, has chosen to go down the path of nuclear weapons acquisition. Many commentators have pointed out that so far this move seems to have helped prevent a US attack. However one can only hope that the N. Koreans

## Mouvement de la paix, France

### Who we are ?

The Mouvement de la paix was born after the Second World War, to oppose wars, to oppose nuclear weapons and to promote a type of international relations founded on justice, democracy and cooperation between peoples.

Since then, the Mouvement de la paix works for disarmament, specially nuclear, but also against trade and transfer of weapons and the reduction of military expenditures.

The Mouvement de la paix is officially defined as an «Association for popular education».

It promotes a global conception of the building of peace through the concept of culture of peace.

It opposes wars and promotes the peaceful resolution of conflicts

It supports the peace forces acting within war zones.

### What are our main directions of action ?

- o The promotion of a culture of peace and education for a culture of peace.
- o The support of the UN Charter and the development of multilateral security institutions.
- o Stopping wars and the promotion of the peaceful resolution of conflicts
- o Disarmament and the elimination of nuclear weapons
- o The reduction of military budgets and conversion of military industries
- o The globalisation of peace and the building of «another world»

### How do we act ?

In many French cities, the local committees (150) of the Mouvement de la paix stimulates and organises mobilisations on different questions linked to peace and the promotion of a culture of peace. This work is done in partnership with other groups who are also promoting a more just and more peaceful world.

Beside the classic methods of activism (petitions, debates, conferences, exhibitions, demonstrations...) the local committees organise festivals, peace cruises, sports events, concerts, international meetings, and concrete solidarity efforts with peace forces in war zones and with children in conflict areas.



### International solidarity

The Mouvement de la paix develops international solidarity in partnership with local peace actors. It is a member of many international networks such as International Peace Bureau, World Peace Council, Abolition 2000, Global Network against the Iraq War, etc. Mouvement de la paix has a permanent observer status at the UN's Conference on Disarmament.

The Mouvement de la paix is part of the movement toward «another world» in the alter-globalisation movement as an actor in the building of a world movement for a culture of peace, as promoted by the UN General Assembly.

### The renewal of the movement

The Mouvement de la paix is open to the general public and especially to the youth, so everyone can play their role from their own perspective in a global vision of the building of peace, each contributing to the renewal the historical role of the peace movement.

know the history of nuclear deterrence and have some idea of the cost implications. This may be one of the reasons for their 'weapons-for-reactors' deal proposed at the 6-party talks in September 2005.

### Hidden spending

The official figures given for military spending are not always reliable. In many cases military expenses are hidden within non-defence budgets or do not appear at all. The US nuclear weapons complex costs, while not entirely hidden, are largely found under Dept of Environment budgets. In other states, contingency funds are used for activities such as paying military debts or repairing military hardware; military budgets are supplemented with funds diverted from unspent budgets from the social sectors; military activities are portrayed as 'peace operations' or 'public security' activities and get paid for by non-military departments such as the police or social welfare.

Conversely, income for military activities can be generated from businesses or criminal enterprises (fuel smuggling, drugs/arms trafficking, diamond mining etc). In Indonesia, army-run businesses enjoy charitable status. In China, the PLA is among the country's largest enterprises. Many governments – Cambodia for example – find it difficult to avoid high off-budget military spending due to the integral role played by powerful military establishments in the political system.

Dylan Hendrikson argues that "The central issue for donors should not be about improving data collection on actual expenditure, but rather to help countries address the underlying governance problems that reduce transparency and accountability within the defence sector. As the issue of off-budget military expenditure is often primarily political, its resolution ultimately requires stronger democratic governance of the defence sector, including the activities of both civil and military officials."

(Hendrikson, Dylan, 'Behind the scenes military spending: dilemmas for managing public expenditure', in: Insights 2004, www.id21.org)

Among the organisations at the international level working to address these issues is the Geneva Centre for the Democratic Control of the Armed Forces, DCAF. They operate a training programme for parliamentarians and others confronted with the complexities of approving military plans and budgets.

## HUMAN SECURITY NEEDS

**Provide Clean, Safe Energy**  
\$ 50 billion

**Retire Developing Nations' Debt**  
\$ 30 billion

**Prevent Soil Erosion**  
\$ 24 billion

**Provide Health Care and AIDS Control**  
\$ 21 billion

**Provide Shelter**  
\$ 21 billion

**Eliminate Starvation and Malnutrition**  
\$ 19 billion

**Stabilize Population**  
\$ 10.5 billion

**Provide Safe, Clean Water**  
\$ 10 billion

**Prevent Acid Rain**  
\$ 8 billion

**Prevent Global Warming**  
\$ 8 billion

**Eliminate Nuclear Weapons**  
\$ 7 billion

**Stop Deforestation**  
\$ 7 billion

**Stop Ozone Depletion**  
\$ 5 billion

**Refugee Relief**  
\$ 5 billion

**Eliminate Illiteracy**  
\$ 5 billion

**Build Democracy**  
\$ 2 billion

**Remove Landmines**  
\$ 2 billion

Source: World Game Institute



## THE INVISIBILITY PROBLEM

Military spending statistics are not widely known among the general public, or even among lobby groups. There is a serious problem of perception, or rather of quasi-invisibility. Military spending, when it is seen and analysed at all, is not viewed as part of the development equation. Let us take an example. The key issue in the early phases of the international response to the Asian tsunami in early 2005 was getting adequate relief supplies to the affected areas and then paving the way for the long haul of reconstruction and redevelopment. The USA immediately pledged \$350m in aid, later increased to \$950m. Certainly a significant sum, but not hard to spend given the scale of the reconstruction required. But compare this with the sums quoted above for the occupation of Iraq, an operation that has no clear end in sight, and whose economic fruits mainly benefit a limited number of US corporations linked to the Bush administration.

Yet this financial imbalance is one that few analysts seem keen to point out. This is not new; the commentaries put out by the aid/development industry over the years have only rarely made the comparison with the vast sums spent on the military. (see: Sivard, *World Military and Social Expenditures*)

Here, for example, is one of the world's most famous development economists:

"The US has launched a war on terror, but it has neglected the deeper causes of global instability. The \$450 billion that the US will spend this year on the military will never buy peace if it continues to spend around one thirtieth of that, just \$15 billion, to address the plight of the world's poorest of the poor, whose societies are destabilised by extreme poverty and thereby become havens of unrest, violence and even global terrorism" (Jeffrey Sachs, *The End of Poverty*, 2005, p.1)

One would not expect a G8 declaration on poverty to make the connection; after all they are the world's big military spenders and arms dealers. But it is disturbing that in recent years UN agencies and even most development NGOs appear to have ignored this very substantial potential source of human-security funding. Skewed priorities are betrayed by skewed budget allocations.

## WHAT CAN BE DONE?

There are no quick fixes for this problem. The question is this: **how to transform the morally-obvious into the politically-practical?** Many among the political class in western countries appear to be aware of the size of the military bill, yet are unwilling to challenge it for fear of appearing politically incorrect. For parliamentarians there is also the fear of losing votes in constituencies hit by arms industry shrinkages or base closures. In many countries (North and South) there is also a serious issue of corruption to confront. The challenge for peace and development movements, as for civil society more generally, is therefore to build a wide alliance of groups that would benefit from a realignment of the national budget, a coalition that can generate strong political pressure. The first step is to create an awareness among the general public.

We can identify three essential political issues to be addressed:

### 1. Threat Perceptions

There is the difficulty of **defining an appropriate level of security**. During the Cold War almost any level of spending seemed to be justified by the superpowers, since they were locked into the 'missile gap' numbers game. But the new threats to national security in the West are largely related to the threat of terrorism, which cannot be 'defeated' by traditional military means. Besides, the actions taken by military forces of the US and the UK in particular appear if anything to be increasing the danger – provoking terrorism - rather than diminishing it. To this we should add that policy makers should really be adopting human security definitions of threat rather than those inherited from centuries of military conquest and 'defence' technology.

Here we see the effects of the economists' 'Law of diminishing returns'. After a certain point, there is little or no additional benefit from greater and greater military spending. Interestingly, Robert MacNamara, former US Secretary of Defense, made this case in 1977, arguing that more spending on development would be a more cost-effective way to achieve greater security.

"Focussing on the core causes of human insecurity, a broader range of concerns and measures is brought into the analysis. For most countries, this will reveal a gross imbalance in spending for security, over-spending on military actions, under-spending on other measures for

## Peace Action, USA

Peace Action, the merger of SANE and The Freeze, has effectively mobilized for peace and disarmament for over forty years. As the nation's largest grassroots peace group we get results: from the 1963 treaty to ban above-ground nuclear testing, to the 1996 signing of the Comprehensive Test Ban Treaty, from ending the war in Vietnam, to blocking weapons sales to human rights abusing countries. We are proof that ordinary people can change the world.

### At Peace Action we believe...

...that every person has the right to live without the threat of nuclear weapons.

There are over 30,000 nuclear weapons in the world. The US and Russia still have thousands of nuclear weapons pointed at each other, ready to launch in minutes. While the Cold War may have ended, the nuclear threat has not. The only way to ensure that nuclear weapons will never be used - whether purposefully, or accidentally - is global abolition. We can build a nuclear weapons free world for future generations.

...that war is not a suitable response to conflict.

For over 40 years Peace Action has worked for an environment where all are free from violence and war. We understand that long-standing global conflicts require long-term solutions, and that US foreign policy has a lasting effect on the world. We work to promote a new foreign policy for the US, based on support for human rights and democracy, reducing the threat from weapons of mass destruction, and cooperation with the world community.



...that America has the resources to both protect and provide for its citizens.

As the Pentagon's budget soars to over \$400 billion, 17% of American children live in poverty. For what the US will spend on Missile Defense in one year we could: put over a million children through Head Start OR provide healthcare for over 3.5 million children OR create over 100,000 units of affordable housing OR hire over 160,000 elementary school teachers (source: National Priorities Project). At Peace Action our priorities are clear.

We believe, given the right tools, ordinary people can change the world. At Peace Action, we recognize that real change comes from the bottom up and we are committed to educating and organizing at the grassroots level. When you join Peace Action you become part of an effective citizen movement. We work hard to keep you informed through our quarterly newsletter and publications. As a member you can join our Action Alert Network which allows citizens throughout the country to rapidly respond to important legislation online. You can become an important part of a national movement that includes 30 state affiliates and over 100 chapters that organize on a local level. Together, we have the power to change the world.

prevention and control of threats to human security."

(Richard Jolly, Disarmament and Development – an overview, paper for the Group of Governmental Experts on Disarmament and Development, UN, March 2004)

Developing countries often have different threat perceptions from those in the West. For example they may have well-founded fears of rebels or neighbouring states grabbing mineral resources or making territorial claims backed by force. But initiating a new regional arms race is not the answer. Far more resources should be devoted to regional security pacts, dialogue with rebels, efforts to ensure equitable distribution of power and economic investment etc. In so many cases the military has built up its political power base and it hard for a regime dependent on the armed forces and related industries to cut back on resources that appear to ensure its own survival.

Thus civil society has two long term tasks: to contest the assumed threat perceptions, and to make the case for a human security budget – one where the bulk of the government's resources are devoted to the needs of the people – with the priority assigned to vulnerable and marginalized groups.

## 2. Making Reductions

Next there is the question of **what should be cut**:

- weapons systems? In which case which ones? What will be cost of disarmament?
- which services/regiments/battalions should be downsized? What should be retained for UN peace keeping roles?
- deployments in particular countries? Which ones, and at what speed should troops be withdrawn? Should they then be re-located elsewhere or laid off? In which case there will be redundancy payments, pensions, re-deployment and re-training costs.
- should military bases be closed? In which case which ones...the same questions apply.

Complex problems, indeed, for decision-makers, and ones that can only be solved at the national level, but they should not obscure the fact that in the long run scaling down military activities will produce very substantial cuts in spending – spending that is, of taxpayers' money.

There is also the important argument that the costs of disarmament should rightly not be considered an extra burden for which re-

sources must now be found, but rather that they are inherent in the cost of acquiring the weapon in the first place. This principle is gradually finding its way into the personal computer trade, for example, at least in certain countries, where recycling/ecological disposal is now the norm, and where an extra tax is imposed on the purchaser for this purpose by the retailer.

## 3. Alternative expenditures

Finally there is the question of **how to spend the savings made**. Many governments will choose to reward the rich through tax cuts, or encourage private industry and commerce through subsidies and lower interest rates. It is far from automatic that savings will be spent to improve health, education or social services for the less well-off, let alone to fund development programmes in poorer countries. At each stage there will be a political struggle for alternative priorities. The IPB's basic position was outlined in a statement published in 2003:

What should the money saved be spent on? In any genuine democracy, this is a matter that must be decided by elected representatives, since there are many competing priorities, all of which are vital for survival, human security and welfare. In our view, resources need to be diverted on a massive scale, away from investments in the military machine and its inflated bureaucracies, towards health, education, housing, employment, sanitation, transport, the environment and many other fields. At a time when the human family is confronted with a whole series of dramatic emergencies (from HIV-AIDS and climate change to hunger and extreme poverty on a massive scale) we believe it is imperative that politicians be made to understand that our spending priorities have to change, and that the public demands it. How can this shift be brought about? By public education, coalition building, persistent pressure and intelligent organisation. (IPB statement on military spending, IPB News Oct. 2003)



## THE UN SYSTEM OF REPORTING

It is hard to argue in favour of expenditure reductions if the basic figures are not made available to the public. So transparency is the first stage in the process. It took a long time for the political agreement to be reached to establish an official international monitoring system for military spending, but in 1980, the UN did set up the **Standardised Reporting Instrument for Military Expenditures**.

"The reporting instrument covers military related expenditures on the operating costs of personnel, operations and maintenance, procurement and construction, and research and development.

...More than 110 states have participated in the military expenditure instrument on one or more times. These states together constitute around 80% of the global military expenditure. In 2001, the Secretary-General received reports from 61 states compared to fewer than 40 in 2000. In 2002, 82 states submitted reports, while the number in 2003 stands at 75. This is a significant increase considering that only between 20-25 member states of the United Nations, on average, close to submit information on their military spending during the 1980s. Approximately, 30-35 states have participated during the 1990s. Although there has been some improvement recently, participation by African and Asian states remains minimal."

**Both the reporting forms and the data are available at: <http://disarmament.un.org/cab/milex.html>**

(Source: US Department of State Fact Sheet March 2004)

The great drawback of the UN system is that it is purely voluntary. Unsurprisingly, results have been disappointing. The same is true of the **UN Register of Conventional Weapons**. This important transparency instrument came into force in 1992, after a long process of diplomatic consultation following the Gulf War of 1991, which had pushed the questions of arms sales to the top of the international agenda. General Assembly resolution 46/36L outlined the

basic structure of the Register. Information would be requested from participating states on the number of weapons imported and exported during the previous calendar year in each of 7 categories: battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships and missiles and missile launchers.

These are indeed heavy items; the Register makes no attempt to cover the small arms and light weapons that do the bulk of the killing in contemporary warfare. In 2004 the number of participating states was 106.

## SLIMMING DOWN

Reductions are possible. It is not just a pacifist's pipe-dream. The most significant cuts in the size of the military were of course seen after the end of the Cold War. From 1988 – 1998 there was a significant drop in overall levels, from around \$1000 billion in 1988 to \$700 billion in 1998. The conventional wisdom is that the long-hoped for 'peace dividend' never materialised. However an important argument has been made by the Nobel laureate economist Lawrence Klein (in papers delivered to two UN symposiums on Disarmament and Development (1999 and 2004)). He argues that after Cold War, the substantial cuts in US military spending led to a reduced deficit which, when combined with a tight lid on other government spending, gave rise to a significant drop in interest rates.

"Not only did conventional capital formation move ahead, but venture capital for the new technologies was forthcoming. The US economy ultimately enjoyed the combination of unprecedented expansion of employment, (with [joblessness] down to less than 4 %), high productivity gains, low inflation and all the 'butter' the civilians could absorb....In the 1990s, the US became the principal locomotive of the world economy."

(L. Klein, World Peace and Economic Prosperity, presented to the UN Symposium on Disarmament and Development, 2004.)

Klein stresses the importance of distinguishing the short- and long-term effects of reductions in military spending. The essential fact is however that the military competes with the civilian sectors for scarce government resources. The post-Cold War re-allocation of resources was clearly a key factor in the 1990s wave of globalisation. The key issue for debate is therefore: can there be a

## Swedish peace and arbitration society (SPAS)

SPAS is the world's oldest and Scandinavia's largest peace organisation. It was founded in 1883 by the Nobel Peace Prize Laureate K P Arnoldson.

SPAS is a non-profit organisation and has about 6 000 individual members and some 20 local groups in Sweden. The organisation is independent of the state and has no religious or political ties.

SPAS's major aims are to ease tensions, speed up disarmament, forward the transference of military resources to development and support democratization.



## World Disarmament Campaign, UK

The World Disarmament Campaign was founded in 1979 by Fenner Brockway and Philip Noel-Baker to work for the implementation of the policies agreed at the 1978 Special Session on Disarmament of the UN General Assembly. The Final Document of that session was signed by every then member of the UN. It included a Programme of Action relating to all types of weapons, from the nukes that have the capacity to destroy the whole of civilisation to the small arms that have been responsible for millions of deaths in the many conflicts that have racked the world since 1945. Had the permanent members of the Security Council, in particular, implemented their obligations, many of those lives could have been saved and the world would be a safer place today.

WDC continues to campaign for world-wide disarmament, both nuclear and non-nuclear, for military expenditure to be diverted to sustainable development, the eradication of poverty and the protection of the environment, and for the strengthening of the role of the United Nations in disarmament negotiations.

true 'development dividend'? What is the optimal path to security and prosperity for all in a globalised economy?

### South Africa – a model for developing countries ?

South Africa can also report a very positive experience in terms of reduced budgets. The post-apartheid government inherited the most powerful armed forces in Africa. By 1989 defence spending had reached 25% of the national budget and 5% of GDP. Yet the process of change initiated as a result of the freedom struggle and the worldwide anti-apartheid movement resulted in significant cuts in armed forces already before the handover to Mandela's government. Even under the De Klerk administration defence spending was reduced by 40% and the defence industry went into decline. The nuclear weapons programme was abandoned and conscription ended. The new ANC government (1994) had very different priorities, based on a Human Security philosophy - which were articulated in the **Reconstruction and Development Programme**. Every year from 1994 to 1998 the defence budget was cut, resulting in an overall reduction of 57% from the 1989 level. The savings were used to benefit education (up from 17.7 to 22% of government spending), health (from 9.8% to 11.2%), social welfare (6.3% to 8.5%), etc.

(Source: C.N. Makupula, 'Disarmament and Development: a South African Perspective', in Disarmament Forum, 2003/3, UNIDIR).

However S.Africa continues to play an important military role on the continent and the industry has been lobbying for new equipment. There are debates too within the government and the ANC over how far military reductions should go. The government was subject to a legal challenge from the S. African branch of Economists Allied for Arms Reduction over a massive R30 billion arms deal in 1999 involving military ships and aircraft. This was justified in terms of protecting fisheries and creating jobs, but its opponents point to the 'overwhelming human security threat' in South Africa, which is HIV-AIDS.

Nevertheless the achievement is a remarkably positive one, and – despite occurring under very particular conditions of political transformation – remains an inspiring model for many over-militarised and poverty-stricken nations.

## ALTERNATIVE TAXATION PLANS AND REDUCTION TARGETS

A variety of schemes have been put forward over the decades for securing additional, large sums of money for development. Proposals have been made for 'alternative' taxes on everything from financial transactions (the '**Tobin Tax**' promoted by ATTAC), on carbon consumption, on credit card payments, and most recently on airline tickets (the Chirac plan, now backed by the EU's finance ministers). There is already a **Digital Solidarity Fund**, launched by Senegal, with the backing of France, Nigeria and Algeria. (BBC News 16 March, 2005). Partnerships between leaders from North and South have been convened, such as the Lula-Chirac call for an international tax to end hunger (2004), which was soon supported also by Chile (Lagos) and Spain (Zapatero). So far it has not caught on with the other big powers, though it probably contributed to the July 2005 G8 decisions on aid and debt. But suggestions for a **tax on armaments** (or military spending) have met with little enthusiasm so far, even (or especially) from disarmament campaigners, who tend to view it as an obstacle to reducing arms sales, and in some sense legitimising militarism.

Calls, appeals and proposals have frequently been made by civil society groupings for a specific target for reductions in military spending, ranging from 1% per annum to 5% or more. For example, at the 1995 Beijing women's conference, a **Women's Peace Petition** was delivered, which called for a 5% reduction a year for 5 years in military spending and the reallocation of these substantial resources toward human security programs and peace education. Similar calls were already made at the 1992 Rio summit, but found little echo at the government level.

## MILITARY CONVERSION FOR SOCIAL DEVELOPMENT

Conversion can be defined as the reorientation of military-sector companies to civilian production. It is a difficult process that often implies partial restructuring, with diversification of the product range, and partial conversion through relocating and retraining personnel and reorientation of business practices. In the past, reorientation from military to civilian production was seen as the most promising form of conversion.



While 'tanks into tractors' was at one time a popular slogan, the experience of recent decades tends to suggest that it is often more efficient to close arms production plants entirely, and re-deploy the workers into other sectors, rather than attempt to convert the factories directly into civilian production.

Conversion also includes troop reductions and the re-employment of ex-combatants in civilian life, conversion and re-use of military facilities, re-directing military research and development, and the destruction of weapons. The availability of former military sites for civilian purposes is also one among the most visible signs of disarmament.

## DIVERSE COSTS OF MILITARISM

Militarism must be analysed from a variety of points of view. Its proponents claim that the cost of the military is like an insurance premium, that must always be paid, for the moment of crisis could strike any time... But the true price to be paid is counted in many other ways. Apart from the **opportunity costs** (alternative spending options for the same budget) discussed above, we should consider:

### 1. Military research

A huge proportion of the world's brainpower is lost to the civilian sector due to the power of attraction that military projects hold for scientists and experts of every stripe.

For example:

"In wealthy countries like the USA, France and the UK, significant military research and development budgets drive a weapons-based, high technology military agenda. In 2003-4, nearly one third of British public funding for research and development (£2.6 billion) was spent by the Ministry of Defence, while 40% of government scientists and technologists work for the MoD". Furthermore: "The Ministry of Defence only spends approximately 6% of its budget on conflict prevention."

(Langley, Chris, *Soldiers in the Laboratory: Military involvement in science and technology – and some alternatives*, Scientists for Global Responsibility, UK, 2005)

It is reported that over 300 US universities, research institutes and corporations were involved at the height of that country's BW programme in the 1950s and 1960s. (Barnaby p. 89)

As regards what should be done: the SGR report quoted above has a list of 15 recommendations to government, professional bodies, and individual scientists, which include the following measures:

- Divert a major portion of R & D to wider issues.
- Restrict military involvement with emerging technologies, such as nanotechnology.
- Make defence funding of R & D far more transparent.
- Devote more resources to implementing a more inclusive concept of security, including peacebuilding and non-violent conflict resolution.
- Conduct reviews of military agreements with foreign powers.
- Cease all scientific and technical work related to new nuclear weapons.
- Require all research papers and reports to acknowledge military funding where this is the case.

In Spain, a highly successful civil society campaign (organised by IPB member organisation Fundacio per la Pau) has developed a critique of that country's research agenda and has gathered thousands of signatures from scientists for a 'hippocratic oath' by which researchers refuse to undertake military-related work.



Photo: Kieran Doherty, Reuters

### 2. Environment and health

Military-related costs that should be considered here include :

- contamination from waste and accidents related to nuclear weapons programmes and chemical/biological agents;
- the effects of landmines and explosive remnants of war, which can devastate the environment and pose significant social, financial, logistical and scientific challenges.
- pollution of the air, land, and water in peacetime, notably from military bases and large scale exercises and firing ranges.
- severe contamination from nuclear weapons development and production
- destruction of farming land taken over for military purposes.



- burning of oil wells (Gulf War, 1991)
- accidents related to military activities are frequent and sometimes have serious health or environmental consequences (eg 'Broken arrows' (nuclear accidents) and incidents at or near military bases). The military must also recognise its share of responsibility for climate change – via greenhouse gases emissions, especially from aircraft. And yet it is precisely the military whose activities have been excluded from the scope of the Kyoto Treaty. In addition the historical record holds some especially severe cases:



Photo: Jack Fields/Corbis

- **Scorched-earth tactics.** It has been military practice down the ages for retreating armies to lay waste to enemy territory. Historical examples include Napoleon's retreat from Moscow, and the Nazis in the Soviet Union and in Northern Norway.
- Use of "**Agent Orange**" and other US defoliants during the Vietnam War which rendered about a third of Vietnam a wasteland. The Vietnamese farming landscape is defaced by 2.5 million craters. To this day, there are innumerable cases of birth deformities. In all the wars between 1945 and 1982, Vietnam lost over 80% of its original forest cover. The ecological devastation of the country will take generations to repair.
- The **Gulf War** had major ecological consequences. Four to eight million barrels of oil were spilled into the sea. 460 miles of coastline have suffered massive damage due to oil spills and burning wells. Crude oil may have long-term chronic effects that will

eventually lead to coral death. The fuel-air bombs used to clear mine-fields pulverised topsoil and destroyed all nearby vegetation. The use of ammunition with depleted uranium led to radiation effects. The Coalition forces left huge quantities of refuse, toxic materials and 45-54 million gallons of sewage in sand pits.

- During the **NATO military action in Kosovo and the Federal Republic of Yugoslavia**, severe environmental damage resulted from air attacks. Burning oil refineries leaked oil products and chemicals into the Danube. Chemical plants were bombed, spreading extremely dangerous substances into the environment. Biodiversity sites were hit in the FRY. Increased levels of radioactivity resulted from the use of depleted uranium ammunition. The Kosovo conflict was the first where the United Nations Environment Programme (UNEP) made a post-conflict environmental assessment. They concluded that pollution at four localities in Serbia was serious and posed a threat to human health.
- In **Afghanistan**, hundreds of thousands of anti-personnel landmines litter the fields and mountain passes. There is evidence that the use of ammunition containing depleted uranium in the current conflict with Al-Qaeda may also have led to environmental contamination and long-term health hazards.

"The expense of treatment, rehabilitation and long-term care for those injured places a heavy burden on health systems, if such systems exist at all. Health costs incurred by research on, use of and clean-up relating to weapons of mass destruction are also considerable – and in the worst cases the ill effects might be transmitted to subsequent generations. The financial costs of treating injuries from some conventional weapons, such as landmines, are onerous."

*(UN Report of the Group of Governmental Experts on the Relationship between Disarmament and Development, 2004 – A/59/119)*

### 3. Social impacts

Under this heading we can consider a range of negative consequences such as:

- prostitution – especially in areas around military bases and docks, together with increased rates of HIV-AIDS and other sexually-transmitted diseases;



- increased crime and violence (including rape) in military-affected communities due to the presence of guns and other weaponry;
- distortions in the local employment market – for example businesses that are dependent on foreign military bases but which then collapse when the base is withdrawn.
- conscription, one of the traditional forms taken by militarism over the centuries, still exists in many countries, despite being condemned as a human rights violation by the UN Human Rights Commission, Amnesty International and many other bodies.

#### 4. Economics

Militarization tends to decrease an economy's capacity to meet basic needs. This is because increased military production leaves less national capital (physical, human and natural) for the civilian sector of the economy, which produces consumer goods and services.

"High military spending leaves less money in the government budget for dealing with social, environmental and other development issues. Militarization also hinders an economy's efficiency because a lack of competition in the military sector often allows military producers to feel less compelled to cut their production costs. As for the additional employment allegedly provided by the military sector, this is only a short-term effect: military production tends to use proportionately more capital equipment and less labour than civilian industries and so creates fewer jobs than could be created from a similar investment in civilian production, particularly services."

(World Bank factsheet, 2005)

#### 5. Politics

The military run, control, or at the least, heavily influence governments all over the world. While the number of military dictatorships declined significantly in the 1980s and 1990s – notably in Latin America and parts of Africa – the hidden hand of the armed forces plays a crucial role in many nominally-democratic states (or 'democraduras' as Nobel Peace Laureate Alfonso Perez Esquivel calls them). It is difficult to 'play democratically' when one's opponent has a gun in his hand. The human rights violations committed in such countries have been, and continue to be, well documented by the human rights agencies. In these nations, the price of militarism can be very high in terms of human lives lost or cruelly damaged.

#### The Military-Industrial Complex

But the problem exists also in developed, fully democratic states. It was described vividly by Eisenhower in his farewell speech. (see below). Since then the expenditures on the military have increased massively and with them the influence of the military-industrial complex in political life. Since 1960 the US has fought major wars in Vietnam-Cambodia-Laos, the Gulf, Kosovo-Serbia, Afghanistan and Iraq. It has been involved in violent conflicts in Central America, the Middle East, and several African regions. It has built bases all over Eurasia, and since 1990 it has been the world's dominant military power. Small wonder that the military exercise such a powerful influence on national life – and through Hollywood and the mass media, such a strong influence on the rest of the world. Other developed states may not have developed as powerful a military, and in most cases have shifted from a conscript to a professional army, but the military remain an important lobby in all of them and a strong cultural and political force.

"Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence -- economic, political, even spiritual -- is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together."

(Dwight D. Eisenhower, 1961 – Farewell address to the nation)

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