

**Dimensions of Militarism
Voices from Communities**

International Peace Bureau, November 15, 2009

Economics of Militarism:

It is a pleasure to share the stage with David McReynolds and an honor to have been asked to provide some food for thought on the economics of militarism.

There is certainly a strain of American thinking—and all over the world—that robust military spending equals a strong economy. Perhaps that thinking is best exemplified by an exchange between Ann Curry and the Bushes in 2007: Curry reminded the President that his wife had once said, "No one suffers more than their president. I hope they know the burden of worry that's on his shoulders every single day for our troops." The conversation continued thusly:

Bush: And as people are now beginning to see, Iraq is changing, democracy is beginning to tak[e] hold. And I'm convinced 50 years from now people look back and say thank God there was those who were willing to sacrifice.

Curry: But you're saying you're going to have to carry that burden... Some Americans believe that they feel they're carrying the burden because of this economy.

Bush: Yeah, well --

Curry: They say -- they say they're suffering because of this.

Bush: I don't agree with that.

Curry: You don't agree with that? Has nothing do with the economy, the war? The spending on the war?

Bush: I don't think so. I think actually, the spending on the war might help with jobs.

Curry: Oh, yeah?

Bush: Yeah, because we're buying equipment, and people are working. I think this economy is down because we built too many houses."

Don't you miss him, just a little bit?

This notion is called military Keynesianism: Chalmers Johnson defines it as: "the belief that public policies focused on frequent wars, huge expenditures on weapons and munitions and large

standing armies can indefinitely sustain a wealthy capitalist economy.” It is the economic underpinning of the United States’ “long war.”

If this were true, the United States and the other big economic powerhouses would not be suffering major recessions now. We would be sitting pretty

So let’s start with dollars—how much of our economy is devoted to militarism-- and then move to costs and consequences and finish with alternatives.

Dollars:

The United States’ 2010 military budget is more than \$550 billion, including funding for military personnel, research and development, new weapons procurement, as well as operations and maintenance. Another \$130 billion will go to military operations in Iraq, Afghanistan and elsewhere, bringing total military spending for 2010 to \$680 billion.

New troops in Afghanistan come at a high price. The New York Times reported today that the formula of \$1 billion for each new 1,000 military forces per year (or \$1 million per one soldier per one year) is too low, and that the overall costs of 40,000 troops is now \$54 billion (up from \$40 billion).

At the same time, the administration is looking at 5% cuts to domestic priorities in 2011.

When the base defense budget is combined with war sending, the U.S. military budget is many times what other nations spend. We outspend China-- the next biggest military power—seven times over. We spend as much as the next 14 countries combined, even as the spending of our adversaries-- Cuba, Iran, Libya, North Korea, Sudan, and Syria -- much in the headlines for their prospective armaments and looming threats, makes up a mere 1% of the world military budget.

According to the Stockholm International Peace Research Institute, global military expenditures reached \$1.46 trillion in 2008. SIPRI is the authority on such matters—and is careful to note that this is an estimate and a low one, as many nations keep their military expenditures a closely guarded secret and tend to underreport their spending.

When the costs of U.S. military operations were added to the defense budget, the United States accounted for nearly half (45%) of the global total.

So, that is the basic data on the economics of militarism. What are the Costs and Consequences of this entrenched militarism?

Economists talk about “opportunity costs.” Another way of understanding it is to talk about choices. When we—or any other nation—chooses to spend \$680 billion on the military we are making a choice not to spend money elsewhere. What the United States has spent on the ineffective, deadly and disastrous “war on terror” since 2001 could have paid the annual salaries of 15 million teachers or 20 million police officers or for 171 million Pell Grants to pay tuition at American college and university students.

Dean Baker at the Center for Economic Policy and Research did a piece recently describing a study his organization commissioned a few years ago. It was an economic modeling projection on the impact of a sustained increase in defense spending equal to 1% of gross domestic product—GDP. What they found was significant: increase military spending by one percent of GDP, and 20 years later the economy will be .6% smaller. That slower growth would imply a loss of almost 700,000 jobs-- compared to a situation in which defense spending had not been increased. Biggest losers in this scenario? Construction and manufacturing jobs.

All from a 1% point increase. In 2001, right before September 11, military spending accounted for 2.4% of GDP. Today is it 5.6% of GDP. Dena Baker goes back to his model and determines that this increase in military spending is responsible for \$250 billion in lost economic activity, 2 million jobs lost.

And yet, the military industrial complex canard that military spending is an economic engine perseveres.

We can see the opportunity costs on a larger—global scale as well. When the nations of the world invest \$1.4 billion in their militaries, what do they not invest in? halving extreme poverty,

halting the spread of HIV/AIDS, reducing infant mortality, ensuring access to clean water and providing universal primary education – these are the United Nation's Millennium Development Goals. They are urgent, necessary and achievable.

It is striking to look at the costs of meeting the UN Millennium Development Goals within the context of a discussion of military budgets. They are *all* achievable if *one-tenth* of what is currently spent on the military is invested in human development. The total cost of achieving the MDGs over the next decade is roughly equal to what the militaries of the world spend *in any one year* of that decade.

For example, the UN Millennium Project calculated that the costs of reaching the Millennium Development Goals in all countries would be \$121 billion for the year 2006. That same year, the United States alone spent \$605 billion on its military (between the military budget, nuclear weapons spending and the costs of the Global War on Terror).

The resources are there, the consequences and the costs of failing to choose human need over military power are clear—we see them every day. What do we do?

What is the Alternative? Rethinking National Security

In October 2008, Representative Barney Frank suggested cutting the military budget by 25% saying that, in the context of a struggling economy, “We don’t need all these fancy new weapons.” Frank was ridiculed for this comment. But, he also began a long overdue conversation about how the United States understands national security.

In an era a new scarcity and new threats, national security must be more than military and numerical dominance. People expect their government to keep them safe from homelessness, disease, debt and poverty, not just from shadowy threats abroad.

This notion provides us with an opportunity to rethink national security, to suggest—to insist—on new priorities. That the building blocks of true national security are things that meet real and present needs, provide jobs and strengthen society.

Efforts like shoring up American infrastructure as part of a New Deal for American workers, investing in a Manhattan Project-sized effort to achieve renewable and sustainable energy sourc-

es, undertaking aggressive energy conservation, initiating a major urban renewal initiative aimed at making cities more livable and overhauling the American health care system. And, internationally, making meeting people's needs and strengthening international institutions top priorities changes the power dynamics. Cutting the military budget by one- quarter, as suggested by Rep. Frank, would maintain U.S. dominance by a factor of five (instead of seven). But, national security is not just a numbers game.

The administration's efforts at even modest cuts to the military budget—cuts so modest that they are “budget neutral” succeeded in eliminating a handful of weapons systems... it was a good start, but it ran right into the gospel of military Keynesianism and the political power of the military industrial complex.

But... this is our task, the facts, the numbers, the data, and so much more is all on our side.

A billion dollars pays for 1,000 troops in Afghanistan for one year. A billion dollars provides 5,500 young people with tuition and living expenses at Brown or Harvard or Oberlin for four years.

The economics of militarism say we do not have a choice. Military Keynesianism, the military industrial complex they all say we do not have a choice... But We Do.