

OPPORTUNITY COSTS: Military Spending and the UN's Development Agenda

A view from the International Peace Bureau



© International Peace Bureau, November 2012
Colin Archer and Annette Willi

Acknowledgements

IPB gratefully acknowledges detailed contributions to this paper by:

David Atwood

Tim Caughley

Andres Guerrero

Yeshua Moser-Puangsuwan

Final responsibility for the contents rests with the authors alone.

Photographs: Panos Pictures

Design: Parfab Geneva

International Peace Bureau

41 rue de Zürich

1201 Geneva, Switzerland

Tel: +41 (0)22 731 64 29

<http://www.ipb.org>

Executive Summary

While the level of global military expenditure is today higher than ever, at an estimated \$1738 billions per annum, many states fail to increase their foreign development aid to the UN target of 0.7% of GDP, and to tackle effectively their economic and social development challenges. To counter these imbalances, the International Peace Bureau advocates general reductions in excessive military spending and a shift of resources to projects addressing human needs, both domestic and international. This paper outlines the basic data in this field and makes the case for such a shift.

Since the establishment of the United Nations, and indeed much earlier too, the high cost of the defence sector has often been debated among States. The comparison between resources for armament and those made available for development became seen as scandalous during the Cold War, and many resolutions and action plans were adopted to challenge the disparity. Yet they failed to halt the arms races of the last century. True, military expenditure was somewhat reduced during the decade 1989-98; but it has risen again, and dramatically so in the years following the 9-11 attacks. We trace the outline of a disappointing history.

In another section of the paper, we survey some of the international initiatives preparing for the task of defining the UN's Post-2015 Development Agenda. In IPB's view, it is vital that disarmament as well as other security and peace-related issues be included in these debates and goals.

The authors respond to a number of objections raised to the proposal to reduce investments in the military; and also highlight the IPB's own programme of work to build a campaigning constituency worldwide. This work has been facilitated by the 'austerity cuts', which have intensified the scrutiny of government spending priorities and has given rise to a political climate more favourable to a critique of military spending.

Military spending can be viewed in two distinct ways. On the one hand, it is a (sometimes-overlooked) aspect of the security concerns that need to be embedded in the sustainable development agenda. On the other, it could be a key to the success of the agenda as a whole. If civil society and its allies in government and parliamentary circles can make a convincing case for a profound shift in priorities, then resources made available by military sector cuts could constitute one of the most important 'innovative mechanisms for development financing'. Such mechanisms will be essential in the coming years as the international community faces the growing challenge of finding sufficient resources to ensure human survival and security in the widest sense.

Contents

Introduction	7
Post-2015	8
Guns vs. butter? A short history	9
Military expenditure – the basic facts	13
Numbers and Trends for 2011	14
Military spending versus international cooperation	16
Global development discussions and goals in relation to Peace, Security and Disarmament...	17
No treaty process	18
Earth Summit	18
Millennium Declaration	19
Post-2015 framework	21
Sustainable Development Goals (SDGs)	22
Rio+20	22
Financing sustainable development	25
How can the implementation of the SDGs/Post-2015 framework be funded?	26
Innovative financing for development – and the place of military expenditure in the post-2015 debate	26
Military spending as an indicator for the achievement of sustainable development	27
FAQs: Objections and contrary arguments	29
‘There is a need for militarised defence’	30
How to shift the money to sustainable development? Domestic v. international programmes	23
Doesn't promoting development imply tackling climate change?	31
‘Only a small percentage of GDP’	32
Won't we lose our jobs?	33
The way forward	37
Global Day of Action on Military Spending (GDAMS)	38
Outreach to specific sectors	38
Conclusion	39
Annexes	43
Annex 1: Military Spending in 2011 per region	43
Annex 2: Key players in the post-2015 discussions	44
Annex 3: Timeline of the post-2015 framework	46
Annex 4: Table of Key players	47
Glossary	49

National budget priorities still tend to reflect the old paradigms. Massive military spending and new investments in modernizing nuclear weapons have left the world over-armed -- and peace under-funded.

'Many defence establishments now recognize that security means far more than protecting borders. Grave security concerns can arise as a result of demographic trends, chronic poverty, economic inequality, environmental degradation, pandemic diseases, organized crime, repressive governance and other developments no state can control alone. Arms can't address such concerns.

"Yet there has been a troubling lag between recognizing these new security challenges, and launching new policies to address them. National budget priorities still tend to reflect the old paradigms. Massive military spending and new investments in modernizing nuclear weapons have left the world over-armed -- and peace under-funded. [...]"

"Let us dramatically cut spending on nuclear weapons, and invest instead in social and economic development, which serves the interests of all by expanding markets, reducing motivations for armed conflicts, and in giving citizens a stake in their common futures. Like nuclear disarmament and non-proliferation, such goals are essential for ensuring human security and a peaceful world for future generations.'" (emphasis added)

Ban Ki-moon, UN Secretary General¹

Let us dramatically cut spending on nuclear weapons, and invest instead in social and economic development

¹ Opinion piece by Ban Ki-moon, 2012: <http://www.un.org/disarmament/update/20120830/>



Introduction

DEMOCRATIC REPUBLIC OF CONGO South Kivu

Mai-Mai child soldier Kagoyi Amondala smoking a joint, in the 'Hauts Plateaux' near Uvira. Congo has been at the centre of what has been called Africa's world war. The Mai Mai are one of numerous rebel movements to have emerged over the last five years, taking advantage of the anarchy within the country to plunder the many natural resources of the Congo. Human rights organisations estimate that 2.5 million people have been killed in the Congo during the conflict, either as a direct result of fighting or because of disease and malnutrition. Democratic Republic of Congo (formerly Zaire).

Credit: Sven Torfinn / Panos

IPB's purpose in the current paper is to galvanise discussions among states, UN agencies and civil society in order to ensure that the economy of militarism is no longer separated from the debate on the economy of development.

Post-2015

The United Nations' Office for Disarmament Affairs recently set up an exhibit at its New York headquarters entitled **The World is Over-Armed and Peace is Under-funded**.² Using the figures of 2010, it juxtaposes global military expenditure and the UN budget. The comparisons are shocking: military spending was 12.7 times higher than the Official Development Assistance (\$128 bn), 604 times higher than the regular UN budgets for Peace and Security, Development, Human Rights, Humanitarian Affairs and International Law (\$2.7 bn), and 2508 times higher than the combined expenditures of the (UN) International Disarmament and Non-Proliferation Organizations³ (\$0.65 bn).

This contrast offers a tell-tale comment on global priorities at a time of economic crisis hitting rich and poor alike. Indeed, the sums available for the arms industry and the wider economy of militarism are truly gigantic: not just for bombs and tanks and nuclear missiles, but for the salaries and pensions of millions of soldiers, for foreign and domestic bases, exercises, command and control systems, and a huge administrative architecture. The world is devoting more public money now to the military sector than the monstrous sums we spent at the height of the Cold War over 25 years ago. Meanwhile it is estimated that some 925 million people live in absolute poverty.

Quite evidently, this is not an issue reserved for disarmament and security specialists; it must be treated as a matter of universal concern, and not least for those dealing with the challenges of sustainable development. Since the Millennium Development Goals (MDGs) will reach their deadline in 2015, discussions are already under way on a future set of goals and a new general framework for development. The UN has launched several initiatives on this topic by setting up two High-level Panels; a network linking development experts, civil society, academia and the private sector; as well as a major programme of national consultations implemented by the UN Development Group.

IPB's purpose in the current paper is to galvanise discussions among states, UN agencies and civil society in order to ensure that the economy of militarism is no longer separated from the debate on the economy of development. It is our hope that such discussions will help promote shared understandings of the issue and commitments to promote change.

The MDGs have had a major impact on development priorities but their implementation has been uneven. In some countries, some goals have seen important improvements, such as the reduction of child deaths, the reduction of HIV/Aids, the access to safe drinking water and school attendance⁴. However, in the so-called 'fragile' states, the MDGs have been unsuccessful as none of the targets have been achieved. This underlines the argument of the World Bank⁵ and many other actors that conflict and violence constitute a major obstacle to sustainable development. Nevertheless, these factors were excluded from the MDGs (though not from the Millennium Declaration on which it was based).

² <http://www.un.org/disarmament/over-armed/>

³ IAEA – International Atomic Energy Agency
OPCW – Organization for the Prohibition of Chemical Weapons
CTBTO – Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization
UNODA – United Nations Office for Disarmament Affairs

⁴ United Nations MDG. <http://www.un.org/millenniumgoals/beyond2015.shtml>

⁵ World Bank: World Development Report 2011: *Conflict, Security and Development* (Washington D.C., 2011) <http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/0,,contentMDK:23252415~pagePK:478093~piPK:477627~theSitePK:477624,00.html>

Since the nature of most armed conflict has shifted from inter-state wars to intra-state or civil wars, including other forms of violence such as organized crime and terrorism, the effects are to some extent different than in 'classical' wars. Casualties are more often civilians, millions are displaced and the impact on development is greater as both infrastructure in cities and agricultural land are damaged. Special attention needs to be given to conflict-affected countries in the global effort to foster sustainable development.

MDGs – an evaluation

The adoption of the MDGs has undoubtedly produced many good results in the efforts to achieve sustainable development. The motivation behind their creation was to 'forge a united community to defend international development as a global project and to reverse the declining support for development aid'⁶. They have indeed contributed to raising awareness across the globe of the urgent need to end poverty. The MDGs have become the central reference point in international debates on development and have been used as benchmarks to judge its progress. The reasons for their popularity are considered 'obvious' because of their 'simplicity that is engaging, targets that are quantitative, objectives that are easy to comprehend, and good intentions with which no one could possibly disagree'.⁷

On the other hand, the MDGs have not only received applause. Their adoption happened without broad consultation among development practitioners. Civil society felt excluded and some developing country governments responded with little enthusiasm. An important criticism of the MDGs is the methodology of measuring progress. The level of achievement relative to the target is looked at (i.e. reduce maternal mortality rates by three fourths) instead of the pace of progress, which penalizes countries with low starting points. Another problem is that the MDGs specify an outcome without setting out the process to achieve it, meaning they fail to identify strategies. Finally, the composition of the MDGs is considered too narrow for many development actors as they leave out important dimensions, such as human rights, climate change and security.

For these reasons it is now widely accepted that in the post-2015 development agenda a strong emphasis must be laid on the inter-linkages between conflict, violence and development. However in IPB's view the new framework for sustainable development needs to be drawn more widely, notably by including specific references to disarmament and military spending.

Guns vs. butter? A short history

When the UN was founded in 1945 the two principal tasks assigned to it were international security and the promotion of development. The relationship between these two issues – often referred to as 'disarmament and development' - has received much attention since that time. The classical statement of the

⁶ Idem, p. 13.

⁷ Deepak Nayyar: The MDGs after 2015: Some Reflections on the Possibilities (New York, 2012) p. 4.

UN's intent is enshrined in the UN Charter, Article 26.

"In order to promote the establishment and maintenance of international peace and security with the **least diversion for armaments of the world's human and economic resources**, the Security Council shall be responsible for formulating, with the assistance of the Military Staff Committee referred to in article 47, plans to be submitted to the members of the United Nations for the establishment of a system for the regulation of armaments."⁸

Over the following decades, many proposals to reduce arms spending and to transfer the resources to the developing world have been brought up and many resolutions adopted. To take just a few examples:

1976: Habitat I

"The waste and misuse of resources in war and armaments should be prevented. All countries should make a firm commitment to promote general and complete disarmament under strict and effective international control, in particular in the field of nuclear disarmament. Part of the resources thus released should be utilized so as to achieve a better quality of life for humanity and particularly the peoples of developing countries".

Each year, the General Assembly adopts a resolution⁹ on this topic which is drafted during the First Committee in the month of October. Responsible for all disarmament and related international security issues, the GA's annual resolutions prepare the ground for the creation of new treaties and other international legal norms (e.g. Programme of Action on Small Arms, Arms Trade Treaty).

1981: General Assembly 'Resolution on the Reduction of the Military Budget'

- (i) reaffirmed "the urgent need to reduce the military budget, and agreed to freeze and reduce the military budget";
- (ii) recognised that "the military budget constitutes a heavy burden for the economies of all nations, and has extremely harmful consequences on international peace and security";
- (iii) reiterated the appeal "to all States, in particular the most heavily armed States, pending the conclusion of agreements on the reduction of military expenditures, to exercise self-restraint in their military expenditures with a view to reallocating the funds thus saved to economic and social development, particularly for the benefit of developing countries".

1983: General Assembly 'Resolution on the Relationship between Disarmament and Development'

"The magnitude of military expenditures is now such that their various implications can no longer be ignored in the efforts pursued in the international community to secure the recovery of the world economy and the establishment of a new international economic order."

1987 UN Conference on Disarmament and Development

"The world can either continue to pursue the arms race with characteristic

⁸ Charter of the United Nations (San Francisco, 1945) <http://www.un.org/en/documents/charter/chapter5.shtml>

⁹ Disarmament Resolutions and Decisions Database <http://unhq-appspub-01.un.org/UNO-DA/vote.nsf>

vigour or move consciously and with deliberate speed towards a more stable and balanced social and economic development within a more sustainable international economic and political order; it cannot do both.”


Despite these inspiring words, military budgets only started dropping at the end of the Cold War and were not transferred directly to development initiatives. Instead of creating a government-run ‘peace dividend’, the reduction in military spending gave rise to a long economic boom, whose main engine was the private sector in the global North. But after a decade of lower military spending, the global total has been rising again since 1998.

Another point to take into account is the changing security threats in recent years. In the last 20 years, the concept of national security has been challenged by a rival philosophy known loosely as human security, which argues that individuals and not the state need to be the central reference point as regards security. According to UNDP's ground-breaking 1994 *Human Development Report*¹⁰, threats to human security can be considered under seven headings: political security, economical security, health security, food security, environmental security, personal or community security.

New ‘problems without passports’ such as HIV, transnational crime, cyberterrorism and climate change require a more comprehensive approach to security¹¹. Neither States acting in isolation, nor their heavy military apparatus, are suited to addressing such problems, nor are they effective in solving them.

10 UNDP Human Development Report 1994, Chapter 2: *New Dimensions of Human Security* (New York, 1994) <http://hdr.undp.org/en/reports/global/hdr1994/>

11 See the UN Secretary-General's 2005 report: ‘In Larger Freedom’: <http://www.un.org/largerfreedom/>

A large pile of unexploded ordnance, including mortar and RPG rounds, in a pit. The rounds are mostly orange and green, with some showing signs of rust and damage. They are arranged in a dense, overlapping manner, filling the frame. The background is a dark, earthy surface.

Military expenditure – the basic facts

AFGHANISTAN Kabul

Mortar and RPG (rocket propelled grenade) rounds lie in a pit awaiting destruction by a Weapons and Ammunition Disposal unit from the HALO Trust (Hazardous Areas Life-Support Organisation), an NGO involved in the clearing of unexploded ordnance (UXO). The collected munitions are blown up at a remote site.

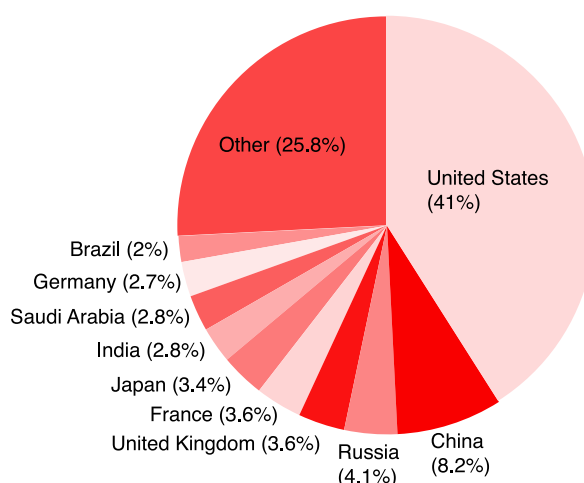
Credit: Fredrik Naumann / Panos

World military spending in 2011 reached an all-time record of \$1738 billion

Numbers and Trends for 2011

World military spending in 2011 reached an all-time record of \$1738 billion. The United States, despite a decrease of 1.2% compared to 2010, is still leading the list of the top spenders with its expenses totalling \$711 billion. It is followed by China (\$143 bn), Russia (\$71.9 bn), the United Kingdom (\$62.7 bn), France (\$62.5 bn), Japan (\$59.3 bn), India (\$48.9 bn), Saudi Arabia (\$48.5 bn), Germany (\$46.7 bn) and Brazil (\$35.4 bn). The ten big spenders are responsible for 74.3% of global military spending, with the US alone accounting for 41%.

Global Military Spending 2011



Between 1998 and 2010 global military expenditure increased each year, and following the 9-11 attacks the annual increase between 2001 and 2009 rose to 5%. In all regions but Western and Central Europe, the increases in the last decade were significant, especially in North Africa and Eastern Europe (see Annexe 1 for more information on changes in all regions during 2011).

While 2011 marks the global record in absolute totals, it is also the first year without a significant global increase, mainly due to many countries decreasing their military budgets in the wake of the economic crisis and making general reductions in government spending. This general tendency is described as 'flattening out' rather than a serious downturn. However it is too early to say if this will constitute a sustained trend. While beneficiaries of military allocations have raised alarms, the reductions have in fact been rather small and are reversible. On the other hand, the 'austerity cuts', in some cases savagely reducing welfare and employment programmes, have made the public much more sensitive to government spending priorities and have raised the general level of political scrutiny. In broad terms we can say that this has made the political climate more favourable to a critique of military spending.

As for arms production and the military services industry, sales have continuously gone up, reaching around \$411.1 billion in 2011. Between 2002 and 2010, arms sales of the top 100 companies increased by 60%. If the increase between 2010 and 2011 is smaller than usual, it is mainly due to the US drawdown from Iraq. In developing countries, large scale arms purchases tend to have serious

effects on the resources that can be made available for development purposes.¹² A full assessment of the arms trade is beyond the scope of this paper, but it is worth observing that this always-controversial business has corrosive effects on development that go beyond simply the opportunity-cost aspects. Since the trade tends to fuel conflict, it bears at least part of the responsibility for the damage done by warfare to the development process. Furthermore, the secrecy in which the trade is shrouded gives rise to widespread corrupt practices; and the scale and importance of major arms deals tend to undermine democratic systems¹³.

It is worth emphasising that excessive military spending – which is after all the financial source material for arms purchases – is not a problem confined to large and affluent states. While it is true that bulk of the world's military expenditure total is accounted for by the 'big spenders', it is often poorer countries who apportion the largest percentages of their government spending to defence. Here the opportunity costs are the most acute and immediate for the populations concerned, in terms of schools and clinics not opened, poverty programmes not funded etc. Low income states are in general less stable and are located in conflict-affected regions. Within the nation, a vicious circle tends to operate, whereby authoritarian military government and social inequality give rise to rebellion, which if it turns violent in response to repression, then justifies higher military spending and arms purchases, further reinforcing the regime in power.¹⁴ Such action-reaction mechanisms serve to seriously undermine progress towards sustainable development.

Military Spending: A Definition

Military expenditure¹⁵ includes spending on 'defence ministries and other government agencies engaged in defence projects; paramilitary forces when judged to be trained, equipped and available for military operations and military space activities'.

The expenditures include:

- all expenditures on current personnel, military and civil
- retirement pensions of military personnel
- social services for personnel and their families
- operations and maintenance
- procurement
- military research and development
- military construction
- military aid (in the military expenditures of the donor country)

For reasons of comparability between states, SIPRI data on military spending does not include civil defence, current expenditure for previous

12 Control Arms. *Shooting Down the MDGs: How irresponsible arms transfers undermine development goals*. http://controlarms.org/wordpress/wp-content/uploads/2011/02/Shooting-Down-the-MDGs.Oxfam_.pdf. (Oxford, 2008)

13 Andrew Feinstein, *The Shadow World. Inside the Global Arms Trade* (London, 2011).

14 Middleton, John. "Weapons of public health." *Medicine, Conflict and Survival* 8.2 (1992): 100-108.

Examples of such cycles include Colombia, Burma and Algeria.

15 According to the Stockholm International Peace Research Institute http://www.sipri.org/research/armaments/milex/resultoutput/sources_methods/definitions

The amount of money spent on the defence sector equals \$4.7 billion a day or \$249 per person. According to the World Bank and the Office of Disarmament Affairs (ODA), only about 5% of this amount would be needed each year to achieve the Millennium Development Goals by 2015.

military activities, veterans' benefits, demobilization, conversion of arms production facilities or destruction of weapons.

The omission of such data means that large sums are not taken into account. In the USA, the costs of veterans' benefits and the military share of interest on the national debt amount to 18% of government spending¹⁶. We can conclude that the true overall costs of the military worldwide must be substantially higher than those quoted in this paper. However without detailed reporting on these additional costs in each country a complete global tally is impossible.

Military spending versus international cooperation

The amount of money spent on the defence sector equals \$4.7 billion a day or \$249 per person. According to the World Bank and the Office of Disarmament Affairs (ODA)¹⁷, only about 5% of this amount would be needed each year to achieve the Millennium Development Goals by 2015.

The military expenditure figures of the big spending countries are much higher than their development aid commitments. For instance, in 2010, the United States' foreign aid budget represented only 4% of its military spending. China, India and Brazil spent each the equivalent of about 1% of their military spending on aid and for Russia it is even less than 1%¹⁸. The proportions for the UK (20%), France (22%), Japan (18%) and Germany (29%) look much better but still show that preparing for war is more attractive than investing in sustainable development and promoting peace.

Looking at the costs of specific weapon systems compared to development projects, the numbers speak for themselves. For instance, for the price of one aircraft carrier (\$5 billion), an area three times the size of Costa Rica could be reforested in the Amazon (\$300 per hectare). Or for the cost of one battle tank (\$780,000), 26,000 people could be treated for malaria (\$30 per person)¹⁹. Yet, many still suffer from this disease and the speed at which the Brazilian Amazon is deforested, with about 7000 km² disappearing each year, is breathtaking²⁰. These examples of Opportunity Costs are stated simply enough. Much more complex is the process of changing the priorities that they express.

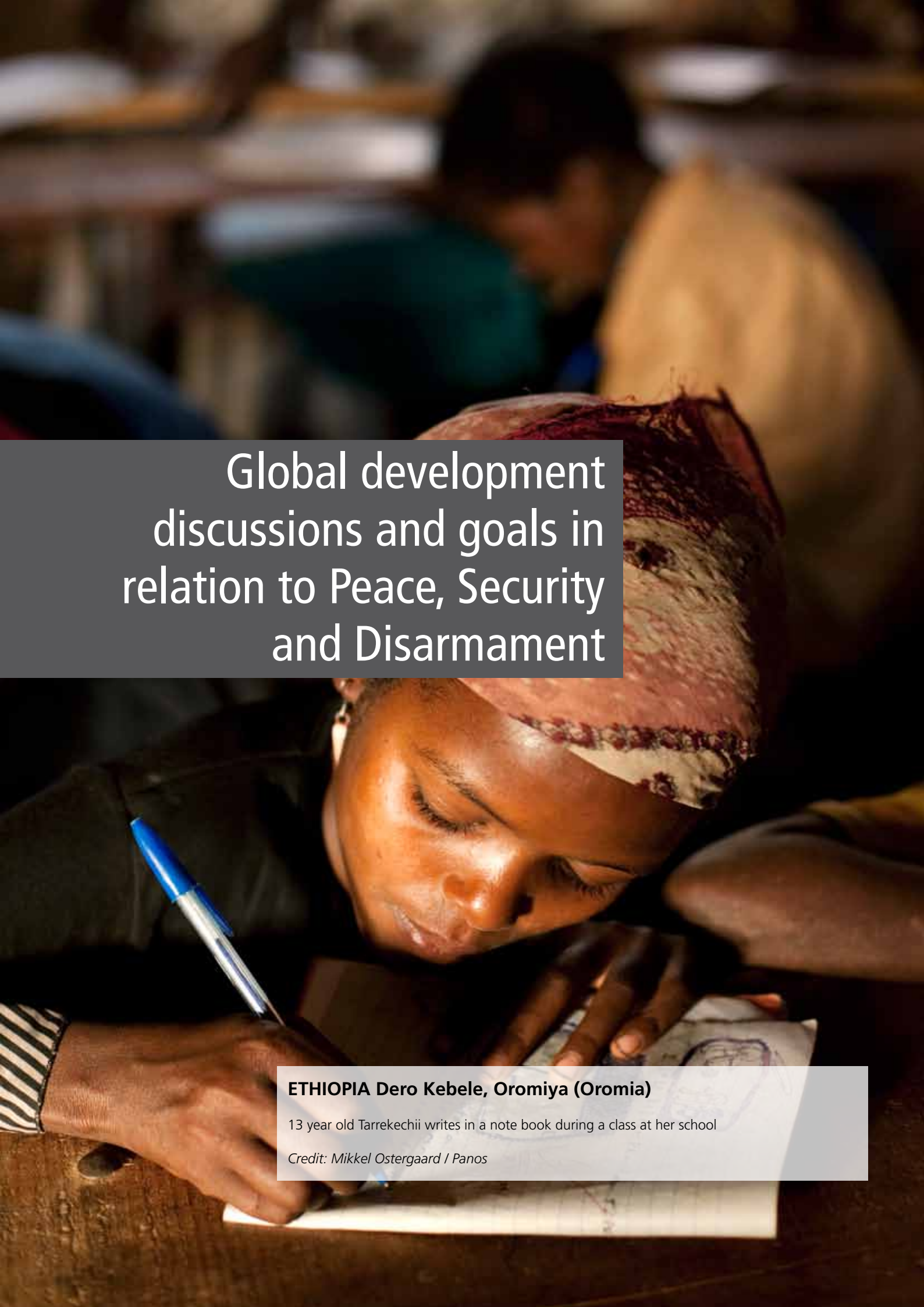
¹⁶ War Resisters League: <https://www.warresisters.org/federalpiechartnumbers>

¹⁷ High Representative for Disarmament Affairs', Ms. Angela Kane, Statement on the Global Day of Action on Military Spending: <http://www.un.org/disarmament/HomePage/HR/docs/2012/2012-04-17-GDAMS.pdf>

¹⁸ Net Official Development Aid Statistics found at <http://www.oecd.org/statistics/> and <http://www.globalhumanitarianassistance.org/> compared to military expenditure on <http://www.sipri.org/>

¹⁹ IPB exhibition for Rio+20

²⁰ Brazilian Ministry for Science and Technology: *General Coordination of World Observation: Satellite Monitoring Project of the Brazilian Amazon* <http://www.obt.inpe.br/prodes/index.php>

A close-up photograph of a young girl with dark skin, wearing a red and white patterned headscarf, focused on writing in a notebook with a blue pen. The background is blurred, showing other students in a classroom setting. A semi-transparent grey box with white text is overlaid on the upper part of the image.

Global development discussions and goals in relation to Peace, Security and Disarmament

ETHIOPIA Dero Kebele, Oromiya (Oromia)

13 year old Tarrekechii writes in a note book during a class at her school

Credit: Mikkel Ostergaard / Panos

The interlocking issues of Peace, Security and Disarmament have been extensively studied and their linkage to development discussed at many international conferences. How they were included in (or excluded from) the global priority setting of the last decades is shown in this section.

No treaty process

First we should note the lack of any treaty process regulating military spending – though we do have the **Standardised Reporting Mechanism**, established in 1981, recently renamed the **United Nations Report on Military Expenditures**. This system *'allows countries to report what their military budget looks like. If submitted every year, [the reports] provide insight on military spending patterns of countries. Such transparency may increase confidence within regions and beyond. By making the figures publicly available, the UN encourages their verification and analysis.'*²¹

The Report operates in a similar way to the UN Register of Arms Transfers, which is also limited to a transparency role. However the fact that serious (though so far unsuccessful) efforts are now being made to achieve a UN Arms Trade Treaty with the power to actually regulate the trade allows one to imagine that the day may not be so distant when an equivalent Treaty is established to regulate excessive military spending. Meanwhile, we can build on a number of important, though largely rhetorical, elements in more recent agreements and declarations.

Earth Summit

In 1992, at the UN Conference on Environment and Development, in which 178 governments participated, *Agenda 21*, the *'Bible'*²² of sustainable development was adopted, among other documents and declarations. It is a non-binding action plan that engages governments, multilateral organizations and the UN in regards to development and especially human impacts on the environment. The 300-page document is divided into 4 sections:

- I. Social and Economic Dimensions
- II. Conservation and Management of Resources for Development
- III. Strengthening the Role of Major Groups
- IV. Means of Implementation

The most important chapter for our argument is paragraph 33 on Financial Resources and Mechanisms²³. It deals with the financing of Agenda 21 and outlines 'new ways' of generating resources. Article 33.17 and 33.18 read as follows:

33.17. Investment. Mobilization of higher levels of foreign direct investment and technology transfers should be encouraged through national policies that promote investment and through joint ventures and other modalities.

33.18. Innovative financing. New ways of generating new public and private financial resources should be explored, in particular:

- (a) Various forms of debt relief, apart from official or Paris Club debt, including greater use of debt swaps;*
- (b) The use of economic and fiscal incentives and mechanisms;*
- (c) The feasibility of tradable permits;*
- (d) New schemes for fund-raising and voluntary contributions through*

²¹ <http://www.un.org/disarmament/convarms/Milex/>

²² Monika Linn, Principal Adviser to the Executive Secretary, UNECE

²³ Agenda 21, Rio de Janeiro, 1992 http://www.un.org/esa/dsd/agenda21/res_agenda21_33.shtml

*private channels, including non-governmental organizations; (e) **The reallocation of resources presently committed to military purposes.***

Despite 178 states adopting this document, point (e) clearly has not been implemented, since governments around the world are spending more than ever on the military. Reallocating resources for development purposes has not been discussed any further at recent global summits and was not brought up at all in the follow-up conference of the Earth Summit, the United Nations Conference on Sustainable Development (Rio+20) in 2012.

Millennium Declaration

In September 2000, after three days of negotiations at the Millennium Summit²⁴, the General Assembly in the presence of its 189 world leaders adopted the Millennium Declaration²⁵ (MD). The Millennium Declaration stated the determination of states to work towards development, combining poverty eradication, environmental conservation, human rights, democracy as well as peace and security. This document consists of eight chapters and many more objectives, all of which are supposed to be achieved by 2015. The chapters are entitled:

- I. Values and Principles (including the following principles: Freedom, Equality, Solidarity, Tolerance, Respect for nature, Shared responsibility);
- II. Peace, Security and Disarmament;
- III. Development and Poverty Eradication;
- IV. Protecting our Common Environment;
- V. Human Rights, Democracy and Good Governance;
- VI. Protecting the Vulnerable;
- VII. Meeting the Special Needs of Africa;
- VIII. Strengthening the United Nations

Peace, Security and Disarmament had a prominent role in the Millennium Declaration. Sub-chapter 8 starts with a strong promise to end wars and eliminate weapons of mass destruction:

8. We will spare no effort to free our peoples from the scourge of war, whether within or between States, which has claimed more than 5 million lives in the past decade. We will also seek to eliminate the dangers posed by weapons of mass destruction.

In sub-chapter 9 many concrete goals are described, which the international community committed to achieve, such as, among others :

- to make the United Nations more effective in maintaining peace and security
- to ensure the implementation of treaties in areas such as arms control and disarmament and of international humanitarian law and human rights law
- to strive for the elimination of weapons of mass destruction
- to take action to end illicit traffic in small arms and light weapons
- to call on all States to consider acceding to the Mine Ban Treaty

While this list does not refer to military spending as such, the language in favour of disarmament and peace is very strong, and 189 States have agreed on this text. Unfortunately, the goals outlined remain far from realisation.

8. We will spare no effort to free our peoples from the scourge of war, whether within or between States, which has claimed more than 5 million lives in the past decade. We will also seek to eliminate the dangers posed by weapons of mass destruction.

²⁴ <http://www.un.org/millennium/summit.htm>

²⁵ <http://www.un.org/millennium/declaration/ares552e.htm>

An aerial photograph of a large wind farm situated on rolling green hills. Numerous white wind turbines are scattered across the landscape, following the contours of the hills. A winding road or path is visible, cutting through the terrain. The lighting suggests a low sun, creating long shadows and highlighting the textures of the grass and the structure of the turbines.

Post-2015 framework

UNITED STATES OF AMERICA

A wind farm in the Altamont Pass Wind Resource Area near San Francisco Bay. It consists of more than 5000 windturbines and pioneered wind energy in the 1980s. It also produced the first evidence of how fatal the turbine blades can be for birds.

Credit: Georg Gerster / Panos

The deadline for the MDG targets is fast approaching, bringing up many questions about the development of the agenda post-2015. The international community remains committed to achieving a world of prosperity, dignity and peace and will undoubtedly continue its efforts towards the objective of sustainable development. Yet the paths to this goal are many. UN agencies, civil society, academia, think tanks and other partners are currently working to develop a post-2015 development agenda reflecting new challenges. A very wide process of consultation among all stakeholders is under way and will lead to a whole series of reports to inform the discussions on this issue at the UN General Assembly in 2013. (see Annexe 2)

Sustainable Development Goals (SDGs)

In his 2011 speech *'We the Peoples'*, UN Secretary-General Ban Ki-moon, called for a 'new generation of sustainable development goals'²⁶. They could become the basis for redefining the MDGs or seen as complementary to them. In the report of the UN Secretary-General's High-level Panel on Global Sustainability *'Resilient People, Resilient Planet: a future worth choosing'*²⁷ published in January 2012, the SDGs are taken up again.

In early 2012, the governments of Colombia and Guatemala, with the support of civil society and many other states, made two proposals, urging that agreement be sought at the Rio+20 conference on (1) a definition of the thematic objectives, i.e. 'a suite of SDGs'; and (2) a mandate to further develop these objectives, and to agree 'a process that could converge with the review of the MDGs', as they approach their expiry in 2015. They suggested 'prioritizing those themes and issues that are considered critical factors in moving forward the sustainable development agenda, inspired by Agenda 21'²⁸. According to Colombia and Guatemala, these issues could include: combating poverty, changing consumption patterns, promoting sustainable human settlement development, biodiversity and forests, oceans, water resources, advancing food security, and energy, including from renewable sources.

It is notable that the issues of security, disarmament and peace were not mentioned in the proposal of Colombia and Guatemala, nor in the report of the High-level Panel on Global Sustainability.

Rio+20

The 192 governments present at the July 2012 United Nations Conference on Sustainable Development adopted the outcome document *'The Future We Want'*²⁹. Eradicating poverty is described as the biggest challenge facing the world and the implementation of the three principles of sustainable development are reaffirmed: economic growth, social equality and environmental sustainability. The 49-page document does not, unlike its older brother *Agenda 21*, include

²⁶ 'Let us develop a new generation of sustainable development goals to pick up where the MDGs leave off. Let us agree on the means to achieve them.' 21 September, 2011. https://www.un.org/apps/news/infocus/sgspeeches/search_full.asp?statID=1310

²⁷ High-Level Panel on Global Sustainability: *Resilient People, Resilient Planet: A Future Worth Choosing*. <http://www.un.org/gsp/report> (New York, 2012) page 72 and next.

²⁸ A Proposal from the governments of Colombia and Guatemala at the Rio+20 conference, 2012: <http://www.uncsd2012.org/content/documents/colombiasdgs.pdf>

²⁹ Outcome document of the Rio+20 conference, 2012: <http://www.uncsd2012.org/thefuturewewant.html>

any mention of peace and security, nor disarmament. Nevertheless, it reaffirms states' commitment to fully implement the *Rio Declaration, Agenda 21* and all subsequent programmes of action of the conferences on sustainable development³⁰.

In summary, we can say that a tremendous mobilisation is under way on all continents to focus the world's attention on the challenges ahead after 2015. The bulk of the debate focuses on classical development issues relating to poverty eradication and community empowerment. There are good chances that, this time around, issues relating to peace, security, violent conflict and/or human rights will make it into the new formulations and the goals to be met. But will the military spending elephant even be noticed?

30 Johannesburg Declaration on Sustainable Development ; Barbados Programme of Action; Mauritius Strategy for the Further Implementation of the Programme of Action of for the Sustainable Development of Small Island Developing States; Istanbul Programme of Action.

A low-angle photograph of a man in a dark suit and light blue tie walking past a newspaper stand. The stand is a blue metal frame holding a copy of the Evening Standard newspaper. The newspaper's headline reads 'BRITISH BANK £45BN IN RED'. The background features the grand, classical architecture of the Bank of England, with its columns and pediment. A silver taxi is partially visible on the left. A black lamppost with three spherical lights stands to the right of the man. The sky is overcast.

Financing sustainable development

UNITED KINGDOM

An Evening Standard newspaper story says 'British Bank £45BN in Red' in front of the Bank of England in London.

Credit: David Rose / Panos

How can the implementation of the SDGs/Post-2015 framework be funded?

The costs of development are very difficult to estimate. Studies of the amount of money needed to reach the MDGs have been made but with different outcomes - not surprisingly. The 8 MDGs are all closely interlinked and it therefore does not make much sense to simply total up the costs of each, since the (partial) achievement of one MDG will have impacts on the achievement of another. For example, if poverty can be reduced in a particular area, the general health conditions of that population are likely to improve. Or if universal education is realized, there is a strong probability that general poverty will be reduced as a result. This is why it is important to consider the numbers put forward by the World Bank or the UN Millennium Project carefully. The World Bank said in 2003 that the additional development assistance required to reach the MDG targets by 2015 was between \$40-60 billion a year³¹. But this only applies under the condition that all other international exchanges continue as 'business as usual'. The Millennium Project's 2003 estimates³² ranged from \$121-189 billion annually. How reliable these figures are is difficult to evaluate.

To date, no studies on the costs of a future post-2015 development agenda or of the proposed Sustainable Development Goals have been undertaken and probably cannot be expected until after the adoption of the new framework.

What we know for sure is that whatever system will be chosen, the costs of achieving the objectives will be high. While the bulk of the funding for the new goals will come from countries' own national budgets, development assistance will play an important supplementary role and this is the key area where communities in the Global North can make a contribution. In recent years, overall Official Development Assistance (ODA) has hovered around \$125 billion, reaching \$133.53 billion in 2011 (preliminary OECD figures). Superficially these may appear large sums, yet any survey of the development challenges facing the world at a time of rising populations, growing inequalities and accelerating climate change, suggests that the level of official investment is woefully inadequate. Additional funding for the next set of development goals will be necessary, but where the money will come from is an open question. In times of economic crises and austerity cuts, it is difficult to imagine that ODA will increase. Indeed, developed countries are likely to focus primarily on domestic issues with resources for international cooperation diminishing.³³

Innovative financing for development – and the place of military expenditure in the post-2015 debate

Many states and international organizations have been creative in elaborating innovative financing mechanisms for development. Through such methods, about \$6 billion have been made available since 2006³⁴. Innovative financing includes concrete mechanisms, such as leveraging resources from the private sector, taxing airline tickets, global companies sharing their profits on goods from sales branded with a specific trademark, taxes on financial transactions,

What we know for sure is that whatever system will be chosen, the costs of achieving the objectives will be high

31 World Bank: *The Costs of Attaining the Millennium Development Goals* (2003): <http://www.worldbank.org/html/extdr/mdgassessment.pdf>

32 UN Millennium Project: *A Practical Plan to Achieve the Millennium Development Goals* (2005). <http://www.unmillenniumproject.org/reports/fullreport.htm>

33 'UN Secretary-General urges stronger global development partnership amid declining aid levels', 20 Sept. 2012.

34 For further information, visit the website of the Leading Group on Innovative Financing for Development: <http://leadinggroup.org/rubrique20.html>

negotiating debt between creditors and debtors and requesting the debtors to invest in approved programmes. These methods should all continue to be applied and new ones to be tested.

The very existence of such a mini-industry under the name of 'innovative financing mechanisms for development' is itself an indicator that ODA's current share of government resources is insufficient, and that other, mainly private sector, solutions need to be explored. However IPB's contention is that at least some of the gap could be filled by cutting back the fat in the bulging defence sector. Most countries spend more on armaments than they need in order to be secure. Nuclear programmes are modernized, new generations of fighter jets and tanks are purchased, and major research projects investigating yet more advanced methods of warfare are funded in both public and private institutions. International cooperation could go a long way with only a small proportion of the \$1738 billions spent on defence each year.

The importance given by the UN System Task Team and many other contributors to the discussions on the post-2015 framework to the issues of security and peace is an important step forward, since it respects the *Millennium Declaration* and will add a whole new dimension to the interpretation of development compared to the MDGs. It is paramount that these issues be discussed and included in the post-2015 development agenda, for without security and peace, sustainable development will be very difficult to achieve.

But in addition, military spending and its reduction should also be examined as a contribution to reducing tensions and minimizing armed conflicts; and at the same time, as we have argued, it should be considered as a tool to fund development efforts. **It is time for a mentality change within and among states towards new budget priorities, the demilitarization of societies and the financial support of development efforts deriving from these sources.**

Through the inclusion of this issue in the post-2015 development agenda, states will be reminded that they committed themselves to such efforts in 1992 and 2000 and are obliged to reconsider their budgeting priorities in accordance with UN Charter Article 26. Furthermore, affluent states may discover that moving major public resources into socially-productive areas may in the medium term help their economic recovery and ultimately generate greater possibilities for offering development assistance.

Military spending as an indicator for the achievement of sustainable development

If the post-2015 development framework comes in the form of goals, they will most certainly be accompanied by several specific targets and indicators in order to measure progress. If the call of the numerous UN agencies, think tanks and NGOs is heard, and security and peace are included as one of the goals, we argue that military spending must also become an important indicator of this goal.

Whether or not a state sets its priorities to favour security and peace can be shown partly in how it spends its resources. A state that invests heavily in its military – compared to other sectors such as education, health and diplomacy – may be tempted to solve conflicts through military means, or the threat of them, rather than peaceful methods. At every level, from handguns to heavy weapons, the availability of armed force increases the likelihood of armed interventions. According to the findings of a study by the Bonn International Center for Conversion (BICC), 'a general reduction in the means for violent

It is time for a mentality change within and among states towards new budget priorities, the demilitarization of societies and the financial support of development efforts deriving from these sources.

conflict resolution increases the security of all.'³⁵

A high level of militarization of a state is also likely to hinder effective governance and encourage corruption. Time and again we see how powerful military interests influence political processes in order to favour their own positions or line individuals' pockets. Moreover, over-militarization tends to fuel regional tensions which may lead to an arms race, hampering the sustainable development of both the country itself and its neighbours.

A relevant indicator of such militarization would be the ratio of military spending totals to the amounts spent by governments on health and education. Country-by-country tables of exactly this statistical comparison can be found in the UNICEF annual report *The State of the World's Children* – Statistical Annexe³⁶.

35 Bonn International Center for Conversion: *Demilitarization and Conversion* (Bonn, 1995), p. 17. <http://www.bicc.de/publications/publicationpage/publication/demilitarization-and-conversion-168/>

36 UNICEF: *The State of the World's Children*. <http://www.unicef.org/sowc2012/> (New York, 2012) (Table 7: Economic Indicators).



FAQs: Objections and contrary arguments

AFGHANISTAN

A shadow is cast on the road as a vehicle belonging to Norwegian ISAF (International Security Assistance Force) troops passes Afghan girls on their way to school. ISAF is a peacekeeping mission affiliated to the United Nations (UN) and NATO.

Credit: Fredrik Naumann / Panos

'There is a need for militarised defence'

The first argument against reducing military spending will come from those who consider the armed forces as the best way of protecting a country and its population. The case is often made that lower military spending will lead to weaker defences and higher risks for a country's security.

However, studies of modern security challenges show that the most significant threats in this day and age come not from other states but from changing global contexts. The threats are more varied than in Cold War times and include failed/failing states, organized crime, drug trafficking and diverse forms of terrorism. They cross boundaries and affect civilians directly. Today's threats challenge traditional notions of defence and fuel the debate on human security vs. national security. Indeed, current experience shows that even the strongest armies can neither fight climate change nor protect effectively against terrorist or cyber attacks.

As for the risk of physical attack from neighbours or rebels, the UN and civil society movements stand for greater priority to be given to diplomacy and human security measures than to war preparations. Within the nation-state the most promising approaches to diminishing the risk of armed conflict are those forms of devolved government which allow local communities to exercise control over a maximum number of decisions affecting their daily lives.

Three important aspects unrelated to classical warfare scenarios lend themselves to justifications of the role of the military.

The first is its role in responding to natural disasters. While it is true that the armed forces possess logistics, equipment and training that can be rapidly deployed, essentially these are civilian tasks and should be undertaken by well-equipped unarmed services. As long as large armed forces exist, however, they should obviously be used in disaster relief operations or similar emergencies. But the longer term goal should be to civilianise these tasks. Meanwhile, the role played by armed forces in such tasks should not serve to justify massive investments in big-ticket items such as aircraft carriers, missiles, space weaponry or nuclear arms.

Second, it is frequently argued that military service helps consolidate varied and even antagonistic social groups in the process of nation-building. This is an argument often advanced in ethnically-diverse developing countries. However we argue that this role can be fulfilled by other types of national service geared to sustainable development and environmental protection³⁷.

The third area usually cited by proponents of heavy investments in armed forces is their role in UN or regional peace-keeping operations. While most peace advocates would generally support such operations - certainly in preference to aggressive, unilateral forms of power-projection that lack UN backing - it must be noted that a traditional peace-keeping operation is normally intended as a lightly-armed expedition, sent in where there is already a negotiated peace to keep. The fact that many operations in recent years have gone beyond this classical definition, getting drawn into much more intense warfare scenarios involving heavy equipment and substantial casualties is an indicator of the

³⁷ A list of some of the countries already offering this type of service can be found at: http://en.wikipedia.org/wiki/National_Youth_Service. See also the International Association for National Youth Service : <http://iccp.org/ianys>

'moral maze' into which such operations have been led. While a certain level of military preparedness can be justified in order to support such roles, that is a far cry from the massive scale of military investment and procurement that we see in the great armies and economies of the contemporary world.

It is undeniable that in certain contexts, there remains a role for armed forces, in order to protect civilians under threat either from other states or from armed groups of various types. The right of (temporary) self-defence in the face of external aggression is indeed enshrined in Art. 51 of the UN Charter. Having said that, we should acknowledge that experience sadly shows that often the very forces that are sent to protect communities end up committing violent acts against them, in the name of counter-terrorism or other doctrines. Furthermore, the focus of our study is *excessive* military spending, rather than the existence of the military as such.

How to shift the money to sustainable development? Domestic v. international programmes

A central objection raised, even by supporters of reductions in military spending in Western countries, is that the actual mechanism for the reallocation of funding is far from obvious. Even if governments realize that traditional defence policies are no longer appropriate for tackling modern threats and decide to make reductions in their military budgets, they are unlikely to simply transfer the money from the military to social programmes, and (in the case of rich countries) even less so to development cooperation. They may prefer to boost their national infrastructure or banks, mop up their national debt, or reduce their citizens' tax burden. Given the extent of public protest in Europe and elsewhere concerning loss of jobs and services, there is strong pressure to ensure that any savings are invested in the domestic economy. However this is not universally true there are instances (UK, for example) of governments even giving 'ring-fence' protection to aid programmes at a time of generalised cutbacks³⁸.

The answer to this general challenge is that there needs to be a strong national lobby, propelled by grass-roots campaigns, insisting that the government spends the resources released from the military sector according to a different set of priorities. While IPB and its partners support measures to boost both public and private sectors in order to raise tax revenues and create 'green' jobs, the case for development financing also needs to be made. **Improved and sustainable development in the global South will lead to real benefits to the North's own economic stability and political security, even if the cause-and-effect relationship is often indirect.**

While humanitarian and emergency assistance attracts far more media attention, it is investment in medium- and long-term sustainable development, conducted on a genuine partnership basis, that does most to reduce dependency and boost trade opportunities. While lip-service is usually paid to such an approach by development agencies, the reality is that relationships of domination and patronage remain strong, especially in countries with long and painful histories of colonial rule and occupation. Neither North nor South will feel more secure until such relationships are transformed. This is not primarily a matter of financial resources but rather one of political attitudes. All the same, if greatly expanded opportunities are offered to people in the global South, there will be

³⁸ <http://www.guardian.co.uk/global-development/2011/jun/11/david-cameron-defends-aid-funding>

"The poorest developing countries will be hit earliest and hardest by climate change, even though they have contributed little to causing the problem. Their low incomes make it difficult to finance adaptation. The international community has an obligation to support them in adapting to climate change. Without such support there is a serious risk that development progress will be undermined."

less migration pressure and less recourse to anti-western terrorist attacks out of frustration and resentment.

One strategy to bolster the political will required for changes along the lines advocated here is the creation of Ministries of Peace and/or Disarmament³⁹. While very few governments have so far put such proposals into practice, there is a compelling logical case for such institutions and their existence would help to embed the changes into the governance architecture of the particular country. However it should be understood that such institutional arrangements are not a pre-requisite for making the recommended budget priority shifts.

Doesn't promoting development imply tackling climate change?

Climate change is the most significant new element in the development debate in recent years, notably its growing impact on already-vulnerable communities. It is now widely recognised that development policies must necessarily include investments to help communities everywhere – but especially in less affluent countries – mitigate and adapt to climate change. But what will it cost, and where will the funds come from? On the mitigation side, the Stern Review⁴⁰ estimated that cutting total greenhouse-gas emissions to three-quarters of 2007 levels would cost around 1% of world GDP per annum, i.e. approximately \$750 billion (later revised to 2%, i.e. \$1.5 trillion). Stern does not offer a figure on the costs of adaptation, but makes the general commentary:

"The poorest developing countries will be hit earliest and hardest by climate change, even though they have contributed little to causing the problem. Their low incomes make it difficult to finance adaptation. The international community has an obligation to support them in adapting to climate change. Without such support there is a serious risk that development progress will be undermined." The Review then goes on to recommend a doubling of aid flows.⁴¹

More modestly, the UN's new Green Climate Fund, intended to be the biggest single funding route for the climate resources pledged by developed countries for poorer nations, has set a target of \$100bn each year by 2020 to help them cut greenhouse gas emissions and adapt to the effects of global warming⁴². Many reports – notably those conducted by the Pentagon⁴³ – suggest that climate change is a major security risk, as well as a threat to social and economic development. For all the above reasons, and given the unprecedented scale of the problem, it is vital that strong voices be heard at the centre of power in favour of shifting major government budgets to respond to this unprecedented challenge.

'Only a small percentage of GDP'

Other critical voices may claim that military expenditure is after all not so high,

39 Global Alliance for Ministries and Departments of Peace: <http://www.mfp-dop.org/>

40 Stern Review on the Economics of Climate Change, 2006. http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/Independent_Reviews/stern_review_economics_climate_change/sternreview_index.cfm

41 http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/media/4/3/Executive_Summary.pdf

42 <http://www.guardian.co.uk/environment/2012/aug/23/un-green-climate-fund-climate-change>

43 Climate Change Seen as Threat to U.S. Security: <http://www.nytimes.com/2009/08/09/science/earth/09climate.html?pagewanted=all&r=0>

as a proportion of GDP. The US, for example, spent 'only' 4.8%⁴⁴ of its GDP in the defence sector in 2010 (Russia: 3.9%; China: 2.1%; France: 2.3%). While such figures are broadly accurate and can be seen as one way to estimate the degree of militarization of a country, spending decisions made in parliaments are not based on them. When a budget is decided on, the different sectors it comprises are looked at in relation to the overall 'cake' available and not their relation to the GDP. When looked at this way, the military's share is in fact considerably higher.

The Bonn International Center for Conversion (BICC) has devised the Global Militarization Index (GMI) which shows the 'relative weight of the military apparatus of a state in relation to the society as a whole'⁴⁵. The data used is based on several factors, including military spending as share of GDP, but also the level of military spending in relation to spending on health care, and numbers of military personnel and weapons relative to the size of population. Thus the BICC argues that in order to measure the militarization of a state it is not sufficient to examine only the comparison with GDP.

While appreciating the usefulness of a sophisticated measure such as the GMI, the IPB advocates a comparison between military expenditure and total government spending. Only if we look at the different budget lines funded out of government revenues, such as education, health or defence, can we determine a state's spending priorities.

Won't we lose our jobs?

The issue is not only about the misuse of money. It is also about the channelling of so many of our finest scientific minds into careers that promote military, rather than civilian, solutions. Wouldn't we advance more rapidly in the global fight against HIV/AIDS, or in tackling water scarcity or climate change, if even a small portion of the military's immense store of brainpower were made available for such programmes?

The term conversion is generally understood to refer to the planned reorientation of industries working for the military towards civilian production. In the US, Congress continues to appropriate very substantial funding for the procurement of weapons systems. This work often provides union jobs and the promise of relative employment security. Local communities defend these jobs when there is a threat of loss, knowing that America has not so many other thriving industrial sectors, and the service sector does not offer the same standard of living. Politicians too benefit heavily from arms industries in their constituencies and the pork-barrel politics they foster constitutes serious barriers to conversion initiatives.

Yet conversion will generally generate more jobs than war preparations, through processes involving redeployment of military-committed resources and personnel (engineers, factory workers, managers). Conversion may imply the restructuring of a company, diversification of the product range and relocation and retraining of staff.

According to the BICC⁴⁶, shifting resources to civilian use can have various

44 SIPRI military expenditure database: http://www.sipri.org/research/armaments/milex/milex_database

45 Bonn International Center for Conversion: *The Global Militarization Index (GMI)*. Occasional Paper (Bonn, 2011) p. 11. http://www.bicc.de/old-site/uploads/pdf/publications/papers/occ_paper_07/occasional_paper_VII_02_11_eng.pdf

46 Bonn International Center for Conversion: *Demilitarization and Conversion* (Bonn, 1995) p.

Conversion is closely linked to human security. It contributes to building confidence and channels resources to productive civilian activities which lead to increased employment, protection of the environment, socially-useful goods and services and, ultimately, less social friction. Conversely, improved security also allows resources to be shifted from the military to civilian activities

benefits, such as:

- increase of investment in productive economic activities
- availability of skills from demobilized soldiers and scientists
- freeing of land holdings from base closures
- reduction of tension in post-conflict regions can result in increased saving and lower interest rates and therefore higher economic growth rates.

Conversion is closely linked to human security. It contributes to building confidence and channels resources to productive civilian activities which lead to increased employment, protection of the environment, socially-useful goods and services and, ultimately, less social friction. Conversely, improved security also allows resources to be shifted from the military to civilian activities.⁴⁷ It is accepted that conversion does generate certain costs, such as additional payments for retirement, redundancy and retraining, or for clean-up of military bases. But with strong governmental support, the balance of costs and benefits would normally be favourable to sustainable development.

According to a 2007 article⁴⁸, an example from Denmark shows that a shipyard company having gone bankrupt in 1999 was taken over by Vestas Wind Systems who converted the facilities to make windmills. The company doubled its initial workforce and all the former shipyard workers became windmill producers. The company is the world's top producer and exporter of windmills while supplying 13 percent of Denmark's power needs. As of 2011, Vestas wind turbines generated enough electricity to supply 21 million people. In January 2011, Vestas won the \$1.5m Zayed Future Energy Prize in Abu Dhabi.

The Friends Committee on National Legislation (USA) argues that the 'job loss from decreased military spending' argument is weak⁴⁹: *'It is true that discontinuing weapons systems will cause job loss in the short term, but unnecessary weapons manufacturing should not be considered a jobs programme (that would be like spending billions of dollars digging holes), and research shows that these jobs can be successfully transferred to other sectors.'* Research carried out in the USA by Robert Pollin and Heidi Garrett-Peltier shows that - mainly due to its very high-tech character - military investments create fewer jobs than the same amount of capital employed in civilian sectors such as health or education⁵⁰.

Furthermore, rather than creating/sustaining jobs, some research suggests that increased military spending leads to net job losses⁵¹.

Research and Development (R&D) of military products is also very big industry that merits a principled challenge:

'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

10. <http://www.bicc.de/publications/publicationpage/publication/demilitarization-and-conversion-168/>

47 Idem: p. 22.

48 Mary Beth Sullivan: *Conversion for Survival* (2007). <http://www.commondreams.org/archive/2007/03/28/147>

49 http://fcnl.org/pdfs/issues/budget/Jobs_vs_Military_Final.pdf

50 The U.S. Employment Effects of Military and Domestic Spending Priorities: 2011 Update www.peri.umass.edu/fileadmin/.../PERI_military_spending_2011.pdf

51 Truth out: <http://archive.truthout.org/1109097>

*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.*⁵²

According to Subrata Ghoshroy, research associate at the Massachusetts Institute of Technology, the US spends nearly \$76 billion annually on defense research and development, an amount that exceeds the *total* defense spending of any other country except China. He argues that reform of defence R&D *'could save tens of billions of dollars while increasing support for the basic research that has powered the American economy, from radar to the Internet.'*⁵³ The close link between the US Department of Defence and academia makes universities heavily dependent on military contracts, and leads to biased science.

An important contemporary variant of conversion is the demobilization of former combatants and their integration into the civilian work force. Demobilization may mean to downsize armed forces or to completely disband them. Given the diverse skill profile of these combatants, ranging from farmers with low levels of literacy to mechanics and doctors whose skills enable them to be active in civilian sectors, the reintegration programmes must be designed to respond to their specific needs as well as take into account gender issues. The case is more complicated for former child soldiers, as they have most likely not had the chance to learn any profession – including any skills – that they could go back to after conflict.

A successful example of human conversion is found in Zimbabwe: 5 years after the conclusion of the demobilization and reintegration programme, 83% of its former combatants were employed or being trained (half of which, however, by the army and in the civil service).⁵⁴

In the Global North, since the September 11 attacks, massive political power has been mobilized to support military institutions and interests and the obstacles to conversion have been substantial. In this context, a strong political programme including reductions of military expenditure and reindustrialization is needed to make conversion successful. Building up a demand for civilian industrial markets (such as renewable energy, green transportation, and infrastructure) may also encourage military-oriented firms to shift their priorities and find ways to make conversion profitable.⁵⁵

While it is true that attention to military conversion has waned over the last two decades, there is now one very important new factor that could favour its re-emergence. Another form of conversion is under way, in which most societies are now to some extent engaged: the ecological transformation of the economy, of which an example is the consortium of international agencies jointly promoting the Green Jobs Initiative.⁵⁶ The transfer from a fossil-fuel based economy to one

52 Langley Chris: *Soldiers in the Laboratory: Military Involvement in Science and Technology -and Some Alternatives* (Kent, 2005).

53 Subrata Ghosroy: *Restructuring defense R&D*. (2011) <http://www.thebulletin.org/web-edition/features/restructuring-defense-rd>

54 Bonn International Center for Conversion: *Conversion in Africa: Past Experience and Future Outlook*, Paper 4 (Bonn, 1995) p. 26. <http://www.bicc.de/publications/publicationpage/publication/conversion-in-africa-past-experience-and-future-outlook-171/>

55 For a recent analysis of prospects for military conversion in the USA, see Miriam Pemberton http://www.ips-dc.org/articles/how_we_can_replace_defense_jobs

56 http://www.unep.org/labour_environment/features/greenjobs-initiative.asp

'The idea that you should produce weapons of mass destruction in order to keep 1,500 jobs going in the Barrow shipyard is palpably ludicrous. We could give them all a couple of million quid and send them to the Bahamas for the rest of their lives, and the world would be a much better place. And we would have saved a lot of money'

Nick Harvey, former UK
Minister of Defence

based on renewable energy sources, for example, is in many ways parallel to the task of converting an economy at least partly based on the military to one geared to addressing social and ecological imperatives.

As both transformations advance, there is tremendous scope for sharing best practices and lessons learned among all the stakeholders.

'The idea that you should produce weapons of mass destruction in order to keep 1,500 jobs going in the Barrow shipyard is palpably ludicrous. We could give them all a couple of million quid and send them to the Bahamas for the rest of their lives, and the world would be a much better place. And we would have saved a lot of money'.

Nick Harvey, former UK Minister of Defence⁵⁷

⁵⁷ <http://www.guardian.co.uk/uk/2012/sep/26/trident-nuclear-missiles-review-down-grading>



The way forward

NEPAL Kathmandu

Tibetan peace flags hang from a pagoda in central Kathmandu.

Credit: Jason Larkin / Panos

Given the importance of this topic, and the scale of the policy challenge, the IPB has decided to develop a worldwide public campaign, within its 'Disarmament for Development' programme. While the present effort aims at influencing the international debate on the UN's development agenda, we also work to support our members and partners at the national level. The key decisions regarding spending on military and development activities are taken at the national level, in parliaments, ministries and cabinets, and with the input from many specialist institutions. In IPB's view, this is where civil society can and should have some direct impact. To that end we encourage the development of cross-sectoral coalitions and both individual and organisational participation in our Global Day of Action on Military Spending.

Global Day of Action on Military Spending (GDAMS)

Through the organization of different activities on GDAMS, (normally held in the month of April) the IPB and many partner organizations around the world are advocating a shift of budgeting priorities. The goal of this Day is to raise awareness among the general public and politicians on the issue of their national military spending, a subject often protected from public scrutiny. Our network of grass-roots organizations working on this theme is growing each year and through them the IPB hopes to make the Day known to the general public. Thanks in part to the support of the UN Office for Disarmament Affairs and the encouraging statements of its High Representatives, as well as the endorsement of GDAMS by the UN Office in Geneva, the IPB has been able to draw considerable attention to this issue.

Outreach to specific sectors

IPB is well aware that to achieve the shift in priorities we argue for will take more than the efforts of a small number of NGOs in the peace and disarmament field, no matter how dedicated. We have therefore decided to embark on a major programme of outreach to a range of sectors, from development agencies and religious bodies to parliamentarians and trade unions. The idea is to engage leadership at various levels in talks about how to get the issue of military resources raised in the course of their own inputs to the UN's Development Agenda, and in representations to their governments.

Engagement with the UN's post-2015 development agenda will necessarily require mobilization at international, national and even local levels. To be effective, the views of as many stakeholders as possible need to be taken into account.



Conclusion

HAITI

Street children in front of a peace monument which was inaugurated by former President Jean-Bertrand Aristide. Many street children went on to become pro-Aristide militiamen (so-called 'chimères').

Credit: Dieter Telemans / Panos

This paper has argued the importance of demilitarizing our societies and reducing military spending in order to massively boost funding for sustainable development. These transfers should be seen as an important 'innovative financing mechanism' for development.

As the statistics in the previous chapters indicate, if only a small fraction of global military expenditure were freed up for development programmes, we could go a long way to achieving the MDGs and whatever targets will follow them. It is therefore vital that key players and stakeholders in the post-2015 development debate insist that the issue of military spending be included, *in addition* to other security and peace matters.

Reductions in military spending are of course not a panacea. We have to find ways to ensure that savings are actually transferred to social and development programmes. And that must necessarily be part of a much more comprehensive global transformation -- away from an economy based on massive inequalities and mutual hostility, and towards a new economy founded on the principles of a culture of peace. One based above all on cooperative efforts, faced with the exhaustion of the planet's capacities. A green economy to nourish a peaceful and sustainable global society.

A number of governments and UN agencies -- as well as NGOs -- have expressed interest in the IPB's perspective and we remain hopeful that they will encourage an open debate on these crucial issues over the coming months and years. We look forward to working with them.

Relevant IPB Publications

Archer, Colin, and Hay-Edie, David. 2006. *Warfare or Welfare? Disarmament for Development in the 21st Century*, Geneva. International Peace Bureau.

Archer, Colin. 2007. *Whose Priorities? A guide for campaigners on military and social spending*, Geneva. International Peace Bureau.

Further Reading

Control Arms. *Shooting Down the MDGs: How irresponsible arms transfers undermine development goals*. Oxford, Oxfam (2008)

Cortright, David. *Peace: A History of Movements and Ideas*. Cambridge University Press (2008)

Geneva Declaration. *Global Burden of Armed Violence*. Geneva (2008 & 2011)

Maiolo, Joe. *Cry Havoc: The Arms Race and the Second World War 1931-1941*. London, John Murray (2010)

Melman, Seymour. *The Defence Economy*. New York (1970)

Melman, Seymour. *The Permanent War Economy: American Capitalism in Decline* New York, Simon & Schuster (1985)

Smith, Dan and Smith, Ron. *The Economics of Militarism*. London, Pluto Press (1983)

Stockholm International Peace Research Institute. *SIPRI Yearbook 2012: Armaments, Disarmament and International Security*. Oxford, Oxford University Press (2012)

United Nations. *Agenda 21*. Rio de Janeiro (1992)

UN Millennium Project. *A Practical Plan to Achieve the Millennium Development Goals* (2003)

UNDP. *Human Development Report*. Chapter 2 'New Dimensions of Human Security' (1994)

World Bank. *World Development Report: Conflict, Security and Development*. Washington D.C. (2011)

World Bank. *The Costs of Attaining the Millennium Development Goals* (2003)

Annexes

Annex 1: Military Spending in 2011 per region

In terms of regions and compared to the previous year, Western and Central Europe has seen a moderate decrease (-1.9%) while Eastern Europe has increased their spending substantially (+10.2%). Military spending in Africa (+8.6%) and the Middle East (+4.6%) has gone up and less so in Latin America (+3.3%) and Asia and Oceania (+2.3%). The US has decreased its defence spending by 1.2%.

In **Western Europe**, the main reasons for this are austerity measures. But despite the economic crisis hitting since 2008, cuts in military spending have only been observed since 2010, especially in Western Europe. The time lag is due to the delay in the crisis affecting revenues. Some countries have cut their military budgets drastically: Greece (-26%), Spain (-18%) and Italy (-16%). The three big European spenders, however, have only decreased by about 5% each (United Kingdom, France, and Germany). In Eastern Europe, Azerbaijan has heavily influenced the statistics by increasing their military spending by 89% while Poland (+4.2%), Cyprus (+3.4%) and Russia (+9.3%) have had less significant increases. Russia has overtaken the UK and France and become the 3rd largest spender worldwide. The draft budget for the next two years shows an increase of 53% in National Defence expenditure.

In the **US**, the reason for its historic decrease in military spending is the late approval of the 2011 budget which resulted in the Department of Defence's delaying of procurement plans. The fall will most likely continue in the next years: the gradual withdrawal of American troops from Iraq and Afghanistan will lead to reductions of the Overseas Contingency Operations and the Budget Control Act will also affect military spending.

If the automatic sequestration clause enters into force, larger budget cuts will start from January 2013. This would mean that by 2021, \$500 billion would be reduced from the budget of the National Defence. This corresponds to \$50 billion per year, which is only about 7% of annual US military spending. Several members of Congress are opposing this, however, arguing that national security would somehow be jeopardized.

The increase in **Asia and Oceania** (+2.3%) is mainly due to the 6.7% increase of China's military spending. Other Asian states have increased and decreased equally, leading to a overall decrease of 0.4%. In the main, Asia has increased less in 2011 than it did in the previous years. China, with its almost constantly growing economy, has increased its military spending by 170% in real terms since 2002. This growth can be attributed in large part to the high risk of resource conflicts in the region. China is the second highest military spender in the world and an important reason for the recent shift of US Defence priority to the region.

In **Latin America**, Brazil decreased its spending by 8.2% and Mexico increased by 5.7%. The mixed pattern of decreases and increases has led to a general reduction of military spending by 3.3% in the region.

The numbers for the **Middle East** are uncertain and the figures for some countries have had to be estimated. Saudi Arabia is the only state of the region among the 10 top spenders and has increased by 2.2% last year. Bahrain (14%), Kuwait (9.8%), Israel (6.8%) and Syria (6.1%) have made significant increases while Oman cut its military budget by 17%.

In **Africa**, Zimbabwe (50%), Algeria (44%) and Nigeria (11.3%) saw big increases but with other countries increasing little and decreasing a lot, the general increase in Africa is only at 8.6%.

Annex 2: Key players in the post-2015 discussions

UN System Task Team

Their report ***Realizing the Future We Want for All***⁵⁸, published in July 2012, lists peace and security as one of four core dimensions of the post 2015 framework; the three others being 'environmental sustainability', 'inclusive economic development' and 'inclusive social development'. 'Peace and security' are defined as freedom from violence, conflict and abuse and conflict-free access to natural resources.

The UN System Task Team also wrote a specific ***Think Piece on Peace and Security***⁵⁹. In this text, they focus very clearly on the linkages between violent conflicts and development, stating firmly: 'Violence and fragility have become the major obstacles to the MDGs'⁶⁰.

Their recommendation is that three separate goals be included in the post 2015 framework:

- Peace and Security
- Sustainable socio-economic or human development
- Human Rights, rule of law and access to justice⁶¹

Commission on Sustainable Development

The United Nations Commission on Sustainable Development (CSD) was established by the UN General Assembly in December 1992 to ensure effective follow-up of the Earth Summit. It is responsible for reviewing progress in the implementation of Agenda 21 and the Rio Declaration on Environment and Development.

High-Level Panel of Eminent Persons on the Post 2015 Development Agenda

The UN Secretary General appointed this Panel at the end of July 2012 to advise on the global development agenda beyond 2015. The panel consists of 26 members made up of civil society, private sector and government leaders.

UN Development Group

The group's goal is to support member states in their efforts to attain the

⁵⁸ Final Report of the UN System Task Team: *Realizing the Future We Want for All*, 2012
http://www.un.org/millenniumgoals/pdf/UNTTreport_10July.pdf

⁵⁹ Think Piece of the UN System Task Team on Peace and Security, 2012 : http://www.un.org/millenniumgoals/pdf/14_peace_and_security_20July.pdf

⁶⁰ Idem, page 3, message one.

⁶¹ Idem, page 9.

MDGs in the most effective and coherent way. It aims to facilitate post-2015 consultations in at least 50 countries. The objective is to stimulate discussion among national stakeholders, encouraging inputs from civil society, marginalized groups and others previously left out of discussions.

Various research institutes and organizations

The **International Federation of Red Cross and Red Crescent Societies (IFRC)** and **The Centre for International Governance Innovation (CIGI)** convened a meeting of development experts, representatives from international organizations and research institutes, and policy and governance experts to discuss a post-2015 development paradigm, which resulted in an agreement on 12 new development goals to expand and update the MDGs: the so-called '**Bellagio Goals**'.

Saferworld looks at the Post-2015 agenda from a peace perspective and supports the inclusion of 'measures designed to prevent and reduce violent conflict, to ensure that conflict-affected and fragile states are not again left behind'.⁶²

Sustainable Development Solutions Network (SDSN)

This network was established in August 2012 by the UN Secretary-General. The SDSN will provide support at local, national and global levels and will work together with UN agencies and other international organizations to mobilize scientific and technical expertise and to highlight best practices in the design of development pathways.

Beyond 2015

Beyond 2015 is a global civil society campaign, bringing together over 380 civil society organizations in over 80 countries, aiming to influence the creation of a post 2015 development framework. They push for a 'strong and legitimate successor framework to the Millennium Development Goals'.

⁶² Approaching post-2015 from a peace perspective, 2012: <http://www.saferworld.org.uk/resources/view-resource/680>

Annex 3: Timeline of the post-2015 framework

UN System Efforts	Timeline	Intergovernmental Process
UN System Task Team submits a report on its work to UNSG	May 2012	
UNDG Country consultations start	June 2012	
	July 2012	UNSG appoints a High Level Panel (HLP) on the post-2015 development agenda
Initial feedback from Country Consultations (UNDG)	September 2012	First meeting of HLP Working Group (WG) on SDGs established (mandated by Rio+20: the future we want)
Final report on country consultations to the High Level Panel (UNDG)	First quarter 2013	HLP submits report on the post-2015 development agenda to UNSG
Event to present consultation results (UNDG)	June 2013	Member States pre-negotiations start
	September 2013	UNSG report submitted to 68 th GA WG report (containing proposal for SDGs and appropriate action) submitted to 68 th GA UNGA MDG Review Summit (resolutions on post-2015 process are expected)

Annex 4: Table of Key players

	UN System Task Team	CIGI	Beyond 2015	Saferworld	Commission on Sustainable Development	Sustainable Development Solutions Network	UNDG	High-Level Panel of Eminent Persons on the Post 2015 Development Agenda
Main focus	Sustainable development after the MDGs	Formulation of 12 new goals	Civil society consensus for post-2015 discussions	Identified 7 issue areas for post-2015	Reaching the MDGs	Connect development experts and support the UN	National consultations	Advise the UN
Deadlines	Finished a report on the new framework in July 2012	Finished a report in 2011	2015	No deadline	2015	2015	June 2013	Report expected in spring 2013
Perspective on Peace and Security	One of the four core dimensions of sustainable development	One goal on security and freedom from violence	No specific point of view	Has a strong peace perspective and advocates for including it	Do not mention it specifically	One working group partially dedicated to peace building	The communities consulted may bring this topic up	No publications yet

Glossary

BICC	Bonn International Center for Conversion
CIGI	Centre for International Governance Innovation
CSD	Commission on Sustainable Development
ECOSOC	United Nations Economic and Social Council
GDAMS	Global Day of Action on Military Spending
GDI	Gross Domestic Income
GDP	Gross Domestic Product
GM	Global Militarization Index
HIV/AIDS	Human Immunodeficiency Virus infection / Acquired Immunodeficiency Syndrome
IFRC	International Federation of Red Cross and Red Crescent Societies
IPB	International Peace Bureau
MD	Millennium Declaration
MDG	Millennium Development Goal
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
ODA	Official Development Assistance
UN	United Nations
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNODA	United Nations Office of Disarmament Affairs
UNICEF	United Nations
UNSG	United Nations Secretary General
R&D	Research and Development
SDG	Sustainable Development Goals
SDSN	Sustainable Development Solutions Network
SIPRI	Stockholm International Peace Research Institute

About the International Peace Bureau

The IPB is the world's oldest and most comprehensive international peace federation, bringing together people working for peace in many different sectors: not only pacifist organisations but also women's, youth, labour, religious and professional bodies. IPB was founded in 1891 and won the **Nobel Peace Prize** in 1910. By 2012 its network had grown to 300 member organizations, both internationals and national/local groups in over 70 countries. IPB's role is to support initiatives taken by the UN, by governments, and especially by citizens. The Geneva Secretariat acts as publishing house and conference organiser, and offers support for visiting NGOs. Every year IPB awards the **Sean MacBride Peace Prize** to a prominent individual or group. Our main programmes focus on **Disarmament for Development**. In 2011, IPB launched the annual **Global Day of Action on Military Spending**, which has attracted over 100 partner groups. IPB is affiliated to many civil society networks, especially in the disarmament field. It acts as the Secretariat of NGO Committee for Disarmament Geneva, and has had ECOSOC Consultative Status since 1977.

In the early 1990s, IPB was active in the World Court Project, which secured an historic Advisory Opinion on nuclear weapons from the International Court of Justice. In May 1999, IPB played a central role in organizing a major end-of-century congress, the Hague Appeal for Peace, held in the Dutch capital, which led to the creation of the Global Campaign for Peace Education. (www.haguepeace.org). In 2010, IPB organised a large-scale outdoor photo-exhibition, 'Making Peace' (www.makingpeace.org) which was shown on the shores of Lake Geneva and will be hosted by a number of other cities in the coming years.

www.ipb.org

In recent months, the international community has begun to work on defining the new development framework that will succeed the Millennium Development Goals after 2015. As the world struggles to find a way through the economic crisis, experts explore 'innovative mechanisms for development financing'. Yet while almost one billion people live in desperate poverty, global military expenditure has reached an all-time high of \$1738 billion. The contrast could hardly be more striking. As the UN Secretary-General recently put it, 'the world is over-armed and peace is under-funded'.

It is for these reasons that the International Peace Bureau has chosen this moment to launch a new position paper relating military spending to the new UN development agenda. The document highlights the positive impacts that transfers of resources away from military spending could have in terms of advancing sustainable development. This publication marks a new step forward in IPB's **'Disarmament for Development' programme**, launched in 2005.

While the present effort aims at influencing the international debate on the UN's development agenda, we also work to support our members and partners at the national level. IPB organises the Global Day of Action on Military Spending and encourages civil society around the world to transmit the message widely with the goal of influencing national budget debates.

IPB is well aware that to achieve the shift in priorities we argue for will take more than the efforts of a limited number of civil society organisations in the peace and disarmament field. We are therefore reaching out to organisations in a range of other sectors, from development agencies and religious bodies to parliamentarians and trade unions, with the goal of expanding the global campaign.



International Peace Bureau

41 rue de Zürich, 1201 Geneva, Switzerland

Tel : +41 22 731 64 29

mailbox@ipb.org - www.ipb.org