

**FHSMUN XXXI
GENERAL ASSEMBLY FIRST COMMITTEE**

REDUCTION OF MILITARY BUDGETS

“Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.”¹

“The cause of peace and the cause of development are one.”²

“More arms do not make mankind safer, only poorer.”³

Introduction

The United Nations was founded “to save succeeding generations from the scourge of war”⁴, but to do so requires a firm commitment from its member states to disarm and to direct their efforts towards sustainable development rather than war and violence. When governments decide to purchase more fighter jets, tanks, machine guns, and the material to create weapons of mass destruction (WMD’s), including biological, chemical, and nuclear weapons, they reduce the resources available to their peoples for food, education, health, cultural achievements, and investments in infrastructure and development. Governments often use the rationale that other states are arming and therefore they must arm as well to protect themselves, but the end result is too often impoverishment and deprivation for the peoples of many societies. Many states increase their arsenals of armaments to fight internal enemies or to forestall political changes that their governments do not desire. The General Assembly First Committee (GA 1) must examine the levels and patterns of military expenditures and procurement and work to achieve significant and sustained reductions in the military budgets of the UN’s member states, particularly in the context of the contemporary global financial crisis.

Scale of the Issue

Official global military spending is approximately \$1.2 trillion USD, more than 10 times the annual total of some \$80 billion USD sent to developing countries as Official Development Assistance (ODA). What then do the various peoples of the world receive in return for their collective \$1.2 trillion USD of military expenditures? Many people are undoubtedly protected from invasions by potentially hostile states or armed groups but this condition is nowhere near universal. The prevalence of armed conflict, and to a lesser degree, transnational organized crime, throughout many parts of the world means that these military expenditures are also caused by, and in turn fuel, breakdowns at the national and international levels. In a number of cases, these military expenditures are used primarily to

¹ Dwight D. Eisenhower, “Chance for Peace Address” April 16, 1953.

² Louise Frechette, Former UN Deputy Secretary-General.

³ Willy Brandt, Chairman of the Brandt Commission and former Chancellor of the Federal Republic of Germany (West Germany).

⁴ *Preamble to the Charter of the United Nations.*

contain, oppress, and in the most extreme circumstances, eliminate various peoples within a given society. Military expenditures are also highly prone to cost overruns, corruption and graft as they represent enormous profits for certain companies and are often recurring expenses for the respective governments; the US Government Accountability Office (GAO) recently reported that almost 70% of the Pentagon's weapons systems were over budget for fiscal year 2008-09, costing US taxpayers an additional \$296 billion USD.⁵ Excessive military expenditures also often create insecurities in many societies as political and military leaders often assume that a rapid buildup of arms necessarily presages an invasion or the commencement of hostilities.

Arms Races and Mutual Insecurity

When states compete with each other in terms of their destructive capabilities and arsenals of annihilation, they often reduce their own sense of security. In the run-up to World War I, the United Kingdom and Germany engaged in an ever more costly naval arms race accompanied by attempts to frighten, impress, and deter the other side through displays of the newest and largest warship. Ultimately, this devastatingly expensive naval arms race contributed to both the outbreak and cruel length of World War I. After World War II, the United States and the Soviet Union built staggering arsenals of conventional and nuclear weapons and sent military aid to allied and client states throughout the world to further ramp up the arms race. The arms race also made billions of people around the world fearful and deeply insecure, especially when the true destructive power of the superpowers' conventional and nuclear arsenals became clear. Former US Secretary of State and National Security Advisor Henry Kissinger neatly summed up how the actions of the two superpowers often increased their respective insecurities. "The superpowers often behave like two heavily armed blind men feeling their way around a room, each believing himself in mortal peril from the other, whom he assumes to have perfect vision." This Cold War era arms race not only diverted key resources from productive civilian pursuits but it has saddled future generations with the particularly vexing problems of reducing and eliminating these arsenals in such a manner that these weapons do not wind up in the wrong hands nor do they further poison the natural environment.

Peace Sells...But Who's Buying?⁶ Whatever Happened to the "Peace Dividend?"

When the Cold War officially ended with the dissolution of the Soviet Union in December 1991, politicians and pundits on all continents hailed the event as being especially propitious for development projects because so many billions of dollars of military expenditures would now be available for economic and social development. This potentially massive infusion of government and private capital was often referred to as the "peace dividend." In 1989, the *Wall Street Journal* reported that the "peace dividend" might equal some \$40 billion annually by the early 1990's.⁷ While military spending in the United States did not escalate during the 1990's, the average level of military expenditures never fell below \$250 billion annually and global military spending was not reduced in

⁵ Christopher Drew, "Senate Panel Backs Changes in Military Contracting" *New York Times* April 2, 2009.

⁶ Megadeth, *Peace Sells...But Who's Buying?* Capitol Records 1986.

⁷ David Wessel, *Wall Street Journal* November 27, 1989.

such a manner as to accelerate social and economic development, particularly in the developing countries and the least developed countries (LDC's) of the world. Chalmers Johnson notes that "Real defense spending during those years [1955-2002] during those years averaged \$281 billion in 2002 dollars. Defense spending in the Clinton years, after the collapse of the Soviet Union, averaged \$278 billion, almost exactly the Cold War norm."⁸ If high levels of military spending during the Cold War were explained using rationales regarding Soviet power, the collapse of the Soviet Union and the removal of a huge military power would presumably allow Western governments, and especially the United States, to spend far less on their military establishments. The former Soviet Union and its Eastern European satellite states did reduce military spending precipitously during the first half of the 1990's but these reductions were not by choice. Their economies were experiencing near free-fall conditions and the respective states did not have the financial resources available to devote their militaries; over the past decade, though, military spending in Russia and Eastern Europe has rebounded significantly, although it still does not match the peak levels of the late 1980's.

By the time that global leaders formulated the Millennium Development Goals (MDG's) in 1999-2000, astute observers were posing the question of what happened to the "peace dividend." To put the relevance of the MDG's and current military spending into better relief, it is instructive to note that the goal of universal primary education by the year 2015 is a realizable goal but one that many observers fear will not be met. "Total costs are estimated at around \$3.6 billion a year for 10 years – equivalent to about two days' worth of global military spending."⁹ By 2003, the \$400 billion annual budget for the US Department of Defense, supplemented by additional spending bills to fund wars in Afghanistan and Iraq, was "already displacing expenditure on public schools and hospitals, which are facing cuts across the country."¹⁰ The Institute for Economics and Peace recently estimated the positive economic aspect of global peace at approximately \$7.2 trillion USD annually.¹¹ In the context of the current global financial crisis, increased military spending will almost invariably lead to further spending cuts for education, health care, and related forms of social spending.

If You're Not Hiding Anything, Then Why Won't You Publish the Figures? The Need for Transparency in Military Expenditures

One persistently vexing problem associated with military budgets is that the mechanisms and procedures for reporting them is nowhere near uniform. Most governments publish some form of statistics about military expenditures but many programs that are intended for military purposes are classified as civilian programs instead.

⁸ Chalmers Johnson, *The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* Henry Holt & Co. New York 2005 p. 56.

⁹ Kevin Watkins, "Basic education for all Africans" *Africa Recovery Online* Vol. 13 No. 4 1999 Found at: <http://www.un.org/ecosocdev/geninfo/afrec/vol13no4/36educ.htm>

¹⁰ *Guardian* (UK) "So Much for the Peace Dividend" May 22, 2003. Found at: <http://www.commondreams.org/headlines03/0522-01.htm>

¹¹ Jorn Madslie, "The purchasing power of peace" *BBC News* June 3, 2009.

Other parts of the military budgets are not published or the information that is provided is restricted to overall total expenditures with no explanation of how the money was actually spent. The so-called “black budgets” of many countries can serve to alarm other governments and serve as an impetus to further increases in military spending. Chalmers Johnson notes that for the United States “the General Accounting Office (GAO) has identified at least 185 black programs and notes that they increased eightfold during the 1981-86 period. There is no authoritative total, but the GAO once estimated that \$30 to \$35 billion per year was devoted to secret military and intelligence spending.”¹² The United States, in turn, is very concerned about what it believes to be intentional underreporting of military expenditures by China and other governments. The US Department of Defense has consistently argued that China does not accurately report their military expenditures. Regarding fiscal year 2005, “China’s military budget this year is set to be \$30 billion, but the Pentagon said in June that the real figure was \$90 billion.”¹³ All indications are that the Chinese government has not substantially reformed its military expenditures reporting procedures over the past 4 years. Furthermore, governments are finding increasingly creative ways to disguise military expenditures within their regular budgets; one of the most common sleights-of-hand is to reclassify a military expenditure as a vital program for the ministry of energy or transportation. While the expenditure was in one sense accounted for, the government in question has succeeded in obfuscating the true size and scale of the defense budget yet again.

The General Assembly (UNGA) has consistently adopted resolutions urging increased transparency of military expenditures with the latest resolution being adopted by consensus on December 2, 2008 – A/RES/63/69. The GA noted that “transparency in military matters contributes greatly to confidence-building and security among States.”¹⁴ One concrete measure that the General Assembly has repeatedly called for is for member states to “report annually, by April 30, to the Secretary-General their military expenditures for the latest fiscal year for which data are available...”¹⁵, with a particular emphasis on countries either harmonizing their procedures for reporting their military expenditures or at least using similar categories in their reports.

“Unprecedented and Unequaled Strength and Influence in the World”¹⁶: The United States and Its Military Budget and Outlook

It would be unfair and impractical to expect the United States to engage in rapid and unilateral disarmament, especially when it is embroiled in two simultaneous wars in the Middle East and South Asia, but no real traction can be gained in terms of disarmament and the reduction of military budgets without US leadership. While some countries devote higher percentages of their Gross Domestic Product (GDP) to military spending than the United States, the United States alone accounts for approximately 45% of all defense spending worldwide and its military budget is greater than the combined military budgets

¹² Chalmers Johnson, *The Sorrows of Empire* p. 118.

¹³ *BBC News* “US ‘concerned by Chinese missiles’” October 20, 2005.

¹⁴ A/RES/63/69 December 2, 2008.

¹⁵ A/RES/60/44 January 6, 2006.

¹⁶ *National Security Review of the United States* 2002.

of the next 15 major spender countries.¹⁷ US military spending, which is projected at \$663.7 billion USD for fiscal 2009-2010¹⁸, is more than twice that of China after adjusting for exchange rates and purchasing power differentials, what economists call “purchasing power parity” (PPP). According to the most recent figures, at least \$102 billion USD of this \$660+ billion USD is for the approximately 730 military bases that the US operates in nearly 130 foreign countries.¹⁹

While the United States does spend nearly \$200 billion annually to pay the salaries, housing, and health care costs of its armed services personnel, much of the money in the defense budget is also spent on high-tech weapons systems that are often designed to counter threats from the Cold War era, such as the F-22 Raptor fighter jet. While each fighter plane will cost over \$100 million, “the expense is mainly for measures that would allow the aircraft to penetrate a Soviet air defense system that disappeared over a decade ago.”²⁰ Defense Secretary Robert Gates recently announced that he was scaling back the total number of F-22 fighter jets that would be ordered and that several other high-priced weapons systems would be scaled back as well in order to devote greater resources to unarmed aerial vehicles (UAV’s) such as the Predator drone and expanding the Special Forces in order to more effectively prosecute the wars in Afghanistan and Iraq.²¹ The reality is, though, that the Secretary of Defense, and even President Obama, may propose changes and cuts in US military spending but budgeting is ultimately a power of the US Congress. While many critics lay the blame for the recent massive scaling up of US defense spending at the foot of the recent Bush administration, total defense spending under the Obama administration is unlikely to decrease significantly over the next few years.

The total scale of US defense spending may seem relatively moderate when measured as a percentage of the total Gross Domestic Product (GDP) but the sums are quite weighty when measured in terms of total dollars as well as when considering the opportunity costs of funneling so many tens of billions of dollars to defense instead of to education, health care, renewable energy sources, and even foreign aid. Additionally, the US government has consistently tried to downplay the costs of the wars in Afghanistan and Iraq by not including the bulk of those expenditures in the regular military budget; instead, the Bush administration repeatedly sought “supplementary” or “emergency” appropriations to pay for the wars, which are now costing the American taxpayers \$16 billion USD per

¹⁷ Information from the Stockholm International Peace Research Institute (SIPRI) 2008.
Found at: http://www.sipri.org/contents/milap/milex/mex_trends.html

¹⁸ William Matthews, “Obama Budget to Boost Spending \$20.4 B” *Defense News* February, 26, 2009.
<http://www.defensenews.com/story.php?i=3965202>
The total projected spending includes \$533.7 billion USD for the Department of Defense and \$140 billion USD for the wars in Afghanistan and Iraq. Previously, the money for the two wars would have been counted separately from the Department of Defense budget so some sources may report the budget as \$533.7 billion USD and an additional \$140 billion USD for the wars.

¹⁹ Chalmers Johnson, “How to Deal with America’s Empire of Bases” *The Nation* July 2, 2009.

²⁰ James Fallows, “The Military-Industrial Complex” *Foreign Policy* November/December 2002 p. 47.

²¹ Elisabeth Bumiller and Christopher Drew, “Gates’s Cuts to an Array of Weapons Brings a Fight” *New York Times* April 7, 2009.

month.²² Even after the wars have wound down and the vast majority of combat forces have been removed from these two countries, the US government will continue to pay tens of billions of dollars annually for disability and health care for the tens of thousands of returning wounded veterans. There will be further costs for maintaining military bases in Afghanistan and Iraq after major combat operations have truly ended as well as for the projected expansion of US combat personnel by 65,000 additional soldiers for the Army and an additional 27,000 marines. While a small number of economists argue that increased military spending will result in direct stimulus for the US economy, most economic analysis indicates that increased military spending during this contemporary economic crisis will only increase US government budget deficits and divert essential resources from economic recovery initiatives.

China, India, and Russia: Increased Military Spending by Regional Powers

US defense spending is a critical dimension of global defense spending but it is essential to acknowledge the increasing military spending of countries such as China, India, and Russia. The Chinese government recently announced that it will boost military spending by almost 15% this year alone, up to \$140 billion USD annually, even in the context of the most difficult year for China's economy in at least 20 years.²³ China has become more active in international peacekeeping over the past few years but this accounts for only a small fraction of recent military expenditures. According to the Stockholm International Peace Research Institute (SIPRI), Eastern Europe has witnessed the greatest percentage increase in military spending in recent years, with an increase of 162% during the decade from 1998-2007.²⁴ It must be noted that overall military spending in Eastern Europe, including Russia, is well below the peak levels of the end of the Cold War in the late 1980's, but this rapid rearmament certainly bears careful observation. Russia alone accounts for over half of this recent increase in military spending, with Armenia, Azerbaijan, and Georgia comprising another troubling region, even before the most recent war between Russia and Georgia. India's desire to play a greater role on the international stage means that it is committed to modernizing and upgrading its military, making it an increasingly attractive target market for major defense contractors.²⁵ During the years 2004-06, India emerged as the world's leading importer of armaments²⁶ and there are few indications that its defense spending will decline any time soon. Given India's recent experiences with domestic and international terrorism, its perennially precarious relations with Pakistan, as well as disturbing regional conflict dynamics including the continuing war in Afghanistan, Pakistan's own internal security conflicts, the unresolved conflict in Jammu-Kashmir, and the recent escalation of the civil war in Sri Lanka, increased Indian defense spending will likely spur its neighbors to scale up their own military expenditures.

Guns But No Butter: Military Spending in the Developing World

²² Joseph E. Stiglitz and Linda J. Bilmes, *The Three Trillion Dollar War: The True Consequences of the Iraq Conflict* W.W. Norton & Co. New York 2008 p. 9.

²³ *BBC News*, "China 'faces most difficult year'" March 5, 2009.

²⁴ Information from the Stockholm International Peace Research Institute (SIPRI) 2008.

²⁵ Karishma Vaswani, "Foreign firms covet Indian skies" *BBC News* February 7, 2007.

²⁶ Siddharth Srivastava, "Deal to see Indian defense spending soar" *Asia Times Online* May 17, 2007.

Most armed conflict occurs within the developing countries of the world and many developing country governments devote considerable resources to their militaries, often at the direct expense of the civilian populations. Much of this spending is spurred by regional hostilities and instability, unfortunately providing the means to continue these conflicts at a higher level. In Central Africa, Rwanda has recently emerged as a bright spot as it is reducing its defense spending; its neighbor Uganda, however, continues to steadily increase its own military spending.²⁷ In South Asia, Cambodia announced in late 2008 that it was doubling its annual defense spending to \$500 million USD in response to continued tensions with Thailand.²⁸ Iraq's own military spending continues to escalate, with American firms and contractors reaping a large share of these lucrative sales. North Korean military spending is currently estimated at approximately 25% of Gross Domestic Product (GDP), requiring a huge diversion of resources away from civilian needs and to the military. Dozens of other developing countries continue to devote critical expenditures to their militaries while not meeting the development needs of their own populations.

Defending the Government Against the People: The Doctrine of “Internal Security”

One often cited reason for reducing military budgets in the developing world is the need to limit the ability of a number of governments and militaries to engage in “internal security” operations. During the 1960's and 1970's, this insidious term, “internal security”, became a thinly veiled code word for counter-insurgency and anti-guerrilla warfare operations conducted by governments in Chile, Colombia, Guatemala, Haiti and in other countries where the military frequently used its power and technological advances to repress and eliminate political opposition. Many developing country governments have bankrupted their treasuries purchasing weapons systems and have denied their citizens fundamental services because of a focus on military spending, which sometimes accounts for over half of all spending by these countries. While governments will often argue that internal opposition and “terrorists” force them to devote increasingly large sums to their militaries, as remains the case in Colombia, Sri Lanka and Turkey, it is clear that many of these threats are exaggerated and have often been, at least in part, created because of the government's spending policies and the military's own policies of repression.

Beware the Global Military-Industrial Complex

As President Dwight Eisenhower left political office in January 1961, he called upon the American people to remain alert and vigilant in regards to the increasingly powerful and profitable arms industry. “In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.”²⁹ Sales of military hardware are conducted in all corners of the globe, with governments, corporations, criminal organizations, and individuals all trafficking arms to a huge number of governments, paramilitary organizations, rebel and insurgent groups,

²⁷ *Rwanda News Agency*, “Rwanda: Military Spending Going Down, New Figures Show” June 12, 2008. Found at: <http://allafrica.com/stories/200806120461.html>

²⁸ *Asia News*, “Cambodia, one of Asia's poorest countries, doubles military spending” October 29, 2008.

²⁹ Dwight D. Eisenhower, “Farewell Address” January 17, 1961.

criminal syndicates, and warlords. Official diplomacy by governments is often in service to commercial interests and the military-industrial complex is one of the most important international commercial sectors. Defense contractors are also incredibly adept at establishing and cementing alliances with influential members of the world's respective legislatures, military command structures, and executive branches. These relationships often bear bountiful fruit for these companies when governments contemplate military purchases and design their budgets. In 2008, the American defense industry spent almost \$150 million on lobbying Congress and the Bush administration³⁰; there were undoubtedly millions of dollars more spent by defense companies and contractors as campaign contributions to both political parties and many individual candidates. While the current headlines may seem comparatively grim for defense contractors³¹, unless governments fundamentally realign their defense contracting and expenditures mindsets and procedures, the relatively lean times for defense companies may still be rather comfortable and quite temporary in nature.

Sales of military hardware, whether replacing spent munitions or purchasing new weapons systems, are also being supplemented by the rise of private companies that provide a vast array of services to the militaries of the world. These private defense contractors have grown in terms of the number of functions they serve, number of employees in various theaters of operation, and their influence in world capitals. Private military companies (PMC's) train national security forces, provide critical logistical support, and at times engage in actual combat. Recently, these companies have begun providing force support for humanitarian aid missions. Contracts for these private military companies (PMC's) may range from several million USD to over a billion USD for longer term services and are even more highly prone to cost overruns and corruption than traditional military spending. As long as military procurement remains such an invitingly lucrative target for politicians, generals, and defense contractors, this confluence of mutually reinforcing interest groups will impede the progress of those committed to reducing and redirecting military spending towards development projects.

Not Buying Swords Means That We May Buy More Plowshares

While global military spending continues to increase, there are keystone initiatives that may provide real hope and practical examples for reducing military spending without compromising security. After its civil war of the 1940's, Costa Rica became the first country in the modern world to abolish its army; at least part of Costa Rica's higher levels of development, certainly when compared to its Central American neighbors, is due to the fact that it has enjoyed 60 years of relative stability and has not diverted its resources to the military in the same manner that Guatemala and Nicaragua did for many years. At a recent meeting of the UN Security Council, Costa Rican President, and Nobel Peace Prize winner, Oscar Arias noted that "with the money that some developing nations spend on a single combat plane, they could buy 200,000 MIT Media Lab computers for students with limited resources."³² The Arias government has spearheaded the Costa Rica Consensus, introduced

³⁰ Frida Berrigan, "Is the Next Defense Budget a Stimulus Package" *The Nation* March 12, 2009.

³¹ *The Economist*, "In the line of fire" March 19, 2009.

³² Oscar Arias, "Statement of Costa Rican President on Reducing Military Spending" November 19, 2008. Found at: http://www.wagingpeace.org/articles/2008/11/19_arias_article_26.php?print

in 2007, which calls for developing countries to increase their spending on education, environmental protection, and health care while simultaneously decreasing their military spending. The Costa Rica Consensus further calls on highly developed countries to increase their Official Development Assistance (ODA) as well as to support greater debt forgiveness to developing countries that achieve these increases in social spending and reductions in military spending. Further encouragement of interrelated development-disarmament measures like the Costa Rica Consensus offers real promise for successful sustainable development and enhanced human security.

Conclusion

Military spending comprises a critical component of government budgets for most countries. Determining the optimal level of spending for true defense may not be an exact science but it is abundantly clear that many governments choose to devote crucial resources to defense spending that could fund vital development initiatives. Reducing military budgets, especially in the context of the current global economic crisis, will be essential to implementing sustainable development initiatives and to achieving the Millennium Development Goals (MDG's). By collaborating in a climate of openness and transparency, the delegates of the General Assembly First Committee may contribute to disarmament, development, and a fundamentally positive restructuring of the global security situation.

Guiding Questions:

How much does your government spend on the military? How transparently does your government report its military expenditures to your people? Does your government file annual reports with the UN Secretariat regarding military expenditures? If not, why not?

How can the General Assembly First Committee implore countries to reduce their military budgets, beginning with the Permanent 5 members of the Security Council?

How might the First Committee improve the overall transparency of military expenditures and transfers? How might reporting mechanisms be standardized to ensure that the same information is being gathered and reported globally? How should the UN System and the international community in general treat countries that consistently refuse to accurately report their annual military expenditures?

How might the countries represented in the General Assembly First Committee encourage broader and deeper implementation of development-disarmament initiatives such as the Costa Rica Consensus?
