

From Warfare To Peacefare Economic Thinking

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Global military consumption: Its size and some of its dimensions

In this article we shall explore some basic connections between war, economy and peace. They are fundamentally important for any society but one seldom finds comprehensive analyses of their complex relations and lots of empirical data seem to simply not even exist.

Indeed, in spite of its huge size, the worldwide military economy is probably the least researched and therefore least problematised and discussed aspect of the global economy.

The combined national *budget allocations for military affairs worldwide* amounted to US\$ 2100 billion in 2021, or 2,2% of the global GPD (1). The five biggest spenders in 2020, which together accounted for 62 per cent of global military expenditure, were the United States, China, India, Russia and the United Kingdom.

It seems immediately striking that there is comparatively little research on what this specific resource consumption means for the world in terms of economic performance, its positive and negative effects on other sectors and interactions as well as its opportunity costs.

The mentioned sum of US\$ 2100 billion can be compared with other types of allocations in the global economy. Estimates of how much money it would take to end global climate change range between \$300 billion and \$50 trillion over the next two decades. (2) The UN peacekeeping budget is just over US\$ 6,5 billion, or 0,3% of the world's military consumption, and the basic UN budget approved by the UN General Assembly for 2021 was US\$ 3,2 billion. (3)

And if the world had the political will to end global poverty and the absurd wealth gap, one may quote Grace Zhao of the Borgen Project: - "According to Mark Anielski, co-founder of the Canadian company Genuine Wealth, it would cost \$29.39 billion to bump the incomes of 5.64 billion people to just \$10 a day. This amount does not include individuals earning below \$10 in developed countries. Though the cost seems steep, in reality, \$29.39 billion is only 0.5% of the estimated wealth of our billionaires. That is how much it really costs to fight global poverty. Even if income for the 80% living below \$10 a day was bumped up to \$20 a day, the \$85.7 billion would only add up to 1.6% of the wealth of billionaires." (4)

Further, let's also point out that there are *a number of complementary costs* associated with the national military budgets. Thus, in real terms, one should add:

- a) costs for veterans returning from the wars and being a social cost burden on the economy for the rest of their lives;
- b) costs of those who die in warfare abroad and, therefore, cannot contribute to their country's economy;
- c) intelligence services;
- d) civil defence and homeland defence;
- e) some university and other institutes carrying out defence and war-related research,
- f) debt repayment on loans obtained for defence and war purposes;
- g) think tanks with a focus on the security sector and whose research results are integrated into military decision-making by various agencies.

Another item that is intimately connected with the global security and war economy is *military research and development (R&D)*. Some of it may be included in national defence budgets, some of it is part of the national education and science budget. Data is not easy to come by but, in 2017 the top ten OECD countries spent almost US\$ 70 billion on military R&D. (5)

The military share of global public R & D seems to be unknown. However, a recent study based on figures up to 2009 indicates that the military share of total national public R & D varies between about 0.5% and 55%, thus for instance: Finland 2%, Canada 5%, Italy 4%, Norway 6%, South Korea 17%, Spain 18%, Sweden 18%, United Kingdom 35% and the United States 57%. (6)

Then there is the issue of *spin-off*, i.e. the civilian utility of military research. Again, up-to-date, overall figures seem non-existent. However, what can be said is that if society needs a particular product - say hearing devices, global communication systems like the Internet or teflon pans - it would be cheaper to allocate resources directly for R&D into them than waiting for military R&D to perhaps - or perhaps not - lead to such products by spin-off from weapons R&D.

It can safely be stated that a sizeable percentage - up to about 50% - of the best brains in a series of countries are devoted to developing more and more sophisticated weapons and warfare doctrines rather than to R&D for the betterment of humanity in terms of basic human need satisfaction, civilian socio-economic development, health, welfare and happiness.

So, to summarise what we've said so far: The *real* costs of the military world is *much higher* than national budget allocation for ministries of 'defence.'

And then there is *the global arms trade*. According to SIPRI which measures the trade in *major* weapons but not all weapons, the figure for 2019 at US\$ 118 billion adding that "the true figure is likely to be higher." (7) The five largest exporters in 2014 - 2018 were the United States, Russia, France, Germany and China. Together, they accounted for 75% of the total volume of arms exports in 2014–18. In terms of trends, US and French arms exports rise; Russian, Chinese and German arms exports fall.

In summary: While it must be taken into account that we do not have all the empirical facts and build on some expert estimates which are based on a series of assumptions rather than measurable empirical facts, *the mere proportions are mind-boggling*: The governments of the world prioritise military affairs - security and warfare capabilities - way over civilian conflict-resolution and the solution of humanity's most urgent problems such as environmental degradation and poverty alleviation. In purely economic terms, solving them would, it seems, cost only a fraction over a few years of one year's military consumption.

The huge sums we have just shed light on are also clearly under-researched. Rather little seems to be known about the positive and negative effects of this particular resource allocation and how it impacts on the economy of various sectors, supply chains and more in countries, regions as well as globally.

Therefore, in proportion to the possible US\$ 2000-3000 billion we are here focusing on, there is woefully little research, political and media discussion - also of the possible alternatives: Such as handling conflicts in non-military ways, methods of converting military resources and put them to good use for the betterment of people's lives and the so-called *opportunity costs*: What could the world, humanity, achieve if we seriously pursues the UN high goal, stated for decades, of general and complete disarmament?

One explanation of this enigmatic state of affairs is, of course, that the world's many national MIMACs - Military-Industrial-Media-Academic Complexes - consisting mainly of elites with common interests in armament rather than peace and operating mostly outside democratic domains - have a vested interest in living without too much public attention and debate. Another explanation is that governments which conduct wars and give preference to military over civilian defence and security measures generally do not tend to finance critical research about that or research into the many other options.

Economic and environmental warfare

So far we have looked at the resources allocation aspects: What's the price of the world's military and the overarmament culture that could be called militarism? How does it compare with what governments allocate to other, less destructive and more productive purposes?

But then there is also warfare conducted *through* economic means, a kind of weaponisation of economic interactions that are otherwise supposed to be free and regulated by market mechanisms.

Here economic and financial resources are used as a weapon against political and/or economic adversaries. They can be trade blocs that exclude others, sanctions, embargos, transport cut-offs, blockades and tariffs, cutting off countries from payment services such as SWIFT, etc. Think also of the misuse, or withholding, of medicine and humanitarian aid for political purposes or using food as a weapon, now so cynically growing out of the NATO/Russia conflict in Ukraine.

With its over 8000 economic sanctions, the US stands for almost half of all sanction regimes worldwide which, over time, has cost countries (and the US itself) billions of dollars and killed millions of people. (8)

And there is a *war on the environment*. Dumping waste into the oceans could be termed environmental warfare, war on the environment. So too is spreading mines throughout large agricultural areas that can then not be used for production for years. Or one may think of chemical warfare - such as agents for defoliation - as well as what the environmental consequences would be of the use of nuclear weapons that would turn vast territories into radioactive deserts. And there is the use of land for bases, exercises, military infrastructure etc. Allegedly, the world's military is the largest single polluter on earth - perversely so in the name of 'security.' (9)

We are here moving beyond genocide and must use terms such as *eco-cide* and *omni-cide* - the latter the result of the use of just a fraction of the world's nuclear arsenals.

Sadly, we must acknowledge that the environment, *Mother Earth*, is also a silent victim of militarism, economic and military warfare shaped mainly by *male* scientists, politicians, generals, etc. We seem to be oblivious to the extent and depth to which global politics operates on a *male-dominated anthropocentric social cosmology, or implicit way of thinking*.

The business of weapons

It is true that there is money and employment in arms production. One reason is that it is a monopsonistic market - i.e. there is only one client, the state. Cost overruns happens as a rule in all advanced weapons projects, and the taxpayers will have to swallow them.

What is not true is that the 'military-industrial complex' is good for the overall economy.

Advanced weapons production is extremely capital-intensive and creates comparatively little employment and, thus, consumption. By and large the weapons industry is a cancer on a society's economy compared with investments in the social, cultural and educational sectors.

But of course, if a country destroys another country, it may hope to gain contracts for the reconstruction and thereby get rid of its surplus capital - and prepare for the next destruction.

Conversion from civilian to military economy and vice versa

There are virtually no studies of how fast a country can switch from a peacetime to a wartime economy. Conversion simply happens because it is considered politically necessary - for instance when a country decides to start or join a war.

One may take the topical example of arming Ukraine and re-arming all NATO members as a response to the Russian military intervention in Ukraine.

Within a few months, between US\$ 50-100 billion has been allocated by NATO and other countries in military support to Ukraine. Germany immediately decided to increase its budget to roughly US\$ 110 billion (Russia's total military budget is US\$ 66 billion). NATO emphasises an immediate increase to at least 2% of the alliance members' GDP and Secretary-General Stoltenberg told the world on June 27, 2022, prior to NATO's Madrid Summit, that that should now be seen as a floor rather than as a ceiling. He also announced the alliance's "biggest overhaul of collective defense and deterrence since the Cold War" through increasing the strength of its rapid reaction force nearly eightfold to 300,000 troops from 40,000. He also told the world that, since 2014, NATO has increased its collective military budget by US\$ 350 billion - that is about 5 *times* more than Russia's total military budget.

In the face of such formidable steps, one may legitimately ask socio-economic questions such as these: Where is the money going to come from in economies that were already under strain from economic decline and the Corona pandemic? Which social classes will pay the price - what social benefits will be reduced and for whom? What has such decision-making at summits far away from parliaments got to do with democracy? And with NATO already spending 12 *times* more than Russia on armament, is there any thinkable point at which enough will ever be enough?

These same countries have never shown a convincing will to find the necessary funds that are needed for, say, global poverty alleviation, eradicating illiteracy or put a brake on the speed down the road to global environmental catastrophe. Instead, the perverse proportions we have outlined in the first sections of this analysis are destined to get not a little but much worse.

Are we, perhaps, seeing a Western world arming itself to death instead of solving its own, self-inflicted structural as well as philosophical problems?

What will be necessary for humanity to survive is disarmament and *trans*-armament - change in the thinking and practising of defence and security that will not become a perpetuum mobile for militarism - that is toward a fundamentally new defensive defence, human and global - common - security thinking and conversion of militarist resources to intelligent civilian conflict-management - and education for it.

Regrettable, economist and politicians have told the world for decades that it would be very difficult to convert military industries to civilian use. But that isn't true. There do exist studies - also commissioned by the United Nations such as the Thorson Report - that overwhelmingly document that it is eminently *possible* to convert military industries to civilian production and thereby boost socio-economic productivity and innovation. There is much more employment to be created in sectors such as health, education, and culture than in military production. It's better to build fascinating new cities and create sustainable societies than to first destroy a society and then re-build it - as in Bosnia, Iraq, Libya, Syria, etc.

All it takes is a) an ability to live with images of real challenges instead of inventing enemies by demonisation and paranoia; b) a switch to a new way of defence and security thinking; c) a more global common-humanity perspective than narrow nationalism, and finally d) a political will to set in motion such conversion

Shall a global military catastrophe in the wake of rampant militarism happen before we come to our senses

Business for peace

It's often stated that countries go to war for economic reasons, for instance to gain access to valuable minerals and energy deposits. That is true in many cases but most often those wars turn out to cost much more in economic, environmental and human terms than what the country earns.

We say "Go to war" - but could countries also "Go to peace" - and what would that mean?

Could we also think of economic - and other - *peacefare*? That is, ways to structure extraction, production, consumption and waste-handling in such a way that we do as little harm to other countries, people, culture and environment as possible and cooperate for the common good rather than for the exploitation of them for just our own interest?

There is no doubt possible that we *could* build peace - i.e. reduce all kinds of violence and realise human and societal potentials - when we shape our economies. But capitalism is not a system that takes all factors and interests into account or treat them in win/win terms, rather more in win/lose in the short-term perspective and lose/lose in the long-term.

What the world needs to urgently discuss is how to shape a new economic system that reduces all kinds of violence - direct physical, psychological, structural, cultural and environmental - that *is* as unavoidable as rampant with the capitalist limitless materialist growth philosophy.

How do we satisfy human material and non-material needs for all with a system that does as little harm to other people, other cultures and to Mother Earth in the process of extraction, production, consumption and waste handling/recycling? While there are limits to quantity, there are no limits to quality.

Such theories exist, from Gandhi and onwards, but they are left out of universities and the public discourse. Departments of Economy and Colleges of Commerce don't seem to have a clue but train people to fit into the philosophical and mindless wasteland called the market place, devoid of values, norms and ethics. As Oscar Wilde let's one of his characters say: "What is a cynic? Its' a man who knows the price of everything and the value of nothing."

Capitalist and military - MIMAC - power elites go for short-term thinking and profits, not for the common good of humanity in the long-term perspective.

Fair or equal-benefit cooperation creates synergy and mutual, human as well as economic growth. That's of course something the confrontational, violent economy theory and economic warfare by definition never can. It's self- as well as other-destructive. And there are reasons to believe that it's coming to an end.

The world needs new thinking, new theories and new structures to solve its problems - not more automatic pumping money and weapons into defunct, outdated socio-economic systems in the delusional belief that that will solve any problems. It will aggravate them and accelerate the decline and fall.

When we cooperate and create win-win outcomes in horizontal structures, we get to know each other and become mutually (not unequal/exploitative) dependent. That opens up, at least in principle, for the potential to reduce the risk of conflict and war. Particularly when the economy tools are not used to transfer values but to show respect for cultural and other differences - unity in diversity instead of uniformity. Many and different economies networking - but not one master plan to be imposed on everybody else worldwide.

More or less missionary universalisation of one culture's system makes everyone more poor and create legitimate resistance. The Occident should recognise that before it is too late.

That would also increase multipolarity and diversity and reduce vulnerability. A single, totally integrated world economy would, if in systemic crisis, drag everyone down. Globalisation presupposes a certain degree of self-reliance and diversity.

If moved forward wisely, one would like to hope that China's visionary macro project in both time and space - the Belt and Road Initiative, BRI - will not only bind the world together in peace and diversity but could also shape a whole new philosophy of peaceful and sustainable global co-existence.

Because, as Danish philosopher Piet Hein says it, we must choose: Co-existence or No-existence.

Notes

1. According to SIPRI, Stockholm
https://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures
2. See Sami Adler, How Much Would It Cost to End Climate Change?
<https://www.globalgiving.org/learn/cost-to-end-climate-change/>
3. See "The UN budget" at Better World Campaign
<https://betterworldcampaign.org/resources/briefing-book-2022/united-nations-budget>
4. Grace Zhao, How Much Does It Cost to End Global Poverty?
<https://borgenproject.org/how-much-does-it-really-cost-to-eliminate-global-poverty/>
5. Congressional Research Service, Government Expenditures on Defense Research and Development by the US and other OECD countries. Fact sheet.
<https://sgp.fas.org/crs/natsec/R45441.pdf>. Statista has these data:
<https://www.statista.com/statistics/1102845/government-research-development-defense-spending-oecd-country/>
6. See Enrico Moretti, Claudia Steinwender and John Van Reenen, *The Intellectual Spoils of War?*, University of California at Berkely, 2021
<https://eml.berkeley.edu/~moretti/military.pdf>
7. SIPRI, Financial value of the global arms trade
<https://www.sipri.org/databases/financial-value-global-arms-trade>
8. See for instance, Jomo Kwame Sundaram and Anis Chowdhury, *"US leads Sanctions Killing Millions to No End"*
<https://transnational.live/2022/06/23/us-leads-sanctions-killing-millions-to-no-end/>
9. See TFF's magazine *"Bootprint - Militarism & Environment"*
<https://flipboard.com/@janoberg/bootprint---militarism-environment-tk0qmnrsy>

About Jan Oberg

Jan Oberg (1951) is a Danish-Swedish peace researcher with a PhD in sociology, a docent degree in peace and conflict studies and an extensive writing and lecturing career.

His best known books are *Myths of Our Security* (1981), *Developing Security and Securing Development* (1983), *Winning Peace* (with Dietrich Fischer and Wilhelm Nolte 1988) and

Predictable Fiasco. On the Iraq Conflict and Denmark as an Occupying Power (2004). Since then, he publishes only online.

In addition, an academic output of some 3500 pages and many more pages of educational material, debate articles, columns, reviews, blog posts etc. over the years.

In the 1980s, he was head of Lund University's Institute for Peace and Conflict Research (LUPRI) and also served in that decade on the Danish government's Security and Disarmament Policy Committee (SNU). After leaving Lund University in 1989, he has been a visiting professor a number of times in Japan, Austria, Italy and Switzerland and has given academic courses or lectures in these countries as well as Yugoslavia, Burundi, the United States, Russia, the Nordic countries, etc.

Oberg has worked as a conflict analyst, mediator, advisor or peace educator in war zones such as Yugoslavia, Georgia, Burundi, Somalia, Iraq, Iran and Syria.

He is co-founder and director of the independent think tank, The Transnational Foundation for Peace and Future Research (TFF) in Lund, Sweden, where he has lived since 1972. Its website is <https://transnational.live> He also has a personal blog at <https://janoberg.me> - and his CV site is <https://janoberg.taplink.ws/>

Since 2009, Oberg spends about 25% of his time as a fine art photographer with studio and exhibitions in Lund. In 2019 he exhibited a large photo-based, multimedia installation called SPAR - Silk Peace Art Road - at the Venice Biennale, specifically at the European Cultural Centre's Palazzo Mora. His photo website is: <https://obergphotographics.com>

He and TFF are currently working with a focus on Iran and China in particular, and the China-initiated Belt and Road Initiative (BRI).

Jan Øberg has received a number of awards, has been nominated many times for the Nobel Peace Prize. He is an honorary doctor at the Buddhist Soka University in Tokyo.

More: <https://janoberg.me>

More: <https://obergphotographics.com>

About The Transnational Foundation for Peace & Future Research, TFF

“TFF – The Transnational Foundation for Peace & Future Research – is an independent think tank, a global network that aims to bring about peace by peaceful means. It inspires a passion for peace from the grassroots to the corridors of power.

TFF is a global network think tank. It promotes conflict-mitigation and reconciliation in general, as well as in a more targeted way in a selected number of conflict regions – through meticulous on-the-ground research, active listening, education and advocacy.

The Foundation is committed to doing diagnosis and prognosis as well as proposing solutions. It does so in a clear, pro-peace manner.”

TFF works in support of two major UN Charter norms – “to save succeeding generations from the scourge of war” and that “peace shall be brought about by peaceful means”.

The Foundation helps people learn to handle conflicts with less violence towards other human beings, other cultures and nature. Many of its Associates are professors or teachers in other capacities.

TFF is a networking organization with Nordic and international Associates. It is all-volunteer, accepts as a principle no funds from government or corporations.

We believe that alternatives to the main trends of our time are desirable and possible – indeed necessary for humankind to survive and live with dignity.

TFF is critical and constructive. It is and shall remain an experiment in applied peace research and global networking.

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