

Arms manufacture won't help the Third World. It will simply mean a new form of dependency

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Militarism in the Third World



The Falklands dispute, during which British produced arms were turned against Britain, brought into public focus once again the enormous international trade there is in weapons. Estimates put the level of world military sales at some £24 billion in 1980 and it is growing. This is a trade which is dominated by five countries — the USA, the USSR, the UK, France and Germany — who together account for over 95% of arms transfers. The growth of the arms trade has been rapid, even more rapid than the growth of military expenditure, and about two-thirds of the world total has gone to Third World countries.

The arms trade is unique and its very rapid growth in the past 30 years can be partly explained by the economic and political policies pursued by the major suppliers. Broadly speaking there are three factors that determine the pattern and level of supply of arms, which are, briefly:

1. the hegemonic factor — which refers to the control of arms transfers by a supplier in order to maintain or achieve a position of

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hegemony or domination either within the receiving country or more widely within the world.

2. the industrial factor — which relates to the economic advantages of large scale production and long production runs.

3. the restrictive factor — whereby the supplier declines to provide arms to other countries if it is likely to operate against the industrial and/or hegemonic interests of the supplier.

It is the way the restrictive factor has been operated in the past, eg, by the USA against Turkey in 1974, and more recently by the major producers against Argentina, that has led several less developed countries (LDCs) (eg, in addition to Turkey and Argentina, Pakistan, Iran, Israel, India, Brazil and Libya) to renew and strengthen their plans

to make themselves self-sufficient in arms production, thereby making themselves independent of the major suppliers.

Economic implications

From an economic point of view the establishment of new weapons industries would have far reaching effects on the economies of LDCs yet these economic implications are rarely examined, or when they are the analysis tends to be superficial and distorted. Thus for example it has frequently been claimed in military circles within LDCs that weapons production would be a spur to the economy and raise levels of productivity. Since the oil crisis of 1973-74 the economies of many LDCs have been experiencing their worst crisis since the Second World War. The main economic problems have been a shortage of foreign exchange, high and rising levels of unemployment with extremes of poverty and affluence, dependence on imports for machinery, raw materials and technology, and a scarcity of capital resources. The setting up of a large arms industry will not solve these economic problems but on the contrary will inevitably place an intolerable burden on very scarce domestic resources and seriously retard the development process even further than has occurred already.

The establishment of an arms industry will have the effect of absorbing scarce resources of capital, specialist labour, industrial raw materials and foreign exchange, which will not therefore, be available for other more socially useful projects. However, not only is arms production wasteful from the consumption side, and inferior to health, housing, education and other welfare services, but it also has implications for industrialisation and the rate and direction of development. The experience of other countries is that it takes many years, indeed decades, to reach the highest stage of complete indigenous military production, including design, raw materials and manufacture. India, which has been pursuing military self sufficiency for over 20 years still depends on overseas models of weapons made under license with over a third of the components imported.

Importing components

Even the production of small arms and ammunition requires inputs of special metals and machine shop skills, but for ships and aircraft the level of skills required are considerably more advanced and power sources become vital and metal fabrication and instrumentation more critical. If the production of arms in the LDCs is to stimulate domestic economic activity, then the

manufacturing base must be capable of supplying the necessary inputs, otherwise the components and raw materials will be imported and the arms industry merely assemble the products.

The manufacturing base in most LDCs is nowhere near self-sufficient, but is heavily dependent on imports for its survival. If one takes the share of manufacturing in total output as an index of potential for arms production, then about 15 LDCs now have a share above 20%, but for most of these countries the manufacturing capacity is concentrated in the food and agriculture and textile and clothing sectors, and only three countries (Brazil, Argentina and Singapore) have a machinery and transport equipment sector, the vital sector for arms, which accounts for more than 25% of total manufacturing output.

Thus the economies of LDCs would find it impossible to supply all the vital inputs for defence production either because they were too technically sophisticated or in short supply. In brief the main beneficiaries of LDC arms production would be the international firms supplying the licenses and components.

New forms of dependency

There is another problem that must be considered before an arms industry can be justified on economic grounds. Some LDCs have a considerable army but for most the armed forces are relatively small and in any case given that the LDCs are poor it is clear that home demand for arms would be insufficient to generate full capacity production or a feasible production run. This means that exports of arms would be essential to make an arms industry viable, yet exports in the world market are only possible if the domestic industry is efficient, its products of good quality and its prices competitive. For most LDCs with a dependent inefficient manufacturing sector and virtually no research and development capacity, it is unlikely that they could compete with established arms producers.

Given the technology gap the best that most LDCs could hope for would be licensed production of arms using mainly imported components which inevitably leads to high unit costs and would be more expensive than importing the complete weapon. LDCs would be moving from one form of dependency to another — from dependence on imports of weapons to dependence on imported licenses and components. It is certain that this new form of economic/military dependence will continue to have repercussions in terms of political dependence, which can be used by the

supplying country to enforce its hegemonic position.

Technological dependence

Military technology takes a specific form in each society at each stage in history and is a function of the mode of production, the available level of technology, the military objective and the form of military organisation. In the USA the military technology generated, like other technology, reflects the prevailing industrial structure and the capitalist mode of production, but is also related to the need to keep to time and design specification limits, so that it tends to be high technology employing mainly skilled personnel.

Yet for LDCs who would be technologically dependent for arms production the imported technology may be inappropriate. Arms production can be expected to create new specialist jobs requiring investment of scarce resources in special education, yet the skills acquired may be specific to sophisticated arms production and have little relevance for the civilian economy. Consequently arms production is likely to

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do little to create jobs for the mass of unemployed. In short the creation of an arms industry in LDCs will encourage the import of capital and skill intensive technology unsuited to the needs of the labour market. The domestic market will be limited and the imports of machinery, components and technology will place a heavy burden on foreign exchange. Moreover, there is the danger that sophisticated arms production programmes with capital and skill intensive technology would increase the dependency of LDCs on the developed world and perpetuate uneven development and underdevelopment.

The rate of product innovation and technological obsolescence in weapons production is such that LDCs could not be self sufficient in the foreseeable future without impossible levels of expenditure in manpower training and research and development. Licensed production of arms leaves the control of technology in the hands of foreign firms and even if some share in the production of arms is achieved the parent company retains control of the technologies employed and determines the allocation of investment, so that the pattern of produc-

tion that emerges is a form of 'vertical integration of production on an international scale'. These characteristics of arms production combined with the high level of indirect costs of infrastructure and software provision will mean that it contributes less to development than other civil industries geared to genuine needs.

The spread of militarism

In conclusion it is clear that the renewed interest in the creation or enlargement of arms industries in LDCs, apart from the dubious claim of military self sufficiency, can have little to do with enhancing economic or social development. The major interest group with a stake in military spending and arms production are those firms which would be likely to supply, or are already supplying, the needs of the military machine. Certain industrial sectors within LDCs would benefit from military orders and in some countries already (Turkey, Iran, Argentina, Brazil, India, Israel) there are firms that are dependent on arms orders for a significant part of their output and a certain class of individuals has been created whose interests are served by defence spending and arms production.

The 'military-industrial' thesis, which is normally applied to the major arms producing countries is becoming equally valid for the new wave of arms producers. Not only may the careers of managers in major manufacturing companies and the profits of owners and shareholders be tied to the level of weapons production but also the military itself may have an interest in establishing defence industries. In many LDCs the military is solidly integrated into the economy and therefore has an interest in preserving the status quo. The financial oligarchy may also see the military as the guardian of the system particularly in those countries where popular democratic demands can only be held in check ultimately through the power of the military. These links between the various elements within the power elite in LDCs may mean a commitment to high levels of military spending and increased arms production.

In the context of scarce resources, high unemployment and serious foreign exchange shortages, LDCs will find that increased arms production will inevitably mean that desirable civil expenditure is crowded out with adverse effects on development and social justice. But, perhaps more importantly, there is the danger that spreading arms production will stimulate the global arms race and increase the possibility of war through a heightening of international tensions.