



Forum: Disarmament & Security

Issue: Countering the arms race and reducing military budgets in LEDCs as a measure to increase economic investment

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Introduction

An arms race occurs when two or more countries increase the size and quality of military resources to gain military and political superiority over one another. The Cold War between the United States and the Soviet Union is perhaps the largest and most expensive arms race in history; however, others have occurred, there are states that have their own geopolitical ambitions and interests: the United States, Russia, China, India, Saudi Arabia, Israel, Turkey, Britain, etc.

Arms races are frequently regarded as negative occurrences in both economic and security terms. Large-scale arms acquisitions require considerable economic resources. If two countries spend large sums of money just to cancel out each other's efforts, the expenditure might well be seen as wasted.

According to The Stockholm International Peace Research Institute' (SIPRI) research, the five biggest spenders in 2019 were the United States, China, India, Russia, and Saudi Arabia. Together, these countries made up around 60% of global military spending.

In 2019, U.S. military expenditure increased by almost 5.3% to \$732 billion. China increased its military spending by 5.1%, India increased its spending by 6.8%, Russia increased it by 4.5%, and Saudi Arabia decreased it by 16%.

Keywords

Arms race — a pattern of competitive acquisition of military capability between two or more countries.

Cold War — state of political tension and military rivalry between nations that stops short of full-scale war, especially that which existed between the United States and Soviet Union following World War II.

LEDCs — less economically developed countries, or developing countries. The most LEDCs are characterized by particular parameters of birth rate, people per doctor, life expectancy, housing, and literacy.

Military resources — military and civilian personnel, facilities, equipment, and supplies under the control of a Department of Defense component.

Military superiority — the power, strength, or numbers of armed forces of a country viewed as an advantage over another country

Background information

1) *Examples of arms races*

The first example of an arms race is the “dreadnought” arms race between Germany and Britain prior to World War I. In the early 20th century, Germany as a rising power sought to challenge the United Kingdom’s traditional naval dominance. In 1906 Britain launched a new, more advanced warship, the HMS Dreadnought, triggering a naval arms race. Between 1909 and the outbreak of World War I in 1914, Britain launched a further 19 dreadnoughts and a further nine battle cruisers, while Germany launched 13 dreadnoughts and five battle cruisers. This arms race is often cited as one of the causes of World War I.

The Cold War nuclear arms race between the United States and the Soviet Union is another example of a 20th-century arms race. Though the United States and the Soviet Union were tentative allies during World War II, their alliance soured after Nazi Germany surrendered in May 1945.

The United States cast a wary eye over the Soviet Union’s quest for world dominance as they expanded their power and influence over Eastern Europe, and the Soviet Union resented the United States’ geopolitical interference and America’s own arms buildup. Further fueling the flame of distrust, the United States did not tell the Soviet Union they planned to drop an atomic bomb on Hiroshima on August 6, 1945, although they had told them they had created the bomb.

To help discourage Soviet communist expansion, the United States built more atomic weaponry. But in 1949, the Soviets tested their own atomic bomb, and the Cold War nuclear arms race was on.

The end of the Cold War by the early 1990s appeared to have ended that arms race. In 2019, however, the United States formally withdrew from the 1987 Intermediate-Range Nuclear Forces (INF) Treaty, citing multiple alleged violations of

the agreement by Russia. Experts feared that the demise of the treaty, by which the United States and the Soviet Union had agreed to eliminate intermediate-range and shorter-range land-based missiles capable of carrying nuclear weapons, would lead to a new arms race.

2) *The impact of the arms race and active military investment on the economy.*

a) Capital is finite, and capital going into one spending category means less money for something else. Education and health expenditures are decreasing, so the level of living is decreasing, too;

b) Military spending diverts critical talent and technical skills towards military research and development;

c) The economic cost of defense spending shows up in the national debt and in a dislocation of potential jobs from the private sector to the public. There is an economic distortion of any industry that the military relies on as resources are diverted to produce better fighter planes and weapons.

Yet it should be kept in mind that some of the economists support the idea of positive relationship between military investment and overall economic growth. Military expenditure is important for guarding national security that is vital for supporting economic activities (business feels safer). It is also discussed that military expenditures may boost economic growth when the economy is in the phase of recession. Finally, it may generate employment, and the necessity to develop new military technologies “will create spin-off to civilian technology” (Chairil et al., 2013). However, these positive effects may not be long-lasting, and still more investment in social spheres is needed to raise the standard of living.

3) *Military budgets and LEDCs*

The analysis of the effect the vast military budgets have on economic development shows that they take away a significant amount of resources, including financial resources, which could be used for the development of other spheres of the states. Therefore, this issue is extremely important for less economically developed countries (LEDCs) as reducing their military budgets will allow them to invest to other crucially important spheres, such as health care, education, etc. and, therefore improve the standard of living. It is also important to mention that, as these states are a part of the system of international relations, their policy regarding military budgets

may depend on the situation between more economically developed countries. Even though right after the end of the Cold War the amount of finances spent on military resources decreased rapidly both in MEDCs and in LEDCs, in 21st century it started to rise again. This may be caused by the increasing tension between key international players such as the US and Russia, as the amount of resources spent on military is determined both by internal and external threats. In this case growing international tension may lead LEDCs to increase their investment in military resources.

Major countries and organizations involved:

Countries:

- United States of America
- Russian Federation
- China
- India
- Saudi Arabia
- Turkey
- Pakistan

Organizations

- *OSCE — Organization for Security and Cooperation in Europe*, the world's largest regional security organization. It unites 57 countries located in North America, Europe and Central Asia. Formerly known as the Conference on Security and Cooperation in Europe;
- *NATO, North Atlantic Treaty Organization* — military-political bloc uniting most of Europe (including Turkey), the United States of America and Canada. One of NATO's stated objectives is to deter or defend against any form of aggression against the territory of any NATO member State;
- *The Collective Security Treaty Organization (CSTO)*, less often the "Tashkent Treaty", is a regional international organization with the proclaimed goals of which are "strengthening peace, international and regional security and stability, protecting on a collective basis the independence, territorial integrity and sovereignty of member states, the priority in achieving which member states give to political means».

Relevant treaties and UN resolutions

1. *New START (Strategic Arms Reduction Treaty)* is a nuclear arms reduction treaty between the United States and the Russian Federation with the formal name of Measures for the Further Reduction and Limitation of Strategic Offensive Arms. It was signed on 8 April 2010 in Prague, and, after ratification, entered into force on 5 February 2011. It is expected to last until 5 February 2026, having been extended in 2021.
2. *Joint Statement of the Leaders of the Five Nuclear-Weapon States on Preventing Nuclear War and Avoiding Arms Races* is about nuclear weapons, nuclear war and arms races signed on January 3, 2022, by the five major nuclear-weapon states and permanent members of the United Nations Security Council.
3. *Resolution "Measures to prevent an arms race in outer space"* submitted by Russian Federation calls on the international community to "continue efforts aimed at preventing an arms race, including the deployment of weapons, in outer space in order to maintain international peace and strengthen global security".
4. *The Treaty on the Non-Proliferation of Nuclear Weapons*, commonly known as the Non-Proliferation Treaty or NPT, is an international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the peaceful uses of nuclear energy, and to further the goal of achieving nuclear disarmament and general and complete disarmament.

Previous attempts to solve the issue

Although the UN members repeatedly raised the question with a decrease in the cost of the military budget, to date, the numbers continue to grow.

If we talk about the arms race, just thirty-five years ago, the arms control system was experiencing similar to the scale of the crisis. In November 1983, the Soviet-American negotiations on the restriction of strategic arms were interrupted for the first time since the 60s - in connection with the deployment of American missiles in Europe and a shared impossibility in the approaches of the parties to the question. They did not resume until March 1985. In May 1986, President Ronald Reagan announced that his administration would not adhere to the limits of the Agreement on the restriction of

strategic offensive arms (ASS-2) 3, and in November, Washington actually exceeded the limits of the bombarding contract limits.

Possible solutions

In order to counter the arms race and reduce military budgets in LEDCs as a measure to increase economic investment countries should:

- Create verification systems in the framework of arms control agreements and disarmament;
- Create conditions for economic, scientific and technical cooperation;
- Maintain regular dialogue on strategic stability.

Useful links

<https://www.un.org/en/>

<https://www.britannica.com/topic/arms-race/Prisoners-dilemma-models>

<https://www.history.com/topics/cold-war/arms-race>

<https://www.investopedia.com/articles/investing/072115/how-military-spending-affects-economy.asp>

<https://www.usatoday.com/story/news/politics/2016/12/23/whats-arms-race-short-history/95792412/>

Chairil, T., Sinaga, D., & Febrianti, A. (2013). Relationship between military expenditure and economic growth in ASEAN: evidence from Indonesia. *Journal of ASEAN Studies*, 1(2), 106-121: <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-441818>