



## Profits of Pain: Stopping the War Economy to Stop Wars

By Ray Acheson



*This article is part of the WPP Publication bundle "Women, Peace & Security: Business as Usual?", providing a critical exploration of the link between the private sector and the implementation of the Women, Peace & Security agenda.*

*Sixteen articles will be in launched during November & December 2015, coinciding with the 16 Days Campaign Against Gender-Based Violence.*

In 1915, women from around the world gathered in The Hague to protest the slaughter of World War I and to articulate a vision of, and path to, peace and freedom for all. At that meeting, they identified "in the private profits accruing from the great armament factories a powerful hindrance to the abolition of war."<sup>1</sup> A hundred years later, we can see that for as long as war is profitable, the killing will continue. Those profiting from the production of arms maintain the system of war. They have turned militarism into a way of thinking about, responding to, and investing in the world. The default response to security challenges has become military intervention.<sup>2</sup> As activists for peace as well as for gender equality and women's rights, we need to seek and articulate effective strategies that challenge war profiteering and privatization.

### About Ray Acheson

Ray Acheson is the Director of Reaching Critical Will. She monitors and analyses many international processes related to disarmament and arms control. Ray is the editor of RCW's reports and publications on a variety of subjects related to weapons, militarism, and gender. She is also on the Board of Directors of the Los Alamos Study Group. She previously worked with the Institute for Defense and Disarmament Studies. Ray has an Honors BA from the University of Toronto in Peace and Conflict Studies and an MA in Politics from the New School for Social Research.

### The Capitalist War Economy

Historians of the war economy, such as C. Wright Mills, have located the growth of US military spending in the rise of military officials into the "higher circles of the American elite." Mills has argued that this led the American political elite to define international reality in predominantly military terms. The lens of permanent war and aggression ensured that the national budget came to reflect the militaristic interpretation of the nature of international relations. "During World War II, the merger of the corporate economy and the military bureaucracy came into its present-day significance," wrote Mills. "The very *organization* of the economics of war made for the coincidence of interest and the political mingling among economic and military chiefs."<sup>3</sup>

Economists concerned with overspending on militarism have explored how this path was embraced by private wealthy interests within the capitalist system. "The military plays the role of an ideal customer for private business, spending billions of dollars annually on terms that are most favorable to the sellers," they have argued.<sup>4</sup> The intermingling of generals, corporations, politicians, and lobbyists solidified the dominance of militarism within capitalism over the ensuing decades.

But militarism has not proven to be good for the economy at large. The war economy has not been successful at job creation. Economists have shown that the military-industrial complex largely provides jobs for professional and technical workers, who have the lowest unemployment rate of any occupational category in the economy. Military spending "creates very few jobs for those most in need of work."<sup>5</sup>



For example, the Los Alamos Nuclear Laboratory (home to the Manhattan Project that created nuclear weapons) is still touted as a regional “job creator” and generator of “economic growth.” Yet while Los Alamos has the highest concentration of millionaires in the US, New Mexico, the state in which it is located, has one of the highest poverty rates in the country.<sup>6</sup> Not only do we see how military production thus benefits the technical and professional class rather than the working class. We also see how militarism further redistributes wealth towards the wealthy because most of the money invested in military production and other aspects of militarism come from government revenue through taxation and from international borrowing, the latter of which has resulted in the country’s enormous deficit.

### Private Profits from Public Pain

Meanwhile, private producers reap the profits. Global military spending reached \$1.8 trillion in 2014.<sup>7</sup> The international arms trade is valued at \$100 billion annually. While the top five arms exporters - US, Russia, China, Germany, and France - are responsible for 73% of this trade, small arms are produced by over 1,000 companies in nearly 100 countries.<sup>8</sup> The arms production industry is profitable, and commercial interests often influence arms export policy. According to the Stockholm International Peace Research Institute: “The USA has long seen arms exports as a major foreign policy and security tool, but in recent years exports are increasingly needed to help the US arms industry maintain production levels at a time of decreasing US military expenditure.”<sup>9</sup>

Despite the Arms Trade Treaty (ATT), which is aimed at preventing arms transfers that will lead to violations of international humanitarian and human rights law, states continue to engage in arms transfers that result in human suffering. The UK, which was one of the countries initially pushing for negotiation of an ATT, has come under pressure from human rights and arms control groups over its transfers to Israel, Russia, Saudi Arabia, and others.<sup>10</sup> Germany, the fourth largest arms exporter, announced a “more restrictive” arms export policy last year, yet had orders from Saudi Arabia, Israel, Egypt, and Algeria.<sup>11</sup> France, the fifth largest exporter, has highlighted the importance of the ATT’s conscientious implementation, yet recently concluded a deal with Egypt for combat aircraft.<sup>12</sup> Non-ATT signatories, such as Russia and China, also profit massively from the arms trade, notoriously shipping weapons to countries in conflict.

Seen time and again, it is the developing world that is devastated by the mass circulation of arms, while the developed world profits. Developing countries are on the receiving end of most flows of arms, suffer the consequences of their proliferation and use, and then have to divert resources from development to deal with the aftermath of this destruction. They are also the largest purchasers of weapons from developed countries. “Military cooperation,” including the purchase of equipment, is often a part of development aid funding.<sup>13</sup>

### From War Economy to Private Militaries

As the capitalist war economy has grown and become entrenched, it has embraced not only the privatization of the production and sale of weapons, but also of military operations. In recent years, states and international organizations - including the UN - have been increasing their use of private military and security companies to support a wide range of military and security activities. Recent research suggests that this practice goes as far as involving private companies in the use of armed drones.<sup>14</sup>

This multibillion-dollar industry, operating from and within more than 50 countries, is arguably an extension of the development of the war economy and the privatization of the production and sale of the tools of war. In a capitalist system that relies on militarism for its expansion at home and abroad,<sup>15</sup> it is unsurprising that military operations have also become privatized.

## Other Private Corporations Contributing to Conflict

Even the source of conflict can sometimes stem from the private sector. There are many cases in which transnational corporations have violated human rights with impunity, particularly in the developing world and in areas of armed conflict. In such contexts, corporations may benefit from and foster an increased militarization of society in order to repress those calling for respect for human rights and due consultation of people affected by corporate projects. Companies can also benefit from conflicts when they cause internal displacement, which can facilitate land-grabbing schemes.<sup>16</sup>

## War and Patriarchy

All of this has serious implications for peace and security, human rights, gender equality, and overcoming violent masculinities, patriarchy, and the culture and economics of militarism. The privatization of military operations has led to numerous reports wherein employees of some of these companies perpetrate serious crimes and human rights abuses, including human trafficking, sexual exploitation, and rape. While such abuses have also been carried out by military personnel throughout history, the accountability mechanisms for private military companies are weak and go unenforced, producing a culture of impunity.<sup>17</sup>

That women and girls, in particular, are exploited and abused by private military contractors is no surprise. In the privatization of war, as in anything else, power is constituted through mutually reinforcing structures of patriarchy, militarism, capitalism, and racism. All rely on violence and together help produce and sustain the culture and economy of violence, including gender-based violence.

Patriarchy - the subordination of women by men, in state, community, and family - is “perpetuated by the social shaping of men and women into contrasted, unequal and limiting gender identities, favoring violent masculinities and compliant femininities.”<sup>18</sup> Violent masculinities perpetuate a culture of militarism that is rooted also in the economy of militarism. Weapons are considered to be “men’s business.” Our societies expect men to be violent. We can see this expectation in the reported policy of using maleness as a signifier of militancy in the targeting and casualty analysis of drone strikes.<sup>19</sup>

Our social relationship with weapons is linked to a persistent construction of women as the “weaker sex,” in need of protection by men. Thus, men and adolescent boys tend to most often be the perpetrators of violence inside and outside of armed conflict. Yet men are also the highest proportion of direct victims of armed violence and armed conflict. However, this is rarely presented as evidence of men’s weakness. Instead, it seems to make men seem more expendable. The impacts of violence or conflict on women are treated as somehow more egregious. States and humanitarian groups, alike, often call for the protection of “innocent civilians,” specified as women, children, and the elderly. But framing women as weak and in need of protection continues to enable their exclusion from authoritative social and political roles. Moreover, it weakens the effectiveness of social and political processes.

While the UN Security Council resolutions on Women, Peace, and Security - notably, resolution 1325 (established in 2000) - compel governments to include women in peace processes, the resolutions’ interpretation is risky. Promoting women’s participation foremost within the highly masculine militarized security structures tends to generate, rather than prevent or end, armed conflict.<sup>20</sup> Resolution 1325 fails to lend itself to preventing war. Nor does it challenge the legitimacy of systems that generate war. It is underpinned by the idea of “making war safer for women” - as though this were possible. Because it aims to protect women in war and insists on their equal right to participate in the processes and negotiations that end particular wars, resolution 1325 leaves war itself in place.<sup>21</sup>

## Strategies for Change

We must confront the war economy and the privatization of war on several different fronts.

- **Stop investments in militarism.** States must invest in sustainable development, education, health, infrastructure, renewable energy, and other socially productive initiatives rather than in weapons and war.
- **Stop the arms trade.** All states, regardless of whether or not they are party to the ATT, must measure every single arms transfer against the risks of human rights abuses, violations of international law, and the undermining of peace. The ATT should be implemented with the goal of facilitating peace, justice, and human rights, not profits or political manipulation. If it implemented in this way, the arms trade would look substantially different than it does today - it most likely would not exist at all.
- **Stop the culture of militarism.** Violent masculinities must be exposed and challenged. Working with men and boys is crucial to restructuring power and diversifying our understanding of gender identities, including through dismantling the hegemonic conceptions of masculinity and femininity. Actors promoting the implementation of resolution 1325 should include a critique of militarism, violence, and war, ensuring that women not be simply integrated into the structures generating and sustaining conflict.
- **Stop impunity for private military contractors.** Private military companies must be accountable to their contracting states, through provisions of contract or status of forces agreements. States must constructively engage in the open-ended intergovernmental working group in the UN Human Rights Council, which should elaborate an international framework on the regulation, monitoring, and oversight of activities by private military and security companies. This framework should put in place accountability procedures for investigation and prosecution of offenders. States, the UN, and other international organizations must be held responsible for any failure to exert due diligence in preventing and prosecuting related crimes. Private military actors must be trained in human rights and international humanitarian law.
- **Stop impunity of private corporations.** Private corporations must be held accountable when their actions lead to armed conflict or aggravate existing wars. States must constructively engage in the open-ended intergovernmental working group on “transnational corporations and other business enterprises with respect to human rights” and elaborate a treaty that will prevent human rights violations and create mechanisms for accountability. States from the developed world need to engage constructively in this process and refrain from blocking its work for the benefit of corporations.
- **Build an economy and culture of peace and justice.** An integrated approach is crucial to building a better future in which women and others are fully and equitably engaged. Such an approach must constructively incorporate:
  - human rights
  - disarmament
  - reduction and conversion of military spending, arms production, and the international arms trade
  - limiting and ending the impunity of private military contractors
  - and changing the ways we engage socially with ideas of masculinity, weapons, and violence.

## Notes

- <sup>1</sup> WILPF resolution on general disarmament, The Hague, the Netherlands, 1915, [http://wilpf.org/wp-content/uploads/2012/08/WILPF\\_triennial\\_congress\\_1915.pdf](http://wilpf.org/wp-content/uploads/2012/08/WILPF_triennial_congress_1915.pdf).
- <sup>2</sup> WILPF 100th Anniversary Conference Summary, Women's International League for Peace and Freedom, June 2015, <http://www.womenstopwar.org/wp-content/uploads/2015/06/Conference-Summary-Final.pdf>.
- <sup>3</sup> C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 2000) 212-213.
- <sup>4</sup> Paul Sweezy and Paul A. Baran, *Monopoly Capital: An Essay on the American Economic and Social Order* (New York: Monthly Review Press, 1968) 207-208.
- <sup>5</sup> Robert W. DeGrasse, *Military Expansion, Economic Decline* (New York: Council on Economic Priorities, 1984) 32.
- <sup>6</sup> ABQnews Staff, "N.M. Near Bottom for Poverty Rate," *Albuquerque Journal*, 14 September 2011, <http://www.abqjournal.com/main/2011/09/14/news/nm-near-bottom-for-poverty-rate.html>; Greg Mello, "Does Los Alamos National Lab help or Hurt the New Mexico Economy?" Los Alamos Study Group, July 2006, [http://www.lasg.org/LANLecon\\_impact.pdf](http://www.lasg.org/LANLecon_impact.pdf).
- <sup>7</sup> "US Military Spending Falls, Increases in Eastern Europe, Middle East, Africa and Asia Says SIPRI," Stockholm International Peace Research Institute, 13 April 2015, <http://www.sipri.org/media/pressreleases/2015/milex-april-2015>.
- <sup>8</sup> "Killer Facts: The Scale of the Global Arms Trade," Amnesty International, 24 August 2015, <https://www.amnesty.org/en/latest/news/2015/08/killer-facts-the-scale-of-the-global-arms-trade>.
- <sup>9</sup> "The United States Leads Upward Trend in Arms Exports, Asian and Gulf States Arms Imports Up, Says SIPRI," Stockholm International Peace Research Institute, 16 March 2015, <http://www.sipri.org/media/pressreleases/2015/at-march-2015>.
- <sup>10</sup> See e.g. "WILPF Calls on UK to End its Role in Israel's Humanitarian Law Violations," Reaching Critical Will of the Women's International League for Peace and Freedom, 7 August 2014, <http://www.reachingcriticalwill.org/news/latest-news/9046-wilpf-calls-on-uk-to-end-its-role-in-israel-s-humanitarian-law-violations>; "UK Arms Sales: 'Astonishing' That Weapons Are Being Sent to Russia," Amnesty International, 23 July 2014, <http://www.amnesty.org.uk/press-releases/uk-arms-sales-astonishing-weapons-are-being-sent-russia>; Kim Sengupta, "Blood Money: UK's £12.3bn Arms Sales to Repressive States," *The Independent*, 17 July 2013, <http://www.independent.co.uk/news/uk/politics/blood-money-uks-123bn-arms-sales-to-repressive-states-8711794.html>.
- <sup>11</sup> Pieter D. Wezeman and Siemon T. Wezeman, "Trends in international arms transfer, 2014," SIPRI Fact Sheet, March 2015, <http://books.sipri.org/files/FS/SIPRIFS1503.pdf>.
- <sup>12</sup> Ibid.
- <sup>13</sup> See e.g. David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003).
- <sup>14</sup> Abigail Fielding-Smith et al, "Revealed: Private Firms at Heart of US Drone Warfare," *The Guardian*, 30 July 2015, <http://www.theguardian.com/us-news/2015/jul/30/revealed-private-firms-at-heart-of-us-drone-warfare>.
- <sup>15</sup> See e.g. Chalmers Johnson, *Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* (New York: Metropolitan Books, 2004).
- <sup>16</sup> For example, in Buenaventura, Colombia, the conflict between criminal armed groups and the paramilitary has led to internal displacement. This, in turn, has benefited transnational corporate projects that have been planned to transform ancestral lands into commercial and touristic harbors. See *Buenaventura: El Despojo para la Competitividad* (Mundubat and Comisión Intereclesial de Justicia y Paz, 2015) <http://www.mundubat.org/archivos/201506/buenaventurapliegos.pdf>.
- <sup>17</sup> "Call for Accountability of Private Military and Security Companies," Women's International League for Peace and Freedom, 9 March 2013, [http://wilpf.org/wilpf\\_statements/call-for-accountability-of-private-military-and-security-companies](http://wilpf.org/wilpf_statements/call-for-accountability-of-private-military-and-security-companies).
- <sup>18</sup> WILPF 2015 Manifesto, Women's International League for Peace and Freedom, April 2015, <http://wilpf.org/wp-content/uploads/2015/04/WILPF-2015-Manifesto.pdf>.
- <sup>19</sup> Ray Acheson, Richard Moyes, and Thomas Nash, *Sex and Drone Strikes: Gender and Identity in Targeting and Casualty Analysis*, Reaching Critical Will and Article 36, October 2014, <http://www.article36.org/wp-content/uploads/2014/10/sex-and-drone-strikes.pdf>.
- <sup>20</sup> Ray Acheson, *Women, Weapons, and War: A Gendered Critique of Multilateral Instruments*, Reaching Critical Will of the Women's International League for Peace and Freedom, October 2015.
- <sup>21</sup> Carol Cohn, "Mainstreaming Gender in UN Security Policy: A Path to Political Transformation," in Shirin M. Rai and Georgina Waylen (eds.), *Analysing and Transforming Global Governance: Feminist Perspectives* (Cambridge: Cambridge University Press, 2008) 185-206.