

## **EFFECTS OF ARMS RACES AND WAR ON DEVELOPMENT**

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### **Summary**

Military expenditure in general, and arms races in particular, impose significant costs on low income countries. If an armed conflict results from an arms race, the country and its population will suffer in a range of ways. Fortunately, there are low cost and potentially effective alternatives to the military as ways of dealing with disputes. The few countries which have adopted such approaches have reaped significant social and economic benefits.

### **1. Introduction**

For around a quarter of the world's people, life is precarious. They live on the margin of survival in terms of their ability to gain access to goods and services. They live in absolute poverty and have a very limited range of choices open to them. At its simplest, development involves progress towards a situation where each member of society has access to sufficient goods and services to enjoy a life at a level above that of mere survival. As development occurs, people move out of absolute poverty and the choices open to them progressively increase.

This approach suggests a fairly materialistic view of development: that food, clothing and shelter need to be sufficient, that people have really access to such services as health and education, and that there are opportunities available for them to earn the income they need to pay for such goods and services. This is not to deny a range of less tangible but highly significant elements of human well-being, including what the UNDP has termed "human security", the freedom from fear.

There are many reasons for high levels of poverty and slow development. This entry

examines the effects of arms races, military expenditure and war on development.

## **2. Arms Races, Military Expenditure and Development**

### **2.1. Arms races**

A “true” arms race involves abnormal and simultaneous increases in real military expenditure by two or more countries in an attempt to keep military predominance, to maintain a balance of power or to maintain a military force sufficient to act as a deterrent to an adversary. An arms race, it may be noted, need not be limited to military hardware. Indeed, about three quarters of a typical developing country’s military expenditure consists of personnel costs. A more demanding criterion for an arms race would be an increasing proportion of GDP or CGE. However, given the rapid GDP growth rates of some developing countries, a constant share of GDP may still allow substantial real growth in military expenditure.

Finding obvious examples of arms races between developing countries is not easy for at least two reasons. First, almost all wars occur within rather than between countries, pitting government forces against those of opponents wanting to take over government or to achieve some degree of political autonomy. Second, there are few neighbors with significant disputes. China-Taiwan, North Korea-South Korea, India-Pakistan are the only ones which spring to mind and even these, despite (or perhaps because of) huge military forces, have lasted forty years or more without significant fighting.

A subset of arms races involves nuclear weapons. In May 1998, India and Pakistan undertook a number of tests. The initial Indian test was carried out at the behest of the powerful scientific establishment and to strengthen the chances of the government being re-elected, rather than for predominantly military reasons. The Pakistani response had greater military motivation, given the country’s feelings of abandonment by the US following the end of the Cold War and its resultant inferiority to India in terms of conventional forces. This led to its stated strategy of the early first use of nuclear weapons in the event of a conventional war. Pakistan’s tests, then, were designed to make their nuclear deterrent more credible. It is, however, difficult to view this as an arms race, particularly since both countries have for some years had nuclear weapons that could be delivered by aircraft, although this is not to underestimate the very real risk of nuclear war in the sub-continent.

We have noted one cause of arms buildups, when economic growth allows increasing real military expenditure, even if its share of GDP remains constant. This appears to explain the increase in Asia’s real military expenditure during the 1990s, against a backdrop of falling expenditure elsewhere in the world; the only other region where real military expenditure rose was the Middle East.

Second, a “pseudo” arms race may occur when weapons are acquired as part of essentially non-military competitiveness between countries. Large and sophisticated weaponry may be acquired as status symbols designed to instill national pride and impress other countries.

Third, an arms buildup may occur independently of the decisions of neighboring countries as part of the military modernizing process. Heavy expenditures over a few years may be the result of the lumping together of expenditures following a major defense review.

Explaining away apparent arms races between countries in such ways does not negate the danger that a country may come to perceive the consequences of “innocent” military expenditures by a nearby country as threatening; this may result in an escalation of military expenditure in order to restore an acceptable “balance”.

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### **Biographical Sketch**

Geoff Harris is Professor of Economics at the University of Natal in Durban, South Africa and directs the university's Conflict Resolution and Peace Studies programme. He has edited *Recovery from Armed Conflict in Developing Countries* (London, Routledge, 1999) and *Demilitarising sub-Saharan Africa* (Pretoria, Institute for Security Studies, 2004).