

## **Militarization and economic crisis**

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Impoverishment of millions of people, mass unemployment, the collapse of public social regulations and programs, people driven out of their houses: the crisis is taken deep roots in many regions of the world. It is slowing the rise of emerging economies. The collapse of the financial markets caused a deep economic crisis. Its impact was shaped by the steady financialisation of our economic system: the percentage of world GDP originated through transactions in the financial and insurance world has been growing for years compared to the percentage created by industrial activity.

Even before this economic crisis a general process of militarization was already taking place, led by the US and NATO. Since the end of the cold war western powers have all the time been directly involved in military operations and war: Somalia, Iraq, Bosnia, Yugoslavia and Kosovo, Afghanistan, Iraq, Congo (a.o. Operation Artemis), pirate hunting before the Somalian coasts, Libya, Mali.

Militarization is deepening the crisis, the crisis is deepening the militarization.

## **Natural resources**

The broader background of the present developments shows an economic system, i.e. capitalism, in a global crisis based on its very unsustainability. The actual production technology and way of production combined with the search for maximal profit through growth, form a whole that is incompatible with the ecological limits of our planet. There is indeed a fundamental contradiction between the very nature of growth (basic instrument for profit increase) based on overconsumption, and the limited global reserves of natural resources. In such a framework access to natural resources is essential, and its importance grows with the economic crisis. For years now a struggle has been fought to control resources rich regions, either to use these resources or to master their use by competitors. Just look at the wars against Iraq (oil) and Afghanistan (access to gas and oil fields in former Soviet republics), but also Libya and Mali fit in this picture. The western elite doesn't hide this importance at all: energy security is a cornerstone of NATO and EU security doctrines. For the simple sake of illustration I can mention here an interview by the German Handelsblatt with the president of the "Allianz zur Rohstoffsicherung", an institution founded by major employers to secure the supply of raw materials to German industry. "History has proven that resources form a root cause of many wars. They are indeed the basis of wealth and prosperity. That is why Germany, together with EU and NATO, should take more responsibility in international politics and security." This latter wording is just a euphemism for military operations. The enemy for the German employers is not Russia but China. "We see that China is using today some 40% of all natural resources, and its needs keep growing. We have to think thoroughly about the way we will guarantee the supply of these resources to German industry."

Securing the supply of raw material is also for the USA an important item. Some observers now point at the possible shift in geopolitical relations due to the large scale exploitation of shale gas in the USA. The method of hydraulic fracturing was only recently introduced and thus is the commercial shale gas exploitation a rather new phenomenon. It seems beyond doubt that this exploitation will influence the energy markets. Thanks to shale gas production the USA could become by 2035 a net gas exporter instead of importer. The use of shale gas still produces CO<sub>2</sub> and its exploitation is polluting. But this new energy source will most probably take investments away from alternative, sustainable energy production. Whether it will cause a profound change in international relations is hard to tell. Because western strategy will keep wanting to control the access to natural resources by its competitors. But other energy producers, as there are Russia, the Gulf States and others, will surely lose some importance.

## **Financialisation and military expenditure**

The financial economic crisis finds one of its origins in the evolution in which bankers turned the economic surplus into a flow of interest payments. It was more lucrative to invest in 'debts' than in economic activities. Some call it the FIRE economy (Finance, Insurance, Real Estate), in which investors also choose for 'real' pledges for their operations, e.g. raw materials. Notwithstanding Washington's huge external debt, notwithstanding the American economy is being post-industrialized with enormous military expenditures that increase the deficit, the dollar has remained the currency for international trade. This military dimension links the financial crisis directly to the military hegemony of the United States. So there is quite some logic thinking in the search of other countries, especially the BRICS countries (Brazil, Russia, India, China, South Africa), for an alternative to this global dollar system. Actually they funded with their savings a system that is militarily encircling them. Some BRICS countries are member of the Shanghai Cooperation (SCO); what would happen when SCO should decide to develop its military pillar?

The most clear and direct link between militarization and crisis is to be found in the continuously high defense expenditures in the world. The USA takes the lion's share with almost as high a military budget as all other countries counted together. The term often used for such a practice is 'military keynesianism' in which the state places orders with the military industry in order to fuel the economy. Military production indeed is real production and the companies concerned make good profits, but from a social viewpoint military expenditures are a waste. Workers in the military industry get income, of course, but other sectors are much more efficient in job creation per dollar invested. The products of the military industry can either not be used, or if used they result in demolishing value, all kinds of other destruction and mass murder. Higher military expenditures increase the pressure on the government budget and in many cases are the main reason for increasing public debt. United States and Greece for instance are good examples. Greek defense expenditures used to belong proportionally to the highest in the world. While Greece was accused by various European countries of fiscal laxity, it was at the same time pushed by the same countries to continue its military purchases with these countries' military industry. Debt payment gets particularly difficult in times of crisis with high levels of military expenditures. This results inevitably in insufficient funds for social programmes, for education and health care, for other productive investments and infrastructure.

In times of economic crisis the leaders of arms producing countries feel extra concerned to find foreign clients for their arms producers. They turn out to mere salesmen. Arms exports is a kind of market diversification to sustain production levels in order to help cope with research and development costs and to optimize the production capacity. But is also a kind of clientelism towards friends in the world, that can fit in a strategy of war by proxy in which our allies do 'our' job by dealing with problem countries.

## **More of the same**

The crisis is a push factor to the further spread of neoliberal globalization. Through free trade agreements, delocation and foreign investments the big actors of neoliberalism get hold in many a country. The mere crisis becomes the dreamed 'shock' to convince and force countries to sell state assets. See how Greece is forced to privatize. The one that doesn't fit in this pattern of neoliberalism becomes the enemy. The one that doesn't open its internal market for foreign big capital gets pressured, possibly also militarily. In the so-called nation building of Iraq and Afghanistan the international community only searches to introduce institutional neoliberal schemes to destroy the state.

The crisis increases competition amongst economic actors for bigger market shares. USA's renewed attention for Asia and the Pacific is economically motivated and wants to restrain China's influence in its own backyard. President Obama is developing a track initiated by his predecessor G.W.Bush, i.e. The Trans Pacific Partnership. These kinds of US partnerships are to promote free

trade, private investments and to diminish state influence. Deepening relations with a number of South East Asian countries also includes tighter military links: with Japan, the Philippines, Indonesia, Malaysia and even with Vietnam. These cooperations that aim to help countries stand up against the threat of the 'Chinese dragon' form the key to open the national markets. On the other hand free trade needs military involvement as to protect and control sea routes through narrow sea straits or islands in dispute.

### **Conflict and criminalization of protest.**

The financial economic crisis creates new conflicts between countries and regions that used to be partners. Just witness how the neoliberal policy of austerity in order to pay the debts, leads to open accusations (e.g. between Greece and Germany) and to renewed nationalism (e.g. the success of Golden Dawn in Greece). The European Union was given the 2012 Nobel prize for peace but the Union's economic policy is a direct cause of conflicts, intolerance and insecurity. Neoliberalism is anchored in the EU by official treaties. This gives national leaders the possibility to hide behind the EU-screen. It gives them an easy way to protect themselves against voters' criticism and to continue the same policy that reduces state expenditures. "Brussels forces us into these measures", is echoed all over the member states. To be able to realize the necessary cuts the central government seeks help in its regions and communities, producing new tensions. Think of Catalonia against Madrid, Northern Italy against Rome, Flanders against Brussels, etc.. The social breakdown of society feeds protest and unrest. But there is a growing tendency to criminalize this social protest. Manifestations, marches, strikes, occupations, direct actions are confronted with brutal repression. Not seldom judges condemn activists to real prison sentences.

In this context it is important to look at the key provisions of Article 222 of the Lisbon Treaty.

*The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilise all the instruments at its disposal, including the military resources made available by the Member States, to:*

- (a) prevent the terrorist threat in the territory of the Member States; protect democratic institutions and the civilian population from any terrorist attack; assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;*
- (b) assist a Member State in its territory, at the request of its political authorities, in the event of a natural or man-made disaster.*

Just imagine Greek policemen or Portuguese soldiers marching with the other protesters against the austerity measures of their governments. Would this come close to what is seen as a man-made disaster? Would in such case EU soldiers be sent to 'assist' the central governments of Greece or Portugal?

### **Conclusion**

Definitely another kind of growth in another kind of society is needed in order to avoid social chaos under military control. Without a financial, economic and political regulation the West will be confronted with further social economic decline: social crises, growing poverty ... . Instead of military alliances like NATO or the military developments inside EU, we need regional agreements over cooperation and security in function of peoples' common interests against ultra-liberal private interests.