



Fact-sheet n°4:

Alternative spending to the PA on Defence Research can also save growth & jobs and better promote peace

In our previous fact-sheets we explained that the political conditions are not met for the PA to contribute to European defence and that it will be merely a form of subsidy to the arms industry, under strong influence of interested member States and national companies, rather than reflecting the EU common interest. Here we want to propose alternative spending that will truly respond to EU citizens needs and genuinely promote peace.

1. The EU Budget is not extendable: where would the money come from?

- The EU budget is insufficient for the commitments taken so far; thus taking €25 million (and then €500 million from 2021) each year will necessarily have a strong negative impact on other crucial (and civilian) areas of work;
- under the 2017 budget (and following years), this new budget will take a large part of the envelop available for Preparatory actions, thus reducing drastically the capacity to finance other valuable PAs proposed by MEPs.

2. Alternative spending in other economic sectors will boost jobs and growth with more certainty and less negative impact

- positive economic impact on growth and jobs is far from being demonstrated according to a [study on the macroeconomic impact of investments in military research and development \(R&D\) conducted by the Flemish Peace Institute](#): their conclusions, after having gone through the -limited- existing research on this topic, are that *“the empirical work tends to show an insignificant or a negative impact of military spending on economic growth in developing countries and a clearer negative impact in developed economies”*, and that *“military R&D is not an important factor for economic growth”*;
- Many other areas can contribute to generate growth and jobs while not contributing to the production and exportation of weapons with all their subsequent negative effects. Just one example among many is sustainable development-related areas, which would at the same time contribute to complying with the UN Climate Agreement and Europe 2020 commitments;
- Solutions for arms conversion, i.e. turning manufacturing for the military sector into production of non-military goods, exist and have been put forward including by trade unions; a [CAAT report](#) also shows that it is possible to reconvert and develop employment from the military sector to the renewable energies;
- Preserving jobs can thus not be a justification at all to subsidize the arms industry: producing weapons is not a “normal business” and cannot be considered like any other economic sector (many of them are also in difficult situation and do not benefiting from so much attention).

3. Alternative spending in other (civilian) areas will contribute to peace with more certainty

- investing massively in reaching EU energetic autonomy will contribute more to the EU strategic autonomy (and jobs) by giving it greater room of manoeuvre vis-à-vis energy providers like Russia and the Gulf countries;
- using this funding to better respond to the major challenges that are root-causes of many conflicts would be much more effective to reach peace: climate change, access to water and to land, inequalities and discrimination, human rights, corruption, free and fair elections, sound juridical systems and the rule of law to name but a few;
- The same can be said about non-violent ways to prevent or resolve conflicts: the EU Instrument for Stability and Peace (IcSP) dedicates only 9% of its budget to conflict prevention, crisis preparedness and peace-building. Of this, only 25.5 millions over 4 years (2014-2017) will go to 'Confidence building, mediation, dialogue and reconciliation' for local civil society actors in third countries; the €25 million foreseen for the PA on defence research for one year only would have a much bigger and direct impact for peace under this budget line;
 - Even the 22-years old European Instrument for Democracy and Human Rights only receives about €130 million per year to fund NGOs independently from governments, including in difficult countries, against the planned €500 millions for a European Defence Research Programme from the 1st year.

To conclude, we would like to remind that “the world is over-armed and peace is underfunded”, said UN Secretary General Ban-Ki-Moon.

Military spending worldwide reached \$1'760 Billion in 2015, and a cumulated amount of \$38'275 Billion (in 2014 USD) since 1988 according to the SIPRI figures: if arms and military responses were to be an efficient mean for peace, then the world should be in peace for long.