

For Arms Manufacturers, the War in Ukraine Is a Profits Bonanza

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Not even 1 percent of NATO military hardware will actually be used to help Ukraine. But the Russian invasion has provided a pretext for massively increased arms spending — and it's great news for weapons manufacturers' profits.

Today we see a striking paradox. Western media have echoed all sorts of military pundits and intelligence sources emphasizing how far Russian military might was overrated before the invasion; how much it has proven weaker than expected at every level, including its logistical capabilities and deployment of sophisticated weaponry; and how much damage Vladimir Putin's criminal onslaught on Ukraine has brought upon Russia itself, its economy and its military potential. And yet several NATO governments have seized upon the opportunity of this war, which is obviously enfeebling Russia, in order to engage in a frenzy of increased military expenditure.

Military-industrial complexes everywhere are rubbing their hands with glee. NATO armies' top brass is again resorting to the old trick of overestimating the threats, as it periodically used to do with regard to the Soviet Union during the Cold War, in order to advocate rearmament. Such a term is utterly inappropriate, given that NATO armies never disarmed to begin with; rather, they were constantly over-armed during the Cold War and have stuck to excessive arms levels ever since. Besides, whatever deliveries of defensive weapons are made to Ukrainian resistance are but a tiny portion of ongoing military expenditure — not even the 1 percent of all NATO spending that Ukraine's president has been begging for.

Not content with the United States' current gigantic military expenditure, which amounted to \$782 billion last year — up from \$778 billion spent in 2020, which itself represented, according to the [Stockholm International Peace Research Institute](#), 39 percent of global military expenditure, more than three times China's (\$252 billion) and more than twelve times Russia's (\$61.7 billion) — Joe Biden is now [requesting \\$813 billion](#) for the next fiscal year (\$773 billion for the Pentagon and an additional \$40 billion for defense-related programs at the FBI, Department of Energy, and other agencies). According to undersecretary of defense, Comptroller [Michael J. McCord](#): "This budget was finalized before Putin's invasion of Ukraine. So there is nothing in this budget that specifically was changed because it was too late to change it if we wanted to, to reflect the specifics of the invasion."

Germany also seized the opportunity of the war to get rid of the last remnants of its post-1945 military self-limitation. This once again came under a Social Democratic (SPD) chancellor, [Olaf Scholz](#), following the precedent of Germany's participation in the bombing of Serbia under Gerhard Schröder, also from the SPD, who later reconverted his position into highly remunerated perks with the Russian gas industry. Berlin decided upon a vast and immediate one-off €100 billion (\$110 billion) increase in its military spending and a massive permanent rise to above 2 percent of GDP, as against 1 percent in 2005 and 1.4 percent in 2020. Germany will thus overtake Britain, which last year became [NATO's second- and the world's third](#)-largest military spender.

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Unsurprisingly, this renewed frenzy of military expenditure translates into happy days for the industrial interests involved in producing means of destruction. A recent report in the French daily [Le Monde](#) provided an instructive glimpse into the financial impact of all this: after quoting Armin Papperger, the head of Rheinmetall, one of Germany's main arms manufacturers, who had complained in January about investment funds' reluctance to work with his firm, the newspaper reported that the atmosphere has now completely changed. It adds that Commerzbank, one of the major German banks, has announced its decision to shift part of its investment toward the arms industry.

In France, after a growing trend of financial disinvestment from the arms industry under citizen pressure for ethical responsibility — especially in light of the ugly contribution of Western arms sales to the Saudi kingdom's destruction of Yemen — Guillaume Muesser, director of defense and economic affairs for the French Aerospace Industries Association, told *Le Monde* that "the invasion of Ukraine is a game changer. It shows that war is still on the agenda, on our doorsteps, and that the defense industry is very useful."

It is not hard to imagine the euphoria currently prevailing among the manufacturers of death machines in the United States, such as Lockheed Martin, the world's largest arms-producing company. Germany decided to buy their F-35 stealth jets, whose capability to carry nuclear weapons was explicitly mentioned as a key argument in opting for them, although Germany doesn't have nuclear weapons of its own. The unit cost of these planes is close to \$80 million. Lockheed Martin's share price peaked at \$469 on March 7 in the wake of the German announcement, up from \$327 last November 2 — a 43.4 percent increase in only four months.

The shift in the global mood from the end of last year is staggering. Last December, an appeal signed by more than fifty Nobel Prize winners urged the adoption of what they called "[a simple proposal for humankind](#)":

The governments of all UN member-states should negotiate a joint reduction of their military expenditure by 2% every year for five years. The rationale for the proposal is simple: 1. Adversary nations reduce military spending, so the security of each country is increased, while deterrence and balance are preserved. 2. The agreement contributes to reducing animosity, thereby decreasing the risk of war. 3. Vast resources — a "peace dividend" of as much as 1 trillion USD by 2030 — are made available. We propose that half of the resources freed up by this agreement are allocated to a global fund, under UN supervision, to address humanity's grave common problems: pandemics, climate change, and extreme poverty.

Perhaps such a proposal may be considered naive or utopian. Yet it is actually inscribed in the [UN Charter](#) among the functions of the General Assembly:

The General Assembly may consider the general principles of co-operation in the maintenance of international peace and security, including the principles governing disarmament and the regulation of armaments, and may make recommendations with regard to such principles to the Members or to the Security Council or to both.

The Russian invasion of Ukraine should be a wake-up call for the global antiwar movement, major sections of which neglected such pacifist goals in order to focus exclusively on political opposition to Western governments. The present opportunistic seizure of the war as a pretext for a major increase

in warmongering and military expenditure fundamentally reverses the lessons that must be drawn from the ongoing tragedy.

Far from justifying such attitudes, the Russian invasion of Ukraine has shown the high risk entailed in militaristic postures. And no increase in military expenditure will change the basic balance of forces with Russia, a country that possesses more nuclear warheads than the United States, Britain, and France combined, and whose president did not hesitate to brandish the threat of resorting to his nuclear force.

The antiwar movement should support the Nobel Prize winners' appeal and launch a coordinated global campaign demanding that the United Nations General Assembly put the appeal's proposals on its agenda. It is now clearer than ever that there can be no serious progress in the war against climate change in particular, upon which the future of humanity depends, without a massive reduction and reconversion of military expenditure, which is itself a major source of [pollution](#), death, and misery.

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