

5 The military–industrial complex in a globalized context

David N. Gibbs

Back when Eisenhower was the President,
golf courses was where most of his time was spent.
So I never really listened to what the President said,
because in general I believed that the General was politically dead.
But he always seemed to know when the muscles were about to be flexed,
because I remember him saying something, mumbling something, about a
Military–Industrial Complex.

Gil Scott-Heron

The post-Cold War period era has truly constituted the triumphant historical phase of capitalism. Since the collapse of the Soviet Union in 1991, capitalism has become a worldwide system, with few serious ideological challengers. Within the former Soviet Union, the former Eastern bloc, and China, varieties of capitalism have replaced communism, apparently as a permanent shift. Outside the former communist bloc, major ideological challengers to capitalism also have retreated. At the same time, the world has become interlinked to an unprecedented degree, through a globalized network of trade, investment, and corporate ownership (Robinson 2004). Whether these trends can be maintained into the future is open to question. For the moment however, capitalist globalization appears as a hegemonic system.

A related and widely held view is that globalized capitalism is not militaristic. On the contrary, investors are viewed as peaceful or even gentle (associated with the idea of “*le doux commerce*,” as described by Hirschman 1997: 56–62). Businesspeople are interested in maximizing profit, according to standards of market rationality, and minimizing risks. The risk of war evokes feelings of dread among rational investors and traders; hence their aversion to warmongering, and to militarism more generally. Imperialism and overseas aggression are viewed as “atavistic” activities (so the argument goes), a throwback to an earlier, precapitalist era (Schumpeter 1955: 65). Furthermore, international trade and investment increases the tendency for peaceful interaction, at least among the core capitalist states, and this point is conceded even in certain Marxist circles (for an early statement of this view, see Kautsky 1970).

The idea of a “peaceful” capitalism would seem especially relevant for the current era, when capitalism has become globalized, and free international trade is widely accepted. Since virtually all countries now are part of the world capitalist order, they should all be subject to the dictates of market rationality, along with its supposedly anti-militarist features. Given these conditions, one might expect that contemporary international relations should entail declining military expenditures, combined with reduced interest in military interventions, overseas bases, global power projection, and the like. Such decreased militarization would seem especially likely in the United States, the leading promoter of globalization. Needless to say, the opposite has occurred. The United States has maintained its overwhelming military capability, even after the end of the Cold War. And during the past decade, the United States has greatly increased its military expenditures, and has shown increased willingness to use its military in interventionist activity. And these trends are not confined to the United States. According to the Stockholm International Peace Research Institute (2011: 3), global military expenditures have increased dramatically since 2001, in spite of globalization.

Many analysts have been confused by the persistence of militarism, which they have difficulty explaining. Thus Eric Hobsbawm recently wrote: “Frankly, I can’t make sense of what has happened in the United States since 9/11 that enabled a group of political crazies,” who have militarized US foreign policy. Hobsbawm also laments the “apparently irrational government in Washington” (quoted in Foster *et al.* 2008: 2). Even before the 2001 terrorist attacks, writers had been at a loss to explain US militarism. Mohammed Bamyeh referred to the “directionlessness” nature of US interventionism, characterized by “illogical and nonsystematic invasions and wars, where it is difficult to discover a common trend or thread other than sheer and unanchored political opportunism” (Bamyeh 2000: 12; see also Hardt and Negri 2000). It is thus widely believed that militarism has ceased to have any economic logic or motive, or any rational motive at all.

It is the contention of this chapter that such analyses ignore economic interests associated with the military–industrial complex. In this article I will present a military–industrial complex explanation for post-Cold War militarism, and will show that this explanation is perfectly compatible with the logic of economic globalization. Indeed, we will see that militarism helps to advance globalization.

Toward a military–industrial complex model

The military–industrial complex model (MIC) begins with the idea that the military establishment constitutes an interest group or, more precisely, a cluster of intertwined interest groups; and that these interest groups will generate political pressures in favor of military interventions and wars. These pressures will exist quite independently of globalization and will not be constrained by its existence.

Students of bureaucracy have long understood that governmental organizations seek to increase their budgets and their influence over the policymaking process (Downs 1967). This generalization is clearly true of the military, which

invariably seeks to augment its budget as much as possible, just like any other governmental agency. However, the military services possess a basic advantage enjoyed by no other agency, which is their huge size, a factor that increases their clout. The military services (and associated civilian agencies such as the CIA) thus constitute an important bureaucratic lobby in favor of militarism. And there is also the “industrial” aspect of the MIC, which includes such military contractors as Lockheed-Martin, Northrup-Grumman, Boeing, Raytheon, and General Dynamics. Much of the “unwarranted influence” that President Eisenhower (1961) warned about in his Farewell Address results from the interaction between these two elements of the military–industrial complex, the military bureaucracy itself and the private sector industries, which both share an interest in maintaining and increasing expenditures.

The influence of these two groups is surely enhanced by the career patterns of military officers, especially those of high rank, who often gain lucrative employment within the military procurement companies after retiring from active service. The military “revolving door” is of course an issue of long standing, widely recognized as a source of political power, as well as a conflict of interest. This practice has grown significantly in recent years. An analysis by the *Boston Globe* (Bender 2010) found that during the period 2004–2008,

80 percent of retiring three- and four-star officers went to work as consultants or defense executives. . . . In some years, the move from general staff to industry is a virtual clean sweep. Thirty four out of thirty nine three- and four-star generals and admirals who retired in 2007 are now working in defense roles – nearly 90 percent.

The advent of globalization has not attenuated the influence of these bureaucratic and private sector entities. Indeed, the recent trend toward privatization, which has emerged in tandem with globalization, has actually expanded the scope of the MIC, particularly its private sector element, into such areas as military logistics and provisioning or mercenary work, which have enriched companies such as KBR and Blackwater.

Consistent with its interests, the MIC will relentlessly seek to find “threats,” which in many cases are overstated or invented altogether, but which justify military expenditures. During the Cold War, George F. Kennan stated: “Were the Soviet Union to sink tomorrow under the waters of the ocean, the American military–industrial complex would have to remain, substantially unchanged, until some other adversary could be invented” (Kennan quoted in Jenkins 2011). And more recently, Defense Secretary Robert Gates (2010) made the following statement:

Does the number of warships we have and are building really put America at risk when the US battle fleet is larger than the next thirteen navies combined, eleven of which belong to allies and partners? Is it a dire threat that by 2020, the United States will have only twenty times more advanced stealth fighters than China?

It cannot be denied that the influence of the MIC also entails an important social and cultural dimension, as well as an economic one: The US public for the most part strongly supports the military, which is identified with nationalism, and for many is an embodiment of the American national identity. Because of the patriotic fervor that results, presidents and other policymakers can increase their public opinion ratings through periodic military actions (the familiar “rally around the flag” effect). This public popularity of the MIC is partly the result of extensive lobbying and public relations, aimed at improving the military’s image. Especially useful in this regard has been the military’s connections to the movie industry, whose films often glorify the uniformed services, especially among young males (for details, see Johnson 2004: 112). The military and the CIA also maintain close ties with universities, whose faculties have long received grants and financial support (see Simpson 1996). It should not be forgotten that one of Eisenhower’s greatest concerns was the MIC’s ability to corrupt university faculty, by undermining their capacity for independence: “The prospect of domination of the nation’s scholars by Federal employment, project allocations, and the power of money is ever present – and is gravely to be regarded” (Eisenhower 1961).

Following from these military ties, academic researchers in international relations have shown little interest in the military–industrial complex. Instead, academics have emphasized the realist tradition, which views the military as an instrument of the larger “national interest,” rather than being an influential interest group in its own right (see for example Krasner 1978). Despite lack of attention by the academic mainstream, the idea of a military–industrial complex – as an interest group – is well recognized among retired officers, beginning of course with former General Eisenhower, as well as such figures as Major General Smedley Butler (2003), General David Shoup (1969), and Colonel Andrew Bacevich (2006).

Another source of the MIC’s political influence is its role in the overall macroeconomy, through the process of “military Keynesianism” (Borch and Wallace 2010; Custers 2010). In America, there is little tradition of government planning of the economy through investment in civilian infrastructure, which is distrusted by business elites, who view the process as a form of socialism (Vogel 1978). However, government planning through *military* expenditure has no such stigma and is thus perfectly acceptable. It has long been known that military spending serves as an economic stimulus, one that is highly prized by political leaders of all political orientations. Indeed, the basic idea of military Keynesianism preceded the Cold War and the writings of John Maynard Keynes himself. During and after the extended depression that affected much of the world after 1873, governments in several countries used naval appropriations as a means to alleviate economic stress (see Kurth 1979: 15–21).

But it was in the United States during and after World War II that military Keynesianism was most influential. During the military buildup after 1941, American officials were impressed with the efficacy of military expenditures in reducing unemployment, thus rectifying the Great Depression. There can be little

doubt that American policymakers who directed the early Cold War military buildup were influenced at least in part by economic considerations, notably the fear that demobilization associated with the end of World War II could have led to a return of depression conditions. In this context, it was widely believed that increased military spending was a solution.

The economic rationale for the Cold War was succinctly stated in the famous National Security Council document NSC-68:

the economic effects of the [proposed military spending] program might be to increase the gross national product. . . . One of the most significant lessons of our World War II experience was that the American economy, when it operates at a level approaching full efficiency can provide enormous resources for purposes other than civilian consumption while simultaneously providing a high standard of living.

(US National Security Council 1950)

Since NSC-68, it has become a basic feature of the US electoral process that presidents must manipulate economic growth rates and raise employment levels through military spending, especially in the period just prior to election cycles. Presidents from Harry S. Truman to George W. Bush have repeatedly used military buildups as a means to alleviate the effects of economic slowdowns. In addition, military spending has been a useful method of furthering research and development in the United States, with a major long-term impact on the civilian economy (Hossein-Zadeh 2006: 210–211).

To be sure, high levels of military spending are hugely wasteful (Johnson 2008) and can in the long term prove a drain on US finances (a factor that is especially salient at the present time, given the widespread concern about the budget deficit and public debt). And military spending is a relatively inefficient method of creating jobs, given the capital intensive nature of this sector. Spending on civilian infrastructure projects would be far more effective from a policy standpoint. As previously noted, however, large-scale spending in the civilian sector is politically unacceptable in conservative America; hence the continued reliance on military spending.

Thus, military spending remains a useful tool for presidents, and this fact is an additional source of political influence for the military–industrial complex. The continuing popularity of military Keynesianism was recently demonstrated in an article by *Washington Post* columnist David Broder (2010), who advocated that President Obama should consider a military confrontation with Iran, partly to boost the economy out of recession and ensure the president’s reelection. Broder noted piquantly that “as tensions rise and we accelerate preparations for war [with Iran] the economy will improve.”

A third source of influence for the MIC is its capacity to seek alliances with influential sectors of the broader business community. The US military’s ability to project power through its massive array of overseas bases, aircraft carriers, and amphibious infantry serves to protect and promote investments in unstable

areas of the world. This function of the MIC is not new. Research by Layne (2006) and Williams (2009) shows that US foreign policy has long sought an international “open door” for trade and investments, and has often used military force to achieve this goal. The open door objective has been supported by US manufacturers (Baack and Ray 1985), especially the more technologically advanced sectors. In addition, certain natural resource extraction sectors, notably in oil and natural gas, strongly support military strength as a means of protecting expensive exploration and extraction facilities. And the more cosmopolitan elements of US finance also have been supportive of overseas military action (Frieden 1987).

Evidently, corporate support for the MIC extends well beyond the armaments industry, and such broad business support enhances the MIC’s overall influence. This point can be illustrated by recent military policy: There can be no doubt that political pressures emanating from oil companies influenced both US and British interventions in the Persian Gulf (a point underscored by the release of UK government documents on this topic, see Bignell 2011). Investors also may benefit from paramilitary covert operations conducted by the Central Intelligence Agency. It is clear that certain covert operations have been undertaken with strong support from affected investment interests, including such cases as the Standard group of oil companies with regard to the 1953 covert operation in Iran (Kwitny 1984); the United Fruit Company with regard to the 1954 operation in Guatemala (Schlesinger and Kinzer 2005); and a range of mining interests with regard to 1960–1963 operations in the Congo (Gibbs 1991).

Thus, we have seen that the influence of the military–industrial complex on national policy rests on three main pillars: the direct lobbying of the private sector arms manufacturers, the armed services, and other government agencies that are closely tied to the services; the general enthusiasm among presidents and executive-level officials for military spending, as a device for economic planning; and the support for military strength found in nonmilitary sectors of the business elite, notably among those sectors that seek to use the US military for the protection or expansion of overseas investments. Although the focus of this chapter has been on the United States, there is no reason to confine this analysis to any one country. The MIC approach would be applicable to any country with a large military force combined with a military manufacturing capability, such as Russia, China, India, France, Great Britain, or Israel.

Let us now consider how globalization affects the military–industrial complex. Traditionally one thinks of military industries as among the most nationalistic of economic sectors, as most countries will be unwilling to trust “outsiders,” even among military allies, with such sensitive matters as the production of weaponry. In spite of this tendency, arms manufacturing has been globalized to some degree, as countries collaborate in weapons production, to achieve economies of scale and reduce research and development costs. This has been especially true in Europe, notably in aerospace and related sectors. Since the late 1960s, many of the leading fighter planes produced by European states have been multinational ventures, including the Sepecat Jaguar, the Panavia

Tornado, and the Eurofighter Typhoon. The 1999 advent of the European Aeronautics, Defence, and Space company (EADS) was a major advance in the globalization of the military–industrial complex. Now based in the Netherlands, EADS was created as a merger of Spanish, French, and German aerospace companies. It is also integrated with American capital through Daimler-Chrysler, which owns stock in EADS (for a survey see *The Economist* 2002). The past decade has seen further globalization of military production, with significant and increasing integration between the European and US military sectors (see Anderson 2010; and Anderson and Wagstaff-Smith 2010); as well as efforts by both the Europeans and Americans to integrate with the Indian MIC (see Harrington 2007). In the words *Aviation Week* (Anselmo 2010), military firms are eager to “jump on [the] globalization bandwagon.”

At the same time, it is important not to overstate the significance of globalization, either for the military sector or for the world economy more generally. Military procurements in such key countries as the United States, Russia, China, and India remain overwhelmingly under national control. In these countries, the process of globalization has only just begun. True, the military sector is highly integrated in Western Europe, mostly through the mechanisms of the European Union, but that is the only area of the world where control of the military sector has become transnationalized to any great extent. Outside of Europe, weapons production is largely conducted within specific countries. And more importantly, there is no reason to think that globalization is in any way incompatible with the influence of the military–industrial complex. Indeed, as Western capital expands globally into unstable regions of the world – such as the Persian Gulf or sub-Saharan Africa – it becomes even more dependent on military protection of its investments, a process that enhances the influence of the military sector within the policymaking process. Thomas Friedman (1999: 65) stated the matter quite well:

The hidden hand of the market will never work without a hidden fist – McDonald’s cannot flourish without McDonnell-Douglas, the designer of the F-15. And the hidden fist that keeps the world safe for Silicon Valley’s technologies is called the United States Army, Air Force, Navy, and Marine Corps.

Let us now turn to case studies of how the military–industrial complex has influenced US and European interventions, in Kosovo in 1999; and in Libya in 2011. These cases offer excellent illustrations of how the MIC continues to influence military conflict in the world, well after the end of the Cold War.

The military–industrial complex and intervention in Kosovo

The 1999 NATO intervention in Kosovo would appear on the surface to be a perfect example of a military action that had no significant economic component. It occurred in one of the poorest and remotest parts of Europe, in a region with no major natural resources; and had long been ignored by US and Western European policy. The intervention itself was conducted under a joint NATO

command, with a professed moral purpose. The official rationale for the intervention was to protect the ethnic Albanian population of Kosovo from attacks and ethnic cleansing directed by the Republic of Serbia; all this was done in the name of humanitarian intervention and (what later was termed “the responsibility to protect”), directed by the Western international community. Overall, the intervention seemed the perfect embodiment of a post-national, globalized world, in that it served truly cosmopolitan purposes rather than any economic, strategic, or national interest, and it was conducted by a broad coalition encompassing many of the world’s most democratic states. Within the US establishment, the intervention was pushed by the civilian elements of the Clinton administration, while the majority of the military opposed it, which would appear altogether inconsistent with the idea of the MIC as an influential element in the bureaucracy. We will see that the above view is an oversimplification, and that military interests associated with the MIC significantly influenced the course of the intervention.

The origin of the Kosovo intervention was a complex ethnic conflict, which extended over a period of decades. Kosovo was divided between the ethnic Albanians, who constituted approximately 85–90 percent of the population, and the ethnic Serbs, who constituted most of the remainder. At the time of the intervention, Kosovo was an autonomous province of the Republic of Serbia, governed by Slobodan Milošević; which was in turn part of the larger Federal Republic of Yugoslavia, a rump federation that contained what remained of the old socialist Yugoslavia from the days of Tito. There is no doubt that Milošević’s security forces oppressed the Albanians, who had long-standing grievances. The Albanians responded with an armed insurgency, directed by the Kosovo Liberation Army (KLA), beginning in 1997, which elicited a Serb counter-insurgency. The NATO bombing campaign, which took place during March–June 1999 defeated the Serbs and allowed the KLA to rule most of Kosovo (albeit under the supervision of a Western peacekeeping force). Kosovo officially declared independence from Serbia in 2008 and became an independent country, with international recognition.

Among Western audiences, the ethnic war in Kosovo is widely remembered as a morality tale, involving villainous Serbs and Albanian victims, but the reality was not so simple. In fact, both sides committed systematic atrocities against civilians. Those committed by the Serbs are of course very well known, but the KLA engaged in systematic atrocities as well. In private, British officials were quite open about the uglier features of the KLA. Tony Blair himself believed that “the KLA . . . were not much better than the Serbs,” according to the memoirs of Blair’s press aide Alastair Campbell (2007: 362). And according to UK Defence Secretary George Robertson (1999: section 391), more of the killing in Kosovo was caused by the KLA than by the Serb security forces, up until shortly before the NATO bombing commenced.

Turning to the issue of Western intervention: The record of events in Kosovo provides little evidence in support of a “humanitarian” motive for this intervention. In fact the United States and NATO supported the KLA, which as we

have just seen had a record of atrocious behavior that was no better than the Serbs they opposed. And the bombing itself led to a huge increase in Serb-perpetrated atrocities and violence; from a humanitarian standpoint, the bombing campaign produced disastrous results. It should also be noted that US officials had foreseen in advance that bombing might aggravate the situation and worsen the atrocities (see account in the *Sunday Times* 1999) – a prediction that has proven all too accurate. In order to explain the motives for Western intervention in this case, we must turn to other, nonhumanitarian variables.

One of the noteworthy features of this intervention was the enthusiasm of the US business community, which clearly supported the use of force. As soon as NATO bombing commenced in March 1999, a sizable rally occurred on the New York stock exchange, as described in *Barron's* investment weekly:

Wall Street is nothing if not patriotic. Hardly had the rain of missiles and bombs begun to fall on Kosovo than the stock market struck the colors with a blazing rally. The spirited response was all the more stirring because the market had been sagging like a weary old nag under the weight of a myriad of real and imagined aches. But once it heard the music and saw the flag, it tossed aside those petty cares with alacrity and sent up its own inspiring barrage of flares and rockets. . . . Street people rushed to participate in the rally even though like most of us ordinary civilians, they were far from sure where Serbia is or why NATO is so mad at it. We must confess that we're still a tad hazy on the location part, even after following the president's urging and getting down our atlas.

(Abelson 1999)

The *Barron's* article added that wars usually produce stock market rallies, and added that “war is undeniably hell, but it can provide a shot in the arm for share prices.” Business support for war in this case was not diminished by the fact that investors were unable to locate Kosovo on a map, and they had at best a vague idea of what the war was supposed to achieve.

While the *Barron's* article does not specify which specific business interests supported the intervention, it seems likely that the weapons manufacturing sector was a strong supporter. Clearly, the weapons industry benefitted from the intervention, and their representatives were quite open about these benefits. In May 1999, while the bombing was still in progress, the *New York Times* described how “America’s weapons makers are already anticipating that Kosovo may help secure a strategic victory for them – not on the battlefield, but in Congress” (Wayne 1999). In other words, the successful Kosovo intervention created a favorable climate for new weapons procurements, a state of affairs that benefited the weapons manufacturers. The *New York Times* added that intervention was probably decisive in creating this climate and enabling the weapons purchases:

Washington now seems inclined to increase outlays for weapons . . .
“Kosovo has definitely changed things here on defense spending issues,”

said Representative Duncan Hunter . . . “Kosovo underscores what the [military procurement] industry has been saying – that we need to get a sustainable rate of spending,” said Daniel T. Burnham, chief executive of the Raytheon Company.

When the war ended, *Business Week* (Garten 1999) noted that the weapons budget was scheduled to increase “thanks partly to Kosovo.” It would seem reasonable to assume that many nonmilitary companies also favored the war, as a successful display of US military power, since this serves to protect investments worldwide and to intimidate regimes that might threaten investments.

All of these facts fit in well with the MIC model of policymaking, outlined previously, whereby important segments of the private sector – including weapons procurement companies and other, nonmilitary companies as well – favor military action. The Kosovo case demonstrates a more general point about military interventions: such interventions may occur even in target areas, such as Kosovo, that contain no significant economic or strategic value. Such interventions function instead to create a political environment that is conducive to augmented weapons procurement; and also as a display of force, designed to protect investments on a worldwide basis. There is nothing in the logic of globalization that overrides these motives.

NATO and the Kosovo intervention

An additional motive for US intervention in the Kosovo case concerned the preservation of the North Atlantic Treaty Organization, which officially directed the bombing campaign. In official memoirs and speeches, the importance of this motive is referenced repeatedly throughout the Balkan conflict (see Gibbs 2009a: [Chapters 5, 6, 7](#)). There is no doubt that American officials sought to use the Balkan conflict, including the Kosovo aspect of the Balkan conflict, as an arena in which NATO could be given a new rationale for the post-Cold War era, and could thus avoid the looming danger that it would become irrelevant.

First some background: There was a widespread fear among US officials that NATO would indeed lose relevance with the dissolution of the Soviet Union in 1991, since NATO had after all been created and maintained over the decades with the explicit purpose of deterring an invasion from the USSR. Now, with the complete removal of that possibility, NATO lacked purpose. Yet American officials showed a strong interest in retaining the alliance, despite its lack of function. One of the reasons was to appease military personnel, whose views of NATO were described by retired Admiral Eugene Carroll in 1993:

Let me tell you one of the reasons you hear so many contrived arguments for continuing the NATO alliance. It has been very, very good for the militaries of the countries involved . . . [In] the United States alone, for example, almost 25 percent of all of the admirals and generals on duty today owe their stars to their NATO assignment. If NATO goes away, all those jobs go

away, all those lovely chateaus, and chauffeurs, and railroad cars go away. It's something that has been very enjoyable for a good many years and the fact that there's no longer any requirement for it doesn't mean they don't want to keep a good thing going.

(Center for Defense Information 1993)

Apparently, one motive in maintaining NATO was the familiar (if unglamorous) need for institutional self-preservation, common among public agencies. No bureaucracy wishes to cease its existence, even after its task is completed. But there is always a need to provide a justification – or a pretext – to preserve the institution. With regard to NATO: The 1999 NATO-directed intervention in Kosovo would provide the alliance with a justification for its continued existence.

Another motive for maintaining NATO was to use the alliance as a means of preserving US power in Europe, which was believed to be under threat at the time. In the early 1990s, several European countries, led by France and Germany, were actively seeking to use the European Community/Union to challenge US hegemony. European leaders were aware that with the demise of the USSR, there was a danger that the United States would emerge as a global hegemon with no check on its power. In Europe it was widely believed that such disproportionate power was dangerous; a unified Europe led by France and Germany seemed a potential counterweight to US power (see extended discussion in Gibbs 2001).

The need to contain the European quest for foreign policy independence also entailed an economic dimension. Among internationalist elites in both the US government and private sector, there existed considerable fear that the free trade regime established over many decades was under threat, and that it might be replaced by a system of semi-closed trading blocs, based on common currencies: the Western hemisphere, based on the US dollar; East Asia, based on the Japanese yen; and the European Union, with France and Germany at its core, and based on the euro. The European Union was viewed as a special concern, and Michael Aho (1994) of the Council on Foreign Relations noted the “growing danger that the [EU] could turn inward and isolate itself.” These fears were also noted in *The Economist* (1991): “American businesses ... fear [that a] fortress Europe remains very much alive ... This American disquiet about European union will be the thing to watch.”

In seeking to avoid the trading bloc scenario, American officials sought to use NATO as a means of binding Europe to the United States, and maintaining US access to European markets. True, NATO was officially a military, not an economic organization. But the alliance also had a vital economic function, one that was well understood by military officers. The NATO commander General Wesley Clark (1999/2000) strongly emphasized the economic significance of the Atlantic Alliance:

The figures speak volumes. US trade with Europe, amounting to over \$250 billion annually, produces over three million domestic jobs. US companies

employ three million people in Europe. One in 12 factory workers in the United States is employed by a European Union (EU) firm operating in this country, of which there are some 4,000. Half of the world's goods are produced by the United States and the EU . . . Companies from the EU form the largest investment block in 41 US states. Fifty-six percent of US foreign investment occurs in Europe. Europe buys 30 percent of US exports.

After discussing these economic interests, Clark concluded: “*As a result of those [economic] interests, we have continued to maintain a strong military presence in Europe.*” In addition, US investors, both in the military and nonmilitary sectors, expressed strong support for maintaining the military alliance with Europe. During the lead-up to NATO's fiftieth anniversary celebrations in 1999, support for continuing NATO was expressed by both military-oriented corporations including Boeing, Motorola, TRW, and United Technologies; as well as nonmilitary ones such as Eastman-Kodak, Ford, and General Motors (Smart 1999). Once again, we see that military action and globalization are not at all incompatible, and indeed militarism in this case went hand in hand with globalization.

Kosovo was to play a key role in justifying NATO's continued existence, and this role was frankly acknowledged in elite circles. In the lead up to the 1999 bombing campaign, National Security Advisor Samuel Berger stated that one of the main objectives was “to demonstrate that NATO is serious” (quoted in Gellman 1999). During the intervention, the *Financial Times* (Buchan and Fidler 1999) summed up the matter this way:

The Kosovo crisis has confirmed the relevance of NATO – just as criminals confirm the relevance of policemen. Ten years ago, when the Berlin wall came down, it [NATO] seemed destined to join its Warsaw Pact adversary in the dustbin of history. But the [Kosovo] crisis and Mr. Milošević's brutal ethnic cleansing of Albanians, have helped to confirm the continuing relevance of an international military force.

Let us now pause to consider the larger economic context of the 1999 decision to intervene in the Balkans: This was a period of great anxiety, regarding the stability of the world economy. Policymakers were preoccupied with international economic turmoil, in the aftermath of the 1997–1998 international economic crisis. A major US hedge fund collapsed in 1998, and there was a brief though widespread fear that this was a harbinger of even greater instability (a danger that was surely increased by the misguided policies of the Clinton administration itself, which supported austerity measures in the most economically unstable countries). In the *Financial Times*, a banking executive urged international elites to resolve the crisis quickly, or else “their children may read in their history books that the triumph of capitalism over communism lasted only for a brief period in the last decade of the 20th century” (Anantha-Nageswaren 1998).

The intervention in Kosovo was widely viewed as a stabilizing element, which would trigger an increase in weapons spending, and would maintain US access to European markets; all of these factors were likely to stabilize the world economy and would help to overcome the effects of the recent crisis. And macroeconomic stability was very much on the mind of US officials who were directing the intervention in Kosovo – including President Clinton himself. In a March 1999 speech, Clinton stated:

we need a Europe that is safe, secure, free, united, a good partner with us for trading ... if we're going to have a strong economic relationship that includes our ability to sell around the world, Europe has got to be a key ...
Now that's what this Kosovo thing is all about.

(Clinton 1999, emphasis added)

In short, the military–industrial complex model outlined above fits the facts of the Kosovo case in several important respects: As we have seen, the military procurement companies appear to have supported the war and they clearly benefited from its effects, both in terms of the increase in military spending that resulted from the intervention, as well as the way that the intervention helped to preserve the NATO military alliance. Many nonmilitary investors also supported the intervention, in order to showcase US power and thus intimidate radical governments or insurgent groups who might threaten valuable capital assets. And intervention was viewed as a means to ensure macroeconomic stability after the 1997–1998 economic crisis.

Finally, we must also acknowledge the limitations of the MIC model for explaining the Kosovo intervention. The uniformed military itself was divided about the merits of intervention. Of the four services, only the US Air Force strongly supported the air strikes, since these were likely to bolster the merits of air power, which would advantage the Air Force in future policy debates. On the other hand, the Army opposed the Kosovo intervention, since its officers feared that intervention could lead to an extended land war, with a high risk of US combat casualties and a danger of mass political opposition. The lingering effects of the “Vietnam Syndrome” surely affected the Army’s reluctance in this case. The other military services supported the Army in policy debates and, as a result the Joint Chiefs of Staff opposed the bombing campaign (see discussion in Halberstam 2002: 376, 377, 388, 389, 422). Despite this opposition, the uniformed military nevertheless played an important role in making the campaign possible. The JCS had after all long argued for maintaining high military budgets, even after the Cold War, and also for the preservation of NATO. The very existence of large military forces creates pressures to actually use these forces.

In essence, the Joint Chiefs sought conflicting objectives: They wanted a military of vast size, but they also sought to avoid deploying their forces in combat. This stance could not be sustained. Madeleine Albright’s famous complaint – “What are you saving this superb military for ... if we can’t use it?” (Albright

2003: 182) – presented a serious challenge. And the generals had no effective response. At some point, their expensive weapons had to be used in combat, and this was a key factor in the US decision to use force in Kosovo.

Intervention in Libya

The March 2011 military intervention against the regime of Muammar Gaddafi in Libya seems to have many features in common with the earlier intervention in Kosovo. Once again, we have an intervention that is being conducted by a broad coalition of democratic countries, which is purportedly based not on any national interest, but on the universal interest of humanitarianism and the responsibility to protect.

Indeed, the Libya intervention seems to embody “globalized” characteristics to an even greater extent than the one in Kosovo: In Kosovo, the intervention was clearly led by a hegemonic United States, which used a measure of bullying to procure European cooperation (see discussion in Gibbs 2009b: 188, 195–196). In Libya, however, the intervention is being led by France and Britain, with the US playing only a secondary role. In Libya, the coalition of participating states is even broader than before, and includes nominally neutral Sweden, which had not participated in the Kosovo campaign. And the legal basis for intervention in Libya seems stronger than was previously the case in Kosovo: Unlike in Kosovo, the Libya intervention gained at least initial authorization from the UN Security Council (as well as the Arab League). It would appear that the Libya case is an archetypal “post-national” intervention, for a truly globalized world, one that is based on humanitarian motives, instead of national or material interests.

Under scrutiny, however, the humanitarian explanation for this intervention appears quite weak, since the same Western states that bombed Gaddafi had excellent relations with him only a few months before the bombing started. Since 2003, the United States and the major countries of Europe all sought a rapprochement with Gaddafi, who largely abandoned his radical policies and support for international terrorism. After the rapprochement, there was little concern with Gaddafi’s repression and his appalling human rights record (the same was true with regard to such other outgoing regimes as Zine Ben Ali of Tunisia or Hosni Mubarak of Egypt, which also received strong Western support). Indeed, it is ironic that prior to the bombing campaign, the French government was seeking to sell Gaddafi the Rafale fighter plane (Keating 2011) – which later became the main instrument of war used to attack the regime. The Western states only broke with Gaddafi in early 2011, in response to mass uprisings. The suddenness of the Western break with Gaddafi makes this break appear opportunistic and hypocritical, rather than idealistic. If we want a credible explanation for Western conduct in this case, we must look to other, nonidealistic factors.

At the outset, it must be said that the Libya intervention, which is ongoing at the time that this paper is being completed, is simply too recent to undertake a full analysis. The range of information available in the public record is still

relatively thin. However, there is enough evidence to show that the military–industrial complexes of the participating states – notably those of Britain and France – had an interest in this intervention. The first interest was to use the Libya intervention as a means to showcase European weaponry, and thus to increase overseas arms sales. Manufacturers of the French Rafale fighter, the Swedish Gripen, and the multinational Typhoon all sought to use the war as a means to impress international arms purchasers with the quality of these planes (see United Press International 2011; Keaton and Lekic 2011; Keating 2011). The Libya intervention was, in the words of a Reuters headline “a showcase in the new arms race” (Hepher 2011). No doubt the European governments were especially eager for such sales to offset rising unemployment, associated with the lingering effects of the 2007–2009 recession. Apparently, the old-fashioned idea of military Keynesianism remains relevant, in light of the weakness of the economic recovery.

Another factor in the Libyan intervention was the budgetary dilemmas associated with the European militaries. Due to reduced revenues resulting from the recession, several European states have experienced revenue shortfalls, and their governments have responded with massive budget cutting, most notably in Britain. These budget cuts have had an especially severe impact on the UK’s Royal Navy. With the decommissioning of the aircraft carrier *Ark Royal* and all remaining carrier-based aircraft by late 2010, the Navy ceased to have any operational combat aircraft for the first time in decades, and could play no direct role in the aerial bombardment of Gaddafi’s Libya. The Royal Navy no doubt felt the state of affairs to be a humiliation; and they sought to use the Libya intervention as an opportunity to protest the cuts – apparently with some success. Shortly after the Libya bombing campaign commenced, there was open discussion in the British press that the naval cuts had been a mistake and needed to be reconsidered (Kirkup 2011). In addition, the Royal Air Force gained political benefits from the intervention as well. According to the British Broadcasting Corporation,

The crisis in Libya and recent events across the Middle East may well help the RAF. . . . The RAF had feared losing more of its Tornado GR4 fleet in order to save up to £300m a year and may now be able to argue a stronger case for keeping them on.

(Wyatt 2011)

As in Kosovo, the Libya intervention helped to create a political environment that was more conducive to military spending.

And finally, there is the question of oil. It should not be forgotten that the military–industrial complex has often aligned itself with overseas investors, who seek military protection for their investments – and the oil industry has clearly been one such ally. It should be noted that Libya is a sizable oil producer, with the world’s ninth largest petroleum reserves (for background, see US Central Intelligence Agency, 2009). Several of the world’s major oil companies have

invested in Libya, including ENI of Italy, Total of France, Conoco-Phillips of the US, and BP of Britain, among many others. At the time of the popular uprising against Gaddafi, there was considerable anxiety in oil circles about the possibility of generalized political breakdown and chaos, with attendant threats to oil supplies and investments. In February 2011, the *International Oil Daily* (2011) reported:

The shockwaves from the violence engulfing Libya have hit the oil industry hard. Not only have they sent oil prices soaring to near two-and-a-half-year highs, but there are also reports that all ports and refineries are no longer operating – and signs that the expected spiral of production shut-ins has begun as oil industry staff continue to leave the country as and when they can.

And more generally, there was anxiety about the political unrest sweeping across the Arab world, including the very valuable Persian Gulf, and the dangers that these events posed for Western oil supplies. It seems likely that the oil companies welcomed the Western military intervention as a stabilizing factor for Libyan oil; and also as a show of force for the whole Arab world, to demonstrate that Western powers could still exert control.

And oil may have had additional influences on the Libyan intervention. It appears that the Total company of France was seeking to take advantage of France's leading role in the intervention, in order to augment its participation in Libyan oil, once the conflict was ended; and to do so at the expense of oil companies from other countries (notably Italy) that played less of a role in the intervention. According to *Oil and Gas News* (2011): "ENI's dominant position in Libya's oil sector could be undermined by Italy's hesitant backing for pro-rebel foreign military intervention, paving the way for a greater say for France's Total and possibly UK [oil] groups." Once again, a full analysis of oil interests in this intervention must await further release of information, but the information that is already available suggests that oil probably was a factor in the decision-making process that led to intervention in this case.

Conclusion

We have seen that the phenomenon of globalization has had a significant effect on military interventions, and military affairs more generally. The production of military equipment has become internationalized to some extent, especially in Western Europe. And recent interventions increasingly have been undertaken by international coalitions, rather than being done on a unilateral basis. Indeed the most recent 2011 intervention in Libya suggests that US hegemony may be losing its central importance. Now wearied by multiple wars associated with the larger War on Terror and facing a large external debt, the United States declined to play its traditional leadership role in the Libya case. Perhaps in the future, we will see more multilateral interventions on the model of Libya, without a clear

hegemonic state acting as overall director. On the other hand, it must also be remembered that multilateral interventions are nothing new in international relations, and they are not uniquely associated with the age of globalization.

Overall, we have found that globalization has done little to restrain the powers of the military-industrial complex, which remains an actor of importance in world affairs; and it played a key roles in the two interventions examined here, those in Kosovo and Libya. The image of a benign and peacefully integrated world is not confirmed by this study. Globalization may indeed have transformed the world political economy, and it has had a significant impact on the conduct of military action; but it has not ended such actions, nor has it reduced them to any great extent.

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