

A peace dividend?

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Malcolm Chalmers gave an illuminating talk on the opportunities and problems following the ending of the Cold War. In Britain, a 50% reduction in the defence budget has been proposed, the Ministry of Defence having announced a cut of 10-15% by the mid-1990s. This saving could enable a substantial 'peace dividend' to become available as a result of disinvestment in the means of warfare. An opportunity presents itself which should not be missed.

This is by no means a painless process. Defence cuts involve costs for those countries such as Britain which have heavily invested in arms. This would mean job losses across the economy in those areas involved with very serious consequences for some communities such as Barrow. Indeed, a 20% cut in the armed forces has been planned. Since the armed services also provide a considerable amount of training and have a spin-off effect for some industrial processes, adjustment would be necessary. Nevertheless, this would also mean that industry would be able to diversify to a greater extent and greater investment could be directed towards much needed areas such as training and infrastructure. But of considerable importance too is the moral imperative of providing greater assistance to poorer countries and Eastern Europe which would coincide with the long-term economic and security interests of the West as a whole.

The US is pushing ahead with its defence cuts - the 1991 budget is down \$288b over 1989 in real terms and cuts in manpower, down by 100,000, with the bulk of the third of a million European troops planned to be slashed. The Soviet Union needs to cut its defence budget drastically in order to deal with urgent economic difficulties. This is not likely to be such an easy task as the defence industries are integrated into much of the economy and have many communities dependent on them.

One pressing problem could be the problem of security and the related problem of development in the less-developed countries. The absence of an adequate military presence in some areas might well witness regional conflict as superpowers' grip is relaxed. The Gulf War being an illustration of the problems which could arise. In this situation economic assistance now becomes of greater importance than in the past for the sake of political stability.

The discussion after the talk took up some of the difficulties faced by the ending of the Cold War. These included the problems of adjustment to the decline in demand from the military sector and its knock-on effects, the security problems that this could present in areas where there was a significant superpower military presence which could leave a vacuum and greater instability. Although on a more positive note the opportunities made possible by a safer world have presented themselves as an opportunity which should not be missed and one which RADSTATS might have an important role to play by pointing to the gap between opportunity and reality.

(Further reading: Malcolm Chalmers, 'The peace dividend: a European perspective' in *European Security: the New Agenda*, Safer World Foundation, November 1990).
