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# *Disarmament and World Development from a Latin American Perspective*

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## **Introduction**

Security issues in North-South relations have generally been approached separately from development issues. This is partly because Northern countries, especially the superpowers, are not willing to discuss supposedly 'Northern' security problems (e.g. nuclear arms control negotiations) with Southern states, even though nuclear war would also damage the South. Similarly, the literature on the New International Economic Order (NIEO) seriously neglects Third World and global militarisation. Discussions of development and North-South relations have focused around a shifting agenda of issues (e.g. absolute poverty, human needs, the emergence of the 'newly industrialising countries' — NICs, or the debt problem) without addressing disarmament, except very obliquely: for example in considering whether a NIC like Brazil can 'graduate' as a 'Northern' country and become a nuclear power at the same time [Hansen 1979: 175]. Yet since disarmament is a global issue, it makes no sense to analyse it separately from the present economic crisis and developments in North-South relations.

It is estimated that up to a billion persons in the Third and Fourth Worlds live under near-starvation conditions. The development strategies pursued since the 1950s have not resolved the problem of poverty, which has become more acute in the last 25 years. This 'structural violence', to use Galtung's graphic term, results in part from the structure of North-South relations, which traps the so-called 'forgotten 40 per cent' in a vicious circle, in which lack of nutrition leads to disease, infant mortality and low life expectancy. The global economic crisis has aggravated this situation, since the North has tended to shift the costs of the recession to the Third and Fourth Worlds.

None of the demands for a New International Economic Order formulated in the Sixth Special Session of the UN General Assembly in 1974 included disarmament, international restraints on arms sales or

the transfer of military-related expenditures towards development projects. Instead, however, it was demanded that the developed countries meet the aid target of 0.7 per cent of GNP established for the Second UN Development Decade; and that the North increase its financial commitments to the emergency funds created in response to the food and oil price increases in 1973-75. It was also demanded that the North be prepared to renegotiate the terms of debt repayment for Southern countries experiencing serious balance of payments difficulties.

The debt problem became particularly acute in the early 1980s. How serious it had become was illustrated in 1982, when first Mexico and then Argentina and Brazil were unable to meet their scheduled repayments of principal on the external debt of their respective public sectors. Part of this debt, especially in the cases of Brazil and Argentina, resulted from military-related purchases. Nevertheless, the debt problem was not allowed to transform significantly the rules of the game between North and South. The international organisation of Third World debt has been worked out on an *ad hoc* basis, under the aegis of the IMF, guided by the principle that 'debts are to be serviced promptly if there is any economic possibility of doing so' [Lipson 1981: 606]. The usual result has been the more or less veiled imposition of severe stabilisation programmes that serve only to widen the North-South gap.

In spite of Southern demands, the international economic system has not substantially changed. It continues operating in a manner that primarily benefits the developed countries. This has become increasingly clear with the weakening of the Southern position in the last years, due (a) to internal differentiations (e.g. between oil exporting and importing countries) that inhibit its capacity for collective action and (b) to the enduring world economic recession, reducing growth rates in some Southern countries and resulting in negative growth rates in others. The problems of organising effective

action in the South are illustrated by the inability of the major debtor countries to organise themselves in a cartel similar to OPEC, as well as by the major schisms which have developed within the latter.

Nevertheless the process of democratisation which has been taking place in a greater number of Latin American countries (Argentina, Brazil, Uruguay), together with their critical economic situation have made them more supportive of disarmament and arms control proposals that would reduce their military spending. In this, moreover, they have not been alone. For example, on May 24, 1984, the recently elected Argentine president, Raul Alfonsín, signed a joint declaration with the Presidents of Mexico and Tanzania and the Prime Ministers of Greece, India and Sweden, denouncing the arms race between the superpowers, whilst drawing attention to the dangers for all countries of nuclear war. Democratisation does not in itself however, ensure that Southern countries will show an interest in disarmament, nor that they will be able to implement it on a regional, still less a global scale.

### **Disarmament and Development in Latin America**

Until very recently, disarmament and development were discussed in Latin America, as in other regions, as two separate issues. Development thinking (for example, the ECLA school of thought led by Raul Prebisch in the 1950s and 1960s) focused either on the obstacles to capitalist development in these countries (such as deterioration of the terms of trade), or on the subservient forms which capitalist development adopts in Latin America with respect to the capitalism of the centre. In any case, the centre-periphery scheme was conceived of largely in non-military terms, and the international arms economy was out of the picture.

On the other hand, some Marxist theorists have begun to emphasise the links between the internationalisation of capital, armaments and underdevelopment. According to this approach, the military is an agent of underdevelopment, that is 'a mechanism for extracting surplus product in the periphery in order to support capitalist accumulation in the metropolis' [Kaldor 1978: 66]. This is an important advance relative to early development thinking. Yet such a perspective also has its problems. It would, for example, be inadequate to analyse the emergence of a new type of 'permanent' military government in Latin America after the 1964 Brazilian coup and of the 'national security doctrine' by which it has been legitimised, solely as a response to the imperatives of capitalist development in the centre. Such an approach would overlook internal factors and the 'relative autonomy' of such regimes, and it would have difficulty

explaining the 'Brazilian miracle' which took place before the oil shock of 1973-74.

Before the 1982-85 debt crisis Latin American countries had steadily increased their military spending (see Table 1) and imports of military hardware despite the fact that the 1973-74 oil shock had augmented the foreign exchange bill of the oil-importing countries. At the same time, from the 1970s the countries of the region had begun to diversify their sources of armaments, traditionally supplied by the United States.

Argentina and Chile borrowed heavily from the Eurodollar market (even after the oil crisis) to buy armaments. In consequence Latin American armed forces tended to increase and modernise their weaponry. This trend reflected the following developments: (a) the replacement of obsolete equipment; (b) the 'demonstration effect': when one country modernised its armed forces, neighbouring countries followed suit; (c) the development (under the Reagan administration) of a less restrained US arms sales policy (exemplified by the recent sale of F-16 aircraft to Venezuela). This in turn was partly a response (d) to the previous diversification by Latin American countries of their arms purchases, supporting a tendency to adopt more flexible and independent foreign policies with regard to neighbouring countries and to the major world powers; this was also associated (e) with increasing self sufficiency in arms production, especially in Argentina and Brazil, both of which indeed are now exporting weapons. In the early 1980s Brazil became one of the ten largest weapons exporting countries in the world (*SIPRI Yearbook, 1981*). Moreover, these countries have significant nuclear development programmes. Neither Argentina nor Brazil has signed the Non-Proliferation Treaty (NPT), on the grounds that it condemns non-nuclear weapon states to permanent inferiority.

Increased armament intensified inter-state conflicts. In December 1978 Argentina and Chile were at the edge of war; in 1981 there was a border war between Peruvian and Ecuadorian forces; and in April-June 1982, the Falklands/Malvinas war. The latter affected the complex network of bilateral military relationships between the United States and different Latin American countries (resulting, for example, in a cooling of relations with Argentina; and talk about the re-establishment of the military cooperation agreement between the US and Brazil, which had been terminated by the Gieseler administration) and, more generally, the inter-American military system. The failure of the war to resolve the dispute between Britain and Argentina over the Falklands/Malvinas remains a potential source of new conflict. Nevertheless, the signing of a treaty between Argentina and Chile settling the Beagle dispute has diminished tensions in the Southern Cone.

Table 1

## Latin American Military Expenditures in US\$ mn, at 1980 prices and exchange-rates, 1975-1984

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Central America	1,510	1,720	2,185	2,326	2,496	2,495	2,709	[2,847]	[3,029]	[3,170]
South America	8,762	9,720	10,374	10,274	10,277	10,428	10,744	[15,898]	[14,160]	[14,160]

Source: *SIPRI Yearbook*. 1985: p.270. Figures in brackets are provisional estimates.

In the 1980s the debt burden began to impose more and more severe constraints on South American military budgets. Brazil was on the verge of default by November 1982 and yet began a modernisation programme for its armed forces soon after the Falklands/Malvinas conflict, increasing its military spending by some 23 per cent in constant price terms, according to the Stockholm International Peace Research Institute (SIPRI). However, Argentine military expenditures were cut by an estimated 40 per cent between 1982 and 1984, Venezuela's military expenditure levelled off, and the South American total decreased by some 18 per cent over the same period. The tendency toward demilitarisation has been reinforced by the inauguration of democratic governments (in Bolivia in 1982, Argentina in 1983, Brazil in 1985) although the latter have not always implemented cuts in military budgets.

On the other hand, a process of militarisation is spreading in Central America: between 1979 and 1983/84 the military budgets of El Salvador, Guatemala, Honduras and Nicaragua increased in constant price terms by 51 per cent, 31 per cent, 106 per cent and 184 per cent respectively.<sup>1</sup> US economic and military aid to Nicaragua was terminated in mid-1981, while US military aid to Nicaragua was terminated in mid-1981. At the same time US military aid to El Salvador and Honduras rose sharply from less than \$20 mn in 1980 to more than \$170 mn in 1984. This process has accelerated in spite of economic stagnation and the severe effects of the world economic crisis on these countries, which are far less developed than the major South American nations.

### Putting Disarmament on the Latin American Agenda: the Ayacucho Declaration

Latin America is the only region of the world that has been officially declared a nuclear-weapons-free zone.

<sup>1</sup> The figures for El Salvador and Honduras relate to the period 1979-84; those for Guatemala and Nicaragua to 1979-83.

The 1967 Treaty of Tlatelolco prohibits the testing, use, manufacture, production or acquisition by any means, and the receipt, storage, installation, deployment and any form of possession of nuclear weapons in Latin America. In spite of this, however, very little progress has been made regarding conventional disarmament. Most of the discussion has focused on 'controlling' conflict rather than on whether and how disarmament *and development* could be effectively implemented.

At the beginning of 1974, the Peruvian President, General Juan Velasco Alvarado, called on Latin American countries to commit themselves to freeze their arms purchases for one decade. Most countries agreed to follow this initiative, with Brazil a major exception. Simultaneously, the new US ambassador in Lima declared that his country would contribute 'to any measure with the purpose of limiting the arms race'. On December 9, 1974 the 'Ayacucho Declaration' was signed in Lima by the representatives of six Andean Pact members: Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela, and two non-members: Argentina and Panama. The declaration included an agreement between the eight signatories

'to foster and support the building of a permanent order of international peace and cooperation and to create conditions permitting the effective limitation of armaments and putting an end to their acquisition for offensive military purposes, in order to devote all the resources possible to the economic and social development of each one of the countries of Latin America' (unofficial translation from the official Spanish text).

Almost immediately General Pinochet's Foreign Minister began to raise objections to the effect that 'Peru holds more weapons than Chile and that is the reason why our government does not agree to an arms purchase freeze such as the one proposed by that

country'.<sup>2</sup> Thus right from the start, the Ayacucho Declaration was regarded as a declaration of intent rather than a binding agreement. In February 1975 the six representatives of the Andean Group constituted in Lima the *First Conference of the Andean Group on Arms Limitation*. In this meeting of experts, the six countries decided to include defensive weapons in the Declaration because 'it was virtually impossible' to distinguish them from offensive ones. Furthermore, they agreed to consider the reduction of border forces, the creation of de-militarised areas and the control of arms inventories. However, although a list of forbidden weapons was established (including biological, chemical, toxic and nuclear weapons, ballistic missiles, carriers, cruisers and nuclear submarines), and a second meeting of experts took place in Santiago, Chile, in September of the same year, it proved impossible to secure agreement on the types of conventional weapons that were to be prohibited or limited, and a treaty putting an effective bar on arms races in the region was never signed.

The principles of the Ayacucho Declaration have been reiterated by Latin American diplomats in several international fora including the two UN Special Sessions on Disarmament; and in September 1980 Colombia, Costa Rica, Ecuador, Panama and Venezuela established a Charter of Conduct based on these principles. Nevertheless this has not halted regional arms races. Moreover, in spite of the Ayacucho Declaration, the ways in which the resources eventually made available by disarmament would be channelled to regional and/or national economic and social development programmes was never analysed at an expert level. Only strictly military issues were discussed in the 1975 meetings of Andean pact experts referred to above. And neither militarisation nor disarmament has been discussed by ECLA or within other regional development agencies. Disarmament and development are still two separate issues in the Latin American agenda, in spite of the overriding need to link them.

Why has it proved impossible to implement the Ayacucho Declaration? Economic, social and political forces, both within and outside Latin America have made it difficult to reach agreement. Although the process of democratisation in some countries seems to strengthen the forces favouring regional initiatives for disarmament and development, the survival of a garrison state in Chile and the process of militarisation in Central America remain major obstacles.

Latin American problems, moreover, cannot be analysed separately from the global crisis and the New Cold War. The deterioration in the international

situation affects the region in a number of ways. It increases the likelihood of military intervention by major powers (as in Central America, Grenada and the Falklands/Malvinas). A new structure of North-South relations has emerged, based more openly on the threat to use military force [Luckham 1984: 365]. The United States' covert support to the 'contras' in Nicaragua together with economic sanctions and indirect threats of military action are a recent and dramatic example.

Secondly, the global crisis has economically weakened Latin America in common with the rest of the Third World. Debts have grown, interest rates have soared; and so payments on external debt absorb a much higher percentage of export earnings [Lipson 1981: 612]. To be sure, this has sometimes compelled governments to restrain public expenditures, including their military spending, as part of the austerity measures imposed under IMF stabilisation programmes (e.g. Argentina has reduced its military expenditures and also cut the budget of its nuclear programme). However, the structural factors that generate military spending — including the international arms economy — remain untouched.

On the other hand, the global crisis has generated increased pressure from the South for real and concrete steps forward in disarmament negotiations. The above-mentioned six-nation group (Argentina, Mexico, Tanzania, Sweden, India and Greece) established in May 1984 is an example, as are Southern demands that the nuclear arms race between the superpowers be discussed at the UN conferences on disarmament.<sup>3</sup> Although the peace movement has not grown as fast in Latin America as in Europe, the process of democratisation has now created a more propitious atmosphere for its development. Moreover, it is clear that there is a need for a concerted action between Third World and European countries to put pressure on the USA and the Soviet Union for a reduction of tension between the blocs.

## Conclusion

Disarmament and development in Latin America, as in the rest of the Third World, cannot be approached separately from North-South and global issues. For example, one of the demands contained in proposals for a New International Economic Order is a substantial increase in Northern economic aid. However, A. Frank points out, 'military and economic 'aid' have gone hand in hand, and much of the former is disguised as the latter' [Frank 1979: 3]. Far from the UN target of 0.7 per cent being reached, official development assistance as a percentage of

<sup>2</sup> See *Clarín*, Buenos Aires, 14 February 1974, declarations by Patricio Carvajal, Chile's Foreign Minister.

<sup>3</sup> See for example the speech by the Argentine representative, Julio Carasales, at the UN Conference on Disarmament, June 1984.

GNP has actually declined in the case of the OECD countries, to less than half this proportion. Meanwhile, Northern arms sales have drained increased amounts of the scarce foreign exchange required for development. For example US military grants have been largely replaced by commercial arms sales — although under the Reagan administration there has taken place a partial reversal of this trend, with military aid again being offered to countries of vital strategic interest to the United States, especially those able to offer it military bases and facilities (i.e. surrender part of their sovereignty) in return.

Even if a nuclear-free world is not probable in the foreseeable future, the superpowers have at least a common interest in avoiding nuclear war (the idea of 'common security' described in the Palme Report). However, a more coordinated approach to disarmament and development issues is required, in order to resolve the inequity of the international economic system and to put 'general and complete disarmament' back on the international agenda. For example, proposals for the creation of an international disarmament organisation [Myrdal 1976: 297, 304] and of a World Development Authority (WDA) [Hansen 1979: 52] could be linked and dealt with conjointly.<sup>4</sup>

Significant nuclear and conventional arms control agreements, reductions in military spending in the North and a larger political role for the developing countries in international economic relations would enhance the possibility of dealing more adequately with urgent global issues, like absolute poverty in the

Third and Fourth Worlds, and of beginning a process of 'real' disarmament and development in the South. This is not to deny that, as Alva Myrdal argues, 'some actual arms limitation agreements can be reached independently of the superpowers' [Myrdal 1976: 328]. Nevertheless, it would be much easier to implement regional arms limitation proposals like the Ayacucho Declaration if the arms race could be controlled in the North, and the resources thus saved directed toward meeting at least some of the Southern demands for a New International Economic Order. A global approach remains the best way of putting disarmament as well as development back on the international agenda, for 'neither the arms race nor the recession can be controlled without a major reordering of present international anarchy' [Luckham 1984: 372].

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<sup>4</sup> The creation of an international disarmament organisation within the framework of the UN, as part of the process leading to 'general and complete disarmament' was included in the McCloy-Zorin Agreed Principles, which were approved in 1961 by the General Assembly. The need to establish a single World Development Authority, where decisions on international economic issues could be coordinated, is formulated by Mahbub ul Haq in *The Third World and the International Economic Order* (Overseas Development Council, September 1976), p.24. Haq resigned as the World Bank's director of policy planning in March 1982, dissatisfied with the Bank's new policies under the presidency of A. W. Clausen.