

Behind South American armed forces' wage crisis: the demilitarization plot

by Gretchen Small

Outrage within the military at the poverty-level wages on which most Ibero-American military officers and troops are forced to survive has reached the level of a national crisis in both Brazil and Argentina, where the military commands have informed their governments that if pay raises are not granted immediately, military discipline may collapse. What most military officers have failed to understand, however, is how the military wage and budget crises are being *deliberately* created and managed as a means to force through the demilitarization of all developing countries desired by the Anglo-Americans.

Argentina offers a useful example of what the banking interests behind the so-called new world order now seek. The country's total defense budget today is less than a quarter of what it was in 1980, before the Malvinas War. Between 1% and 2% of the country's Gross National Product is all that is spent on military defense. One-half of defense monies are spent on military pensions and debts, plus two specialized police forces, the *Gendarmeria* and the *Prefectura*; 37.5% goes to salaries and travel costs for Army, Navy, and Air Force personnel; and a mere 12.5% is allocated for operating costs such as training and equipment purchase and repair.

The result is that the Argentine Armed Forces today are neither adequately equipped nor adequately paid. The resulting collapse in morale has driven close to 30% of officers and non-commissioned officers under the age of 35 to quit the service in the last 10 years, according to the Argentine daily *La Nación*. Many who have remained are forced to work two jobs to provide for their families, leaving the bases midday to drive taxi-cabs into the night.

Unrest in military ranks over this collapse led to a public dispute in February within the Argentine cabinet over the question of an increase in military salaries. Former Defense Minister Antonio Erman González argued that a 10% increase had become urgent; Economics Minister Domingo Cavallo rejected any and all increases, charging that the government needed to cut overall expenditures by 10% more in order to meet the conditions of its agreement with the International Monetary Fund (IMF).

President Carlos Menem initially sided with his defense minister and promised that increases would be made. But on March 1, Menem reversed course, fired González, and named Oscar Camilión as his replacement. Two days later,

Menem announced that no wage increase will be allowed in the military until government revenues improve.

Supranational missions only?

From the minute he was named, Camilión made clear that he views the military economic crisis as a *means* to force through the restructuring of the Argentine military into a mere appendage of supranational forces. "The budget depends on what the Armed Forces are going to do, and these are not questions which are exclusive to Argentina. All countries face a readaptation of their military forces," he told the Argentine daily *Clarín* on March 2. Echoing Economics Minister Cavallo, Camilión insisted that the starting point for discussing the budget is that "there is . . . a problem of scarce resources." In an interview with *La Nación* on March 12, Camilión went so far as to compare the changes he is advocating for the military to the privatization of state companies. How a nation could defend itself with such an army, he did not explain.

The military "should be an instrument of a regional and, today, also global diplomacy," adjusting its size and structure to the "role which a country like Argentina has to play in the new tasks which the United Nations has decided to undertake," the new defense minister told *La Nación*, specifying that the new missions of the military are peace-keeping, peace-making, and peace-enforcement "in the numerous places around the world where the United Nations is requested to intervene."

Anglo-American demilitarization plans

Camilión, in short, has announced that he will use his new post to impose the anti-military agenda of the Inter-American Dialogue, the Anglo-American policymaking body of which he is a member.

The Dialogue was founded at the U.S. government's Woodrow Wilson Center in October 1982, under the personal direction of then-U.S. Secretary of State George Shultz, to serve as the top policymaking forum in the Americas for the bankers and business interests associated with the Rockefeller-dominated Trilateral Commission. Such leading members of the U.S. establishment as Robert McNamara, Cyrus Vance, and Elliot Richardson have been members since its founding, as have Camilión, Brazil's Foreign Minister Fer-

nando Henrique Cardoso, and Inter-American Development Bank chief Enrique Iglesias.

From the outset, the Dialogue proposed that the Organization of American States should be given oversight over national military activities. They escalated their anti-military campaign in 1986, setting up a special task force to propose institutional mechanisms to reshape civil-military relations in the hemisphere. (This was the same year in which the Dialogue proposed that the nations of the Americas legalize drugs, because, it warned, if prosecuted seriously, a war on drugs could threaten the flow of drug monies used to pay foreign debts.)

The Dialogue's 1988 report, *A Time for Choices*, reported the conclusions of the military task force. *Choices* denounced the military establishments of Ibero-America for continuing to believe that they should serve as "the ultimate guardians of national interests and guarantors of national security," and that they had responsibility for political, socio-economic, and international factors which affect national security. Because of such concerns, the military had "resisted efforts by civilian leaders to curb their authority and reduce their privileges," the report complained.

Worst of all from the Dialogue's standpoint, was not only that morale remained high in the armed forces, but that the population did not share its view that the national military was an enemy. "Public attitudes toward the military are not uniformly unfavorable and the armed forces themselves are generally proud of their accomplishments," the report complained. *Choices* argued that the time had therefore come to review, and change, both the "mission of the armed forces and the scope of its mandate," and "the level of resources that should be allocated to the military."

Cutting the resources of the military increasingly became the focus of the Dialogue's work, as a means to collapse morale and "curtail the influence of the armed forces" south of the Rio Grande. The Dialogue's 1993 report, *Convergence and Community*, demanded that "international financial institutions—the World Bank, IMF and Inter-American Development Bank—should monitor military spending and propose that armed forces' budgets be subjected to the same cost-cutting measures as those of civilian agencies." It proposed that, as well, a "permanent forum of civilian defense ministers, armed service commanders and key members of legislatures" be given a mandate to "take a fresh look at their armed forces—their mission, size, weapons, and cost."

The IMF enters the battle

It was Camilión's fellow Dialogue member Robert McNamara who first outlined at a public forum how the IMF could take the lead in forcing through demilitarization under the new world order. In a speech to the annual meeting of the World Bank in April 1991, McNamara demanded that international financial institutions make aid programs conditional on drastic cuts in the military budgets of prospective recipient nations.

McNamara specified that such cuts would aid the process of replacing national military institutions by United Nations supranational forces in most areas of the world. In the emerging new world order, collective security mechanisms will make national institutions obsolete, he stated.

That policy has been adopted wholesale. The report in the IMF publication *IMF Survey* on Dec. 14, 1992 on a forum sponsored by the IMF in November in Washington, D.C., revealed how systematically these banking officials have set out to impose "military reform."

Pierre Landell-Mills, a senior policy adviser at the World Bank, bragged to the forum that the World Bank has pressured at least 20 countries to reduce military expenditures and is assisting several "to demobilize large armies" and convert military-industrial complexes to civilian uses. The World Bank has an ongoing research project on "the best ways to downsize armies," he said.

Landell-Mills cautioned, however, that the World Bank must couch its anti-military objectives as merely part of a global effort to reduce "non-productive" expenditures, and he urged that a similar approach be adopted by national governments. He suggested that a debate be encouraged over the trade-offs between different types of expenditures, where it can be argued that "military expenditures were crowding out essential social spending." The political costs of explicit conditionality by the World Bank on national security can also be avoided if bilateral lenders and "donor consultative groups" do the job of withholding aid from "heavy military spenders," since if bilateral aid is cut off, "these countries would no longer be able to draft a viable financing plan and would in turn be ineligible for structural adjustment lending."

Another speaker, Nicole Ball of the Overseas Development Council, called upon the IMF, the World Bank, and other international financial institutions to "assume an activist stance" vis-à-vis military reform. They must "establish common security-related criteria" for granting aid, and then use the "many, subtle and varied" mechanisms available to them to yield the desired ends, she said. "Policy dialogue, financial and technical support, rewards for good behavior, efforts to set expenditure and performance targets in non-military areas (which can imply reductions in military aid), and encouraging countries to make the military sector subject to the same standards of accountability and transparency that apply to civilian sectors," are mechanisms which she suggested could buttress explicit conditionality.

It was left to Russell Kincaid, chief of the IMF's Special Facilities and Issues Division, to make explicit the strategic objective underlying the drive to reduce military expenditures. Echoing the central thesis of McNamara's 1991 speech, Kincaid argued that the objective to be sought is that "collective security . . . replaces a reliance on individual security arrangements." He raised, but left unanswered, the central question raised by this new arrangement: "Who will play global policeman?"