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Defense spending is often politically popular, as it's seen as creating jobs. Not only in the military, but across the vast military industrial complex. But does it? Are there perhaps greater opportunities to create more and better jobs than manufacturing weapons and uniforms, and supplying services to the military? Jobs in clean energy, say, and education?

From Brown University's Watson Institute for International and Public Affairs, this is Trending Globally. I'm Sarah Baldwin. We're joined today by Heidi Garrett-Peltier of the Political Economy Research Institute at University of Massachusetts, Amherst.

Her research focuses on the employment impacts of public and private investments, particularly those that support the transition to a low carbon economy. A member of the Cost of War project, which is based at the Watson Institute, she recently published a report titled, Job Opportunity Cost of War, which looks at employment and alternatives to defense spending.

Welcome to Trending Globally, Heidi.

Thank you very much for having me, Sarah.

Thanks for talking with us today. According to Cost of War research, over the past decade and a half, the US government has spent several trillion dollars-- by some calculations, more than \$10 trillion-- on the wars in Afghanistan, and Iraq, Pakistan, and Syria. Yet, President Trump recently requested an increase in military spending of \$54 billion-- that's a 10% hike in the military budget.

Military spending is often seen as a job creator, but Heidi, your report shows that there are possibly other and more beneficial ways to create better jobs. Can you explain?

Sure. Thanks for that question, Sarah. And I do think it is important to look at how we are spending our federal dollars, and what the job creation potential is of the different ways of spending our tax dollars. Because there are some real trade-offs.

If we spend money on defense spending and military spending, then we are forgoing the opportunity to spend money in other areas like health care, or education, or clean energy, or rebuilding infrastructure.

So the reason I titled this paper, The Job Opportunity Cost of War is that there's an opportunity cost. When we're

spending money on one thing, we're losing the opportunity to spend money on something else. So we really wanted to challenge the idea of well first, explore the idea of how many jobs are created by military spending, by defense spending. Since we do know that it is a politically popular way to spend money since there are supply chains throughout the US for the military industrial complex.

So we choose to look at this question of, how many jobs do we create through military spending versus how many we could create with that same amount of spending? So we can look at the multipliers for each million dollars or we could look at the \$3.7 trillion that have been spent on the wars in Iraq, and Afghanistan, and Pakistan, and Syria, and other defense spending that has happened since 2001.

Well, could we stay with that \$1 million figure, for just a second?

Sure.

I see in your report it says that a million of defense spending creates 6.9 jobs. But you contend that the same amount spent in wind and solar energy creates a total of 9.5 jobs. What kind of data did you analyze? That's a really big difference. And it seems folly to be spending so much on defense when we could be creating more jobs, if that's the argument. Right?

That's right. And so what we did is we used publicly available data, data that is collected through the census, through the economic census, through IRS tax documents, and so on. It's the US Bureau of Labor Statistics and the US Bureau of Economic Analysis that provide most of this data.

And we look at the job multipliers per million dollars. So for every dollar we spend, every million dollars that we spend, we create jobs in the industries that we're buying from. So if we're looking at defense, we're creating jobs in the Department of Defense. But then we are also creating indirect jobs in the supplying industries. So if we're looking at defense spending, those supplying industries are weapons, and uniforms, and trucking, transportation, and so on.

And same thing goes for wind and solar. When we're looking at spending a million on either of those industries, or in education, or health care, there are the jobs for nurses, and teachers, and wind turbine installers, and so on. But then there are also all of the services and goods that those companies and those industries buy through their supply chains.

And so when you put all of that together, you get a real full picture of the economic impact of spending-- whether it's public dollars or private dollars-- you get a sense of how many jobs are created economy-wide. Because you're looking not just at the certain businesses you're buying from, but the whole supply chain.

And so when we look at that whole picture-- and here, we really are looking at federal spending because we're comparing defense spending to non-defense spending-- what we find is that create fewer jobs through the defense spending than we do through clean energy, which creates about 50% more jobs for the same amount of money. Or higher education, elementary and secondary education, health care-- those create twice as many jobs. Or in the case of elementary and secondary education, almost three times as many jobs as defense spending.

And the main reason for that-- well, two main reasons for that. One is that most of the spending that we do on clean energy, on education, on health care stays in the US. So most of the supply chain is creating jobs for workers here in the US. Whereas military spending, some of those jobs are being created in other countries. So the number of jobs in the US is going to be lower, just because there's that leakage of funds.

And then the other reason is what economists call labor intensity. So how much of the money goes toward employing people versus how much goes toward employing equipment. And military spending is much more equipment-heavy than something like, let's say, education or health care, even. So that's another reason why dollar per dollar, we can create more jobs in education and health care than we can in something that's more capital-intensive, like defense.

It seems a terrible irony to me when I look at your report and I see that the very areas where we need spending most-- whether it's education, or health care, or clean energy-- are being overshadowed by this argument that federal spending in defense creates jobs. When, in fact, we'd be getting more jobs by many factors if we've spent it also where we need it most. Right?

That's right. And by spending on clean energy, we're getting environmental benefits. By spending on education, obviously, we're getting a more educated workforce, a more educated population. Certainly, we can stand to improve the condition of health care in this country. And then there's the bonus of creating more jobs by also supporting those same causes.

And there are various ways-- certainly, we would like this kind of research to get in the hands of legislators who can actually change policy, and who can redirect spending. There's a great organization that I'm involved with called the National Priorities Project. They're based out of Northampton, Massachusetts, but it's a nationwide organization.

And they ask the question, where are our tax dollars going? And our tax dollars being spent the way we would choose as citizens to prioritize, most people would not choose to have half of their tax dollar go to the military. And have 1% or 2% go to education. But that's what ends up happening.

So people can get more information about the federal budget from a place like National Priorities Project. There

are activists like the American Friends Service Committee. Right here in Massachusetts, there is an effort called Budget For All, which is organized by the-- I think-- it's organized by the [? AFSC. ?] And the idea is citizens getting together to say, hey, we want our tax dollars targeted towards things that we care about like creating jobs. Creating a cleaner environment. Creating a healthier, more educated population.

So there are citizens banding together to demand from their state legislators and demand from their congresspeople federally, that our spending priorities should really reflect our values.

Do you sense-- the military industrial complex is vast. How formidable a task is it going to be to not only change hearts and minds among citizens and policy makers in Washington, but how much competition in the messaging arena is there? Is the military industrial complex very good at sending out this message that they're about jobs, as well as security?

Yes, absolutely. And the thing is that because there are jobs related to the defense industry in so many different areas throughout the US, Congress people, in general, even if they're down with the principle of cutting military spending, they don't want to lose any of those dollars for their own constituents. They don't want to lose any in their own district.

So it's really hard to cut defense spending when you have people, elected officials wanting to protect it because they're afraid that if they don't protect it, the people who elected them are going to revolt. But the problem is that there is not enough information out there on the alternatives.

And there are defense contractors like Lockheed Martin that they get contracts, something on the order of 3% of all federal spending is going to a for profit company. So it is worth it to them to invest a lot of resources to make sure that defense spending stays as high as it is.

I imagine.

And then from looking at, let's say, clean energy-- which is an issue that's dear to my heart, and I do a lot of research on-- if we're thinking about building support for shifting federal spending towards clean energy-- whether that means directly buying solar energy and wind energy for federal buildings or financial incentives for private companies to invest more in clean energy-- one thing that we can think about is, how do we get bipartisan support for this issue?

If we come at it from a climate change, environmental position, you're definitely going to get more people on the left, and fewer people on the right. That's just the way things are right now.

But clean energy is incredibly profitable, and is a great job creator. And if you look at it from a business

perspective, then you can get people on the right. And you don't have to use the argument that might win over the people on the left.

Exactly.

And so we really need to think about, what are the different kinds of benefits? Because not everybody's coming at it, obviously, from the same value system. But there are values that can appeal to both sides of the aisle.

Oh my gosh, that is a very clever approach. This is such an important report. And thank you for all the good work you do with Cost of War and National Priorities Project. And let's hope this gets into the right hands. And we'll try to help do our part to get the message out there.

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I really appreciate it because the more information we can get out there and the more people are informed about their own tax dollars and where those tax dollars are going, the more we can make informed choices as an electorate.

Terrific. Thank you so much, Heidi.

Thanks very much, Sarah.

OK, bye-bye.

Bye-bye.

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