



The demand for conversion: From “economics versus ethics” to “economics with ethics”

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Headlines:

- 1) Decentering arms in Middle East security necessarily involves decentering arms in US/UK/European security as well.*
- 2) Decentering arms means making the case for demilitarisation, disarmament, and conversion both at home and abroad.*
- 3) The arms control community needs stronger economic arguments, as well as political and moral ones, in favour of conversion, along with more radical strategies for change.*
- 4) Economics and human rights do not need to be seen as opposing forces: the demand for conversion makes them compatible.*

The urgency of decentering arms: Palestine, Yemen and global (dis)order

The connections between the wars in Yemen and Palestine tell us a lot about the central role of arms in generating insecurity and the urgency of decentering arms as a driving force in global politics. In both Palestine and Yemen, selective military support from major western arms producing states sustains vastly asymmetrical armed confrontation, pushing political solutions ever further out of reach. Israel’s genocidal assault on Gaza would be impossible without the military, economic, and diplomatic support of the USA, Germany, the UK, and other western states. Indeed, Israel’s military action is, to a considerable extent, also US military action. Israel is the largest cumulative recipient of US military assistance since World War Two. US Foreign Military Financing accounts for around 16% of Israel’s annual defence budget, providing US taxpayer-funded grants that enable Israel to purchase US arms and services.¹ Moreover, state resources and infrastructure are being used to support Israel beyond arms sales from (ostensibly) private companies. For example, the UK’s RAF bases at Akrotiri and Dhekelia in Cyprus are being used as logistical bases and transport hubs for weapons bound for Israel.

¹ Elias Yousif and Rachel Stohl (2023) “In shadow of war, a snapshot of US military assistance to Israel,” Stimson Center, 13 October 2023, <https://www.stimson.org/2023/in-shadow-of-war-a-snapshot-of-u-s-military-assistance-to-israel/>



Massive, widespread international public protest, pressure, and unarmed direct action have risen against Israel and its western supporters, much of it in response to the Palestinian trade union's call for an end to military cooperation with Israel.² Alongside this, the Houthis and Hezbollah have taken military action against Israel's assault on Gaza and western support for it. The Houthis have used this intervention to bolster their legitimacy and (mis)governance in Yemen. They have hijacked and launched drone and missile attacks on tens of ships in the Red Sea – a practice that pre-dates October 2023 but has escalated since then. In response, the US and UK militaries have bombed Houthi installations, killing and injuring a number of civilians in the process. This direct military intervention in Yemen comes on the heels of nine years of military and diplomatic support for the Saudi- and Emirati-led coalition in Yemen, which before the war on Gaza was labelled the world's worst humanitarian crisis.

There is deepening military collaboration between Gulf states and Israel, alongside growing Middle Eastern involvement in the arms trade. Emirati-Israeli security coordination predates the Abraham Accords that normalised relations between the two states. After the Oslo Accords, Israel facilitated the sale of US F-16s to the UAE, and Abu Dhabi's sovereign wealth fund, Mubadala, has long invested heavily in Israeli companies that work with the Israeli military.³ Since the Abraham Accords, however, the relationship has grown and become more publicly visible as part of a developing regional alliance under the umbrella of US hegemony.⁴ Saudi Arabia's relationship with Israel, meanwhile, remains more secretive and a formal peace deal has not been politically viable since October 2023.⁵ Yet, Saudi-Israeli collaboration dates back to the 1960s and the Yemen civil war, in another indication of the intertwined fates of Palestine and Yemen.

There is thus a complex web of transnational and state/private collaborations in favour of arms. What would need to happen to decenter arms in Middle Eastern security? Given the connections between western military support and patterns of crimes committed abroad, decentering arms in Middle Eastern security would necessarily involve decentering arms in western security too. And decentering arms means making the case for demilitarisation, disarmament, and conversion both at home and abroad. The rest of this memo focuses on the UK, the case I know best, and its connections with the Middle East. The general election of June 2024 and removal of the Conservative Party after 14 years in power brought limited relief rather than any sustained optimism among arms trade watchers.

2 Workers in Palestine, <https://www.workersinpalestine.org/>

3 Tariq Dana (2023) "The New (Dis)Order: The Evolving UAE-Israel Security Alliance," *Journal of Palestine Studies*, 52:3, 62-68, DOI: 10.1080/0377919X.2023.2244868, pp. 63-64.

4 Dana, "The New (Dis)Order".

5 Heba Taha (2023) "Industries and Identities of War: Militarism, Nationalism, and Arab-Israeli Normalization," PRISME SALAM debate #2, Summer 2023.



Making the case for demilitarisation, disarmament, and conversion at home and abroad

The Labour government elected in June 2024 made some positive declarations upon taking office, restoring funding to UNRWA and dropping the UK's opposition to ICC arrest warrants for Israeli as well as Hamas leaders. On arms sales, however, the situation was less straightforward. In opposition, Labour—particularly Shadow Foreign Secretary David Lammy—had urged the Conservative government to publish its legal advice about arms sales and called for a suspension of arms exports if Israel proceeded with its full-scale invasion of Rafah. Once in power, Foreign Secretary Lammy claimed not to have access to that advice and commissioned a new legal assessment. He also drew a distinction between offensive and defensive weapons, though the UK arms export control regime (and the ATT, which is incorporated into UK policy) makes no provision for such a distinction. No weapon has an inherently or solely offensive or defensive use; instead, the criteria for assessing exports are based on a risk assessment around their likely use in potential violations of international human rights and humanitarian law. Given the scale and indiscriminate nature of the Israeli assault on Gaza's civilian population, including the targeting of health workers, journalists, universities, and infrastructure, it is difficult to envision how any meaningful implementation of the UK's controls would allow any arms exports to reach Israel, whether directly or indirectly. Proper implementation of UK controls would effectively mean an embargo, in all but name.

On 2 September 2024, David Lammy informed Parliament that the government had concluded Israel is not committed to complying with international humanitarian law (IHL) and thus, “for certain UK arms exports to Israel, there exists a clear risk that they might be used to commit or facilitate a serious violation of international humanitarian law.”⁶ He announced the suspension of around 30 arms export licences out of the 350 that were in force; the suspended licences included those for F-16 combat aircraft. However, the suspension excludes licences for F-35 combat aircraft, citing the global supply chain for the F-35 as “vital for the security of the UK, our allies, and NATO.”⁷

Concluding that there is a clear risk of misuse of UK-supplied weapons, and suspending licences for one type of combat aircraft (the F-16) while excluding another (the F-35) is, in the words of CAAT, like being vegetarian except for bacon.⁸ Israel is known to be using the F-35 to drop bombs on Gaza, so by any reasonable interpretation, parts, components, and bombs for the F-35 should not be authorised. It turns out that neither the US Department of Defense nor Lockheed Martin, the prime contractor on the F-35 programme, have a system in place to track the movement of parts from the global spares pool to specific

6 David Lammy, “Middle East Update,” HC Deb 2 September 2024, <https://hansard.parliament.uk/Commons/2024-09-02/debates/F5A06C09-84E1-4788-AF6F-E1560E2B25D3/MiddleEastUpdate>

7 Lammy, “Middle East Update”.

8 CAAT, <https://x.com/CAATuk/status/1817995500739547306>



recipients.⁹ However, this is a policy and operational failure, not a valid reason to continue supplying weapon parts.

It is legally dubious for the UK government to use commercial and broader security interests to override its stand-alone commitments to IHL as set out in UK export controls. Criterion 2C, which establishes the commitment to IHL, is a mandatory criterion for assessment. Beyond this, the F-35 brings into the picture the ostensibly competing commitments of the UK government towards the arms industry and international law. I say ‘ostensibly’ because I want to make the case that economics and human rights do not need to be thought of in opposition; the demand for conversion makes them compatible.

At the Farnborough air show in late July 2024, attended by a record number of Cabinet members, Prime Minister Keir Starmer told arms industry executives that “some of your fingerprints are on our plan” for economic growth.¹⁰ Before the election, Starmer had made a visit to the BAE Systems factory in Barrow-in-Furness, where he made a “triple lock commitment” (echoing the wording of UK state pension policy) to the nuclear deterrent, in the form of Dreadnought submarines, the continuous-at-sea deterrent, and upgrades to nuclear submarines.¹¹ Labour—traditionally concerned about being seen as ‘weak on defence’ – is making strong statements in support of the arms industry for economic as well as security reasons. The Labour government has commissioned a new Strategic Defence Review and is pledging to prioritise procuring weapons from British companies. Furthermore, a key impact of the war in Ukraine has been the further legitimisation of the arms industry, as seen in the claim that investing in arms companies is a positive environmental, social, and governance (ESG) move. That is, the defence industry is now positioning itself as socially sustainable, given its purported “central role in relation to national security, protection of civil liberties, and establishing peace.”¹²

The problem is that these arguments about the economic and security benefits of arms exports overlook the massive state subsidy on arms production through defence budget allocations for research and development costs.¹³ They also ignore the fact that profits are appropriated privately and, increasingly, by transnational capital in the form of asset and investment managers,¹⁴ and that economic benefits are very heavily localised. Moreover, there is a very uneven economic geography of arms production, which is heavily racialised,

9 Dania Akkad, “US says no system in place to track delivery of spare parts for Israeli F-35s,” 4 October 2024, <https://www.middleeasteye.net/news/us-no-system-track-delivery-spare-parts-israeli-f-35-fighter-jets>

10 Jasper Jolly (2024) “Buying British: Can Labour’s defence policy really help UK industry?” The Guardian, 27 July 2024, <https://www.theguardian.com/business/article/2024/jul/27/buying-british-labour-defence-policy-uk-industry>

11 Cumbria Crack (2024) “Keir Starmer visits Barrow’s BAE Systems,” 13 April 2024, <https://cumbriacrack.com/2024/04/13/keir-starmer-visits-barrows-bae-systems/>

12 Nikolaj Halkjaer Pedersen, “The defense sector in focus: Common ESG risks,” 16 September 2024, <https://www.unpri.org/pri-blog/the-defence-sector-in-focus-common-esg-risks/12689.article>

13 Sam Perlo-Freeman (2016) “Special Treatment: UK government support for the arms industry and trade,” CAAT and SIPRI, <https://www.sipri.org/publications/2016/partner-publications/special-treatment-uk-government-support-arms-industry-and-trade>



gendered, and classed. Arms manufacturing is most concentrated in the North West and South West of England, with employment in this sector being 93% White and almost 80% male, compared to 82% and 70% in broader manufacturing, respectively,¹⁵ with older men better represented and paid.¹⁶ Arms manufacturing has survived in the UK while other manufacturing sectors were deliberately run down because of political decisions to shift the UK economy towards finance and services. Yet, we also know that military spending entails significant racialised and gendered opportunity costs. So, the UK needs to have a conversation about race, class, gender, and the economy, as well as the politics of arms exports. Rather than aiming to increase diversity within arms manufacturing, we should be seeking alternative forms of production that are more socially, economically, and ecologically sustainable and mitigate class, racial, and gender disparities.

The flipside to the arguments in favour of arms exports is that conversion away from military production towards more socially useful forms of production can bring more meaningful security to more people and the environment, foster a more sustainable economic policy, and reduce the number of people killed by British-made weapons in the UK's wars of choice and its support for its friends such as Israel and Saudi Arabia. The arms trade is unique as it lies at the intersection of capitalism and militarism. Conversion is a more radical demand than diversification: rather than merely broadening the activity base to include non-military production, conversion is about moving away from military production altogether.¹⁷ The history of the Lucas Plan shows the demand for worker control coming first, and ideas about socially useful production coming after, as a result:¹⁸ the political and ethical arguments about what arms workers make cannot be separated from how they work and what control they have over their work.

Making better arguments in favour of conversion

The Lucas Plan demonstrates that the substance of arguments is inseparable from the context in which they are mobilised. And the current moment is one of resurgent anti-imperialist thinking and organising, especially among younger generations. Yet, most policymakers and mainstream arms trade commentators remain stuck in the puzzle of “economics versus ethics.” Take the example of the Tempest/Global Combat Air Programme between the UK, Japan, and Italy. The media report that exports of the

14 Khem Rogaly (2023) “The Asset Manager Arsenal: Who owns the UK arms industry?” Common Wealth, 9 July 2023, <https://www.common-wealth.org/publications/the-asset-manager-arsenal-who-owns-the-uk-arms-industry>

15 Make UK (2021) Manufacturing our Recovery through Inclusion, MakeUK.org, p. 9.

16 JEDHuB Joint Economic Data Hub (2024) 2024 Annual Economic Report. Capturing and quantifying the contribution of the defence sector to the UK economy, https://jedhub.org/docs/2024/20242904_JEDHub_Annual_Economic_Report_2024_v1.0.pdf

17 Southwood, Peter (1990) A response to disarmament: diversification and conversion projects for military-industrial firms by internal development, *Project Appraisal*, 5:4, 225-234; p. 226.

18 The Break Down (2024) “Net Zero Militarism w/Khem Rogaly,” podcast, <https://podcasts.apple.com/ca/podcast/the-break-down-net-zero-militarism-w-khem-rogaly/id1646528688?i=1000663280501>



Tempest will “feed straight into higher GDP, so would be attractive for a government committed to growth. Yet exporting Tempest to Saudi Arabia could prove politically tricky for a Labour government.”¹⁹ But we don’t need to remain stuck in this “economics versus ethics” framing; we can shift to an “economics with ethics” framing. We need to talk about race, class, and gender, about capitalism, militarism, and ecological justice, and how Britain’s/Britons’ security and wellbeing are interconnected with the security and wellbeing of people in places like Palestine and Yemen.

Common Wealth, for example, makes a series of recommendations that the US and UK could follow for a just transition that combines support for workers with reparative care for nature and the environment. These recommendations include taking the arms industry into public ownership to support decarbonisation, repurposing the arms industry, and having the state take responsibility for providing alternative employment for military personnel.²⁰ Others are sceptical about the benefits of public ownership, noting that state-owned arms companies are still acquisitive and that state geopolitical interests can be as influential as private ones.²¹ But either way, conversion requires state intervention. And the state is already intervening to create conditions for arms industry profitability and state procurement, so it becomes a question of political will. As David Wearing writes, the UK’s relationship with Gulf States is less about direct energy supply from oil and gas and more about geopolitical, strategic, and commercial interests, while arms exports are less about commercial profit and more about their strategic value to British military power.²²

Where might the political will for such a transformation come from? The UK general election demonstrated that mass public pressure and direct action against the Israeli war on Gaza can nudge the state towards more progressive policies. While UK support for Israel remains ongoing, the government has had to justify its actions and expend energy managing the public response at every turn. This is an indicator of the scale of the challenge, but it is protest and direct action that have generated concessions, however small. The partial suspension of arms exports to Israel – as inadequate as it is – would not have happened without sustained public pressure making arms exports a political problem for the incoming government. Social movements, therefore, need to be central to the demands for conversion, and the arms control community needs to support them with expertise, resources, and organising capacity. A political and economic programme in favour of converting military production into socially useful production would reorient UK-Middle East relations away from militarised modes of security towards more just and ecologically sound relations.

19 Jolly, “Buying British”.

20 Patrick Bigger et al (2023) “Less War, Less Warming. A Reparative Approach to US and UK Military Ecological Damages,” 6 November 2023, <https://www.common-wealth.org/publications/less-war-less-warming-a-reparative-approach-to-us-and-uk-military-ecological-damages>

21 Sam Perlo-Freeman (2024) “From Revolving Door to Open Plan Office,” World Peace Foundation and Campaign Against the Arms Trade, September, <https://worldpeacefoundation.org/wp-content/uploads/2024/09/OpenPlanOffice.pdf>

22 David Wearing (2018) *Anglo-Arabia. Why Gulf Wealth Matters to Britain* (London: Polity), p. 2.



PRISME

Pathways to Renewed and Inclusive
Security in the Middle East



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PRISME

Pathways to Renewed and Inclusive
Security in the Middle East

PRISME Initiative

PRISME aims to redefine the conception of “security” in the Middle East and North Africa, as the starting point for strategic relations between MENA countries and their European and North American partners. It does so in pursuit of effective, collaborative approaches to ensuring a more peaceful and stable future. To this end, PRISME sponsors dialogue and debate between foreign policy professionals across diverse backgrounds and perspectives. These include individuals in governments, thinktanks and academic institutions located in the MENA region, Europe and North America, with a specific focus on engaging young and emerging thinkers and practitioners. Its goal is to re-define security in the Middle East, broadening the definitions of what it looks like, for whom, how it can be achieved, and how outside actors can contribute to it.

SALAM Project

SALAM (Sustaining Alternative Links beyond Arms and the Military) proposes to rethink the centrality of the arms trade in international relations with and among Middle East & North Africa (MENA) countries.

It fosters and amplifies ideas from a network of scholars and practitioners working in and with the Middle East. Issues they will address include the arms trade’s advertised role in cementing bilateral and multilateral ties between North America, Europe and the MENA region; the opportunity costs of over- or sole reliance on weaponry as security; and alternative modes of engagement that might redefine a shared strategic agenda.