

Is War a good deal?

by Guy Mettan,* Geneva



Guy Mettan
(Picture ma)

Is war a good deal? Seeing the increase in conflicts in recent times, one might think so. The reality, as one can imagine, is different. The answer can be summed up in four words: it depends for whom.

Let's start with the costs. After fifteen months of hostilities,

the Ukrainian war had cost its sponsors 233 billion by end of July, or 90.5 billion in military aid, 12.2 in humanitarian aid and 130 in financial support to the Ukrainian budget. The main donors were the European Union (90 billion), the United States (73), Germany (22), the United Kingdom (14.6), Norway (8) and Japan (7). But these expenses do not include those of Ukraine itself, and even less those of Russia, which can be estimated at around a hundred billion, half of which allocated to the army. They also do not include indirect costs, namely devastation, estimated between 450 and 700 billion, as well as aid for refugees.

On the other hand, it is estimated that the war is costing Israel 250 million dollars every day, or around ten billion since October 7. The Israeli Treasury estimates the costs at \$2.5 billion per week, with a budget deficit expected to reach 4% of GDP at the end of the year. But other estimates (Les Echos – a key French media outlet) put the total cost of the conflict at 50 billion. As for the Palestinian economic losses, they can't be quantified at the moment. In any case, they will be calculated in billions.

All this, of course, if we do not take into account the loss of human lives and injuries, by the thousands in Israel-Palestine, and by the hun-

dreds of thousands in Ukraine-Russia, as well as in job losses and therefore in lost income.

So the costs are enormous. But they are not lost on everyone. The big winners, of course, are the military industries, which are seeing their turnover and share prices soar. The same goes for the armies and the intelligence and propaganda services, whose budgets are soaring. Close behind them are energy producers and traders, whose prices and margins tend to soar, especially if they are based in the United States. Further down the list are all those who are waiting for the conflict to end so that they can participate in the lucrative rebuilding markets, and who are jostling for position at conferences dedicated to this subject, such as the one in Lugano convened by Ignazio Cassis in the summer of 2022.

The impact of economic sanctions, which are an integral part of the war, is more difficult to assess. Western sanctions intended to cause the collapse of the Russian economy have had the opposite effect. Not only is the Russian economy growing, but it is overheating due to a lack of labour, while the German economy has entered recession due to a lack of cheap energy and the United Kingdom is in the grip of galloping inflation.

As for the long-term effects, they depend on the outcome of the weapons. In Palestine, there is no doubt that Gaza will be half levelled and Hamas defeated. But Israel risks paying a high price in its trade relations with the countries of the Global South, in lost business opportunities with its Arab neighbours, who have turned very hostile, as well as in aborted development projects, such as the trade route with India through Saudi Arabia sought by President *Biden*.

In Ukraine, the future is less clear. But it is certain that the country will emerge from the conflict devastated and amputated.

In conclusion, one thing is clear: taxpayers and people, wherever they are, always lose out. And the question remains: why? Why all these wars for such uncertain and dubious gains?

(Translation "Swiss Standpoint")

* *Guy Mettan* (1956) is a political scientist, freelance journalist, and book author. He began his journalistic career in 1980 at the "Tribune de Genève" and was its director and editor-in-chief from 1992 to 1998. From 1997 to 2020, he was director of the "Club Suisse de la Presse" in Geneva. Guy Mettan has been a member of the Geneva Cantonal Parliament for 20 years.