

EPIS **BASICS:**

THE ORIGIN OF THE MILITARY-INDUSTRIAL COMPLEX, IT'S ASPECTS, AND OUTLOOK TODAY

In EPIS Basics, our authors explain basic knowledge of international foreign affairs and security policies. This encompasses basic theories, organisations and events. This series is presented in depth here in the magazine. You can also find other smaller contributions on our Instagram page

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As I am currently studying War Studies at King's College London, I have always had an interest in geopolitics within and outside of academia. My career goal is to do intelligence analysis within the scope of geopolitical risk.



1. Military Industrial Complex

Russians in Ukraine, Israelis in Gaza, and American threats to leave NATO. Increasing tensions and rising military budgets have given rise to concerns over what Eisenhower called the “military-industrial complex”. The military-industrial complex (MIC) was first mentioned almost 70 years ago by President Eisenhower in his farewell speech, “In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist” (Eisenhower, 1961, para. 15). Eisenhower warned against the MIC, which describes a strong relationship between a state’s government and its defence industry, wherein defence companies benefit from government contracts, and officials benefit politically from increased defence spending. The fears of the MIC to which Eisenhower alluded are inflated military spending, erosion of democratic institutions, and environmental and humanitarian concerns.

2. Ratchet Effect

The MIC can create an economic ratchet effect, whereby once a state’s military budget has increased, it can be difficult to lower it in the future. Governments invest in the defence sector by procuring military equipment. For countries like the United States, the defence sector represents a relatively large portion of the economy. U.S. military spending as a percentage of GDP was 3.4 per cent in 2023 (World Bank Group, n.d.), and the defence sector represents 1.6 per cent of American employment (Aerospace Industries Association, 2021).

As such, it can be difficult to reduce defence spending without facing political opposition. An inability to lower the defence budget can cause problems like increasing

national debt or an inability to allocate funds for other projects.

3. Socio-Political Consequences

The consequences of the ratchet effect of the MIC are the undermining of democracy and social issues. MIC can undermine liberal democratic values because of lobbying efforts of defence firms for an increased military budget. This lobbying means that politicians represent the interests of these companies rather than the concerns of the citizens who voted them into office. Social concerns like arms control and environmental protection also arise from the MIC, as having more guns does not necessarily make the world safer. Moreover, the defence industry creates a significant amount of pollution.

4. The Military-Industrial Complex Today

Though global defence spending as a percentage of GDP has steadily decreased over time, many states have seen a rise in their own defence spending in recent years. Since the outbreak of the war in Ukraine, Russia’s defence spending as a per cent of GDP rose from 3.6 per cent in 2021 to 6.3 per cent in 2025 (Al Jazeera, 2024). Among security concerns, advancements in technology drive increased defence spending. New military technologies, such as those that utilise artificial intelligence, have attracted greater defence budgets. Finally, MIC concerns have been raised from President Trump’s calls for NATO allies to spend at least 5 per cent of their GDP on defence. (Kayali et al., 2025). Although humanitarian and environmental efforts may challenge the MIC, it will be a hard-fought battle.