

**Military Expenditure and Conflict in Africa**

**By**

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### **Introduction**

African military expenditure data are of great value to researchers, policy analysts and donors working on the region for various reasons. The widespread poverty and armed conflict on the continent make expenditure on defence an interesting area of study. The extent of the resources which a state commits to a sector very largely reflects the priority given to that sector in the overall government scheme. This reasoning underlies the interest shown in defence expenditure. While this reasoning is sound, military expenditure data have, however, been used to indicate a variety of phenomena such as military strength, militarization, security, conflict potential and armed conflict. Military expenditure as an indicator of any of these phenomena has serious problems of interpretation, which are rarely taken into account by the users of the data. For instance, the extent to which military expenditure can predict or explain an outbreak of armed conflict is limited. Yet military expenditure has been suggested to have a direct causal linkage with armed conflict (Mohammed 2000). While an indirect relationship can be charted for conflict and military expenditure, the nature of the data available greatly limits their predictive value. The relationship with conflict is strong once conflict is underway, for obvious reasons. The objective of this short piece therefore is to point out the limitations of military expenditure data in relation to some of the uses which have been made of them and to point out instead the area in which the data can be more purposefully deployed.

### **Understanding military expenditure figures**

Perhaps the first thing to understand about military expenditure data is that they are an input measure: they measure the amount of resources used for military purposes. They are therefore best used as an indicator of the economic burden imposed by military activities. Military expenditure can not measure strength or capability, which are output measures dependent on other factors. As an indicator of the level of military burden imposed on a country's economy, an indirect causal linkage can be made with conflict because of the way it might crowd out resources for other sectors of the economy, especially health and education. The most effective way of measuring the economic burden imposed by military expenditure is in terms of the share of the country's gross domestic product (GDP) it takes. The greater the share, the higher the burden. Of course a higher burden implies less resources for other sectors of the state since the state's resources are finite. In a resource-constrained state the implication of the crowding out of the social sector is denial to the citizenry of certain basic needs, which may

motivate negative reactions which in turn may result in an armed uprising. To use military expenditure to measure phenomena other than the economic burden constituted by high defence spending is fraught with a lot of weaknesses.

### **Weaknesses of military expenditure data**

A major weakness of military expenditure data in Africa is the low level of information available. Many African states are unwilling to be open about the exact cost of their expenditure on their military establishments and regard such information as official secrets. Where some information has been made available by the states, doubts have been expressed about their reliability in the face of known omissions. In particular, states omit information on the extent of resources which they commit to arms procurement because they want to hide their military holdings from others, but more importantly they want to prevent their citizens from knowing exactly how much of their resources they commit to military activities in the face of poverty. In countries that are greatly dependent on foreign aid and in countries with segments of the population that are highly critical of the military, there is an added incentive to prevent the emergence of the true expenses of the military. Thus, only limited and incomprehensive data are available on military expenditure and even these are plagued by problems of reliability. It follows therefore that for any judgement or interpretation to be made on the basis of the available data, researchers and analysts have to be quite familiar with the data and their weaknesses. Very few analysts take this into consideration when making predictions on the basis of available data.

The problem of reliability greatly devalues the extent to which military expenditure data can be used to reach definitive conclusions. This problem has three causes: deficient accounting systems in many states, deliberate manipulation of military expenditure figures by states and the dependence on official sources by military expenditure reporting organizations without adequate resources of their own to check the accuracy of the states' reports. Many African countries have weak accounting systems that allow many gaps in accounts reconciliation. Even if a country has good intentions, the structural weakness in the system prevents accurate reporting. This weakness is likely to be exploited by governments which are unwilling to provide information and which deliberately manipulate the defence expenditure figures to suit political purposes. The reporting organizations lack the means of verifying this manipulation, relying as they do on official data as the primary data source. In effect they report what government has provided, merely adjusting the data to suit their definition of the concept.

Other weaknesses of military expenditure data, especially in cross-country comparisons, are those of definition of the concept and conversion of national data into a common currency. The definition of military expenditure varies across countries, as there is no generally accepted definition of the concept. Thus each country reports its military expenditure according to its own definition. While certain countries include only the expenditure of their ministry of defence, others also include expenditure for other ministries such as the interior and the presidency. In addition, countries regularly change the coverage of their defence budget or the area of responsibility of their ministries. These problems are compounded by the highly aggregated nature of data released by national governments. The lack of a uniform definition makes comparison of military expenditure between countries a particularly difficult task. To overcome this difficulty, the UN has asked all countries to voluntarily report the details of their military expenditure for the previous year to it through the use of a standardized reporting instrument. Only a handful of African states have ever complied with this directive. In addition, each organization reporting on military expenditure has its own definition of the concept on the basis of which it gathers its data. This explains why data from two reporting agencies can not be compared or combined for academic research or policy analysis. Again researchers and analysts are in the habit of combining data from different agencies without taking into consideration the differences in definition, which can make a big difference in the figures reported by the agencies for the same country in the same year.

The problem of converting local military expenditure data into a common currency also makes international comparison difficult. Both the international transaction approach, involving market exchange rates, and the purchasing power parity (PPP) rate have weaknesses that limit their value. The former does not reflect the prices of non-traded goods, thus limiting the applicability of the conversion rate, while the latter is still not sufficiently developed and accurate for most developing countries. Currently, constant United States dollars are generally used as the basis of international comparison.

### **Military expenditure and conflict**

Can military expenditure cause armed conflict? Can a direct causal linkage between military expenditure and conflict in Africa be found on the basis of available data? This is a question that many would like to answer in the affirmative because of the high level of military expenditure in conflict states. However, a high level of military expenditure in any state, especially in Africa, can not be a valid reason to establish a direct causal linkage between military expenditure and conflict. Once conflict is underway, the relationship between

military expenditure and conflict becomes very strong since a great deal of the state's resources will be diverted to the war effort. However, prior to an outbreak of war, a rising military expenditure level or an unusually high level of military expenditure may be a warning sign that something is brewing but more than a military expenditure figure is needed to explain the emerging situation. Since it is an input measure, military expenditure can not by itself affect military capability or determine military strength because military strength depends not only on the input of resources but also

Table 1. The burden of military expenditure: military expenditure as a share of GDP in ten countries with the highest millex:GDP ratio in Africa 1991-1999.

Countries	1991	1992	1993	1994	1995	1996	1997	1998	1999
Algeria	1.2	2.2	2.6	3.2	3.0	3.3	3.7	4.0	3.8
Angola	6.8	12.0	12.5	19.8	17.6	19.5	22.3	11.4	23.5
Botswana	4.4	4.3	4.5	3.9	3.5	2.9	3.1	3.7	3.4
Burundi	3.8	3.6	3.7	3.9	4.2	5.7	6.3	5.9	6.1
Djibouti	5.9	6.1	5.6	5.4	5.1	4.2	4.5	4.4	-
Eritrea	-	-	21.4	13.0	19.9	22.8	13.5	29.0	22.9
Ethiopia	2.0	2.7	2.9	2.4	2.0	1.9	3.4	5.1	9.0
Morocco	4.1	4.3	4.4	4.9	4.7	3.9	-	-	-
Rwanda	5.5	4.4	4.6	3.4	3.9	5.2	4.1	4.3	4.2
Zimbabwe	3.8	3.7	3.4	3.3	3.6	3.2	3.4	2.7	3.4

Source: *SIPRI Yearbook 2001: Armaments, Disarmament and International Security* (Oxford:OUP, 2001)

Table 2. Military expenditure of African states with the highest millex/GDP ratio in constant 1998 US\$ m. 1991-2000

Countries	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Algeria	622	1041	1119	1362	1319	1502	1807	1911	32021	2329
Angola	1128	1214	656	2322	1591	2474	1860	732	2418	-
Botswana	170	158	166	152	139	128	148	191	189	185
Burundi	49.4	50.8	50.3	52.6	43.8	50.8	53.0	52.0	61.6	-
Djibouti	34.9	35.8	31.6	29.4	27.0	21.4	22.6	22.6	-	-
Eritrea	-	-	95.3	74.1	118	137	86.8	197	167	-
Ethiopia	79	122	135	124	105	118	223	349	653	-
Morocco	1381	1369	1374	1600	1474	1362	-	-	-	-
Rwanda	132	108	105	28.4	60.1	86.1	79.2	87.2	88.6	59.9
Zimbabwe	269	215	191	199	197	200	212	173	213	401

Source: *SIPRI Yearbook 2001: Armaments, Disarmament and International Security* (Oxford:OUP, 2001)

on cost-effectiveness -- what are you buying with your money? Cost effectiveness in turn depends on factors such as the various components of the defence budget and the percentages they take, the pattern of recruitment, the technological level and performance of weapons, and the methods of procurement (imports or domestic production). Military expenditure is most useful and meaningful when it is disaggregated into its various component parts. These broken down data are difficult to come by, especially in the developing world, where military expenditure data are state secrets and where there is limited transparency. In the minds of many, military expenditure is synonymous with arms importation. Yet arms import is hardly a part of figures African governments give as their annual military expenditure. To begin with, many African states do not provide a detailed breakdown of their military expenditure and where this is available the breakdown has been found to be lopsided in favour of staff salaries and other emoluments. For many African states salaries take a disproportionate share of military expenditure. In some countries this could be as high as 80 per cent of the total defence budget. What is left is used on operations and maintenance, which in many African militaries is for the upkeep of military barracks, leaving out a critical area of defence, namely

equipment maintenance and modernization. To make any inference about military expenditure as a cause of conflict there has to be a basic knowledge of what equipment the government is buying and how efficient this is within the armed forces. This is because the nature of equipment suggests the kind of enemy the country is anticipating. Thus it is difficult to make any direct connection between military expenditure and conflict on the basis of available data. At best what can be said is that there is an indirect relationship between the two phenomena.

As mentioned earlier military expenditure is a measure of the economic resources used for military purposes. The size of the resources committed is dependent on the priority given to defence by the leaders of the state and on what goals they set for themselves. In many African countries where there is an acute shortage of resources, devoting a disproportionate share of state resources to defence may have a crowding out effect on social spending which may in turn adversely affect the well being of the citizens. This may trigger a reaction from the populace that could result in armed rebellion against the state. This is how military expenditure can indirectly cause armed conflict. Even in this situation, we may need more than just the knowledge of the economic burden of military expenditure to conclude that military expenditure contributed to the economic hardship faced by the people. How did other factors interact with the economic burden of military expenditure to cause the conflict? Moreover, we may need to have the breakdown of military expenditure to be sure that military expenditure was used for buying goods other than what might create wealth for the state, for example arms imports. If the military expenditures were expended mainly on salaries, as is the case in many African states, even if military expenditure constituted a disproportionate percentage of government expenditure and put a high economic burden on the state, it would be difficult to sustain the argument that high military expenditure caused armed rebellion. Since the military personnel paid would have been jobless without their position in the armed forces, their employment in the armed forces would be seen more in terms of providing employment than wasting state resources on defence. Moreover, the cost of downsizing (in case we want to argue for a reduction in force level) is so enormous that external donors have generously funded all the successful downsizing exercises in Africa. Those lacking such support have either failed or have been put on hold due to lack of resources. Thus, factors other than military expenditure trends are needed to explain an outbreak of war, even in countries with supposedly high or rising military expenditure levels.

This is not to suggest that high military expenditure does not have negative consequences for poor states. Indeed as Table 1 shows, military expenditure constitutes a great economic burden in a number of African states. Coincidentally, most of these states are involved in one

conflict or the other, which confirms the conclusion that military expenditure and on-going conflict have a strong relationship. It also points to the indirect causal linkage between military expenditure and conflict even if this linkage cannot be stretched too far. For instance, Botswana, like other countries in table 1, has a high economic burden occasioned by high military spending. However, the country is neither involved in any war nor (given the nature of what it is buying and its immediate neighbours) is it preparing for one. In fact Botswana is one of the more stable countries on the continent and has a very strong economy. Any interpretation of that country's rising military expenditure levels as a sign of an impending conflict or of an increasing militarization will be misleading. On the contrary, the country's relatively high military expenditure is a result of the modernization of the equipment of its armed forces. For any serious-minded and professional armed forces, periodic review of strategy is an integral part of policy.

### **Military expenditure as a confidence building measure**

When countries agree to be transparent in their reporting of military expenditure, this can serve as a confidence building measure, especially in conflict-prone zones. When states agree to share sensitive information such as their expenditure on their armed forces, they are likely to be more trusting of each other and less likely to be suspicious of their neighbours, thereby reducing the likelihood of armed conflict. This is what European states do under the auspices of the Organisation for Security and Co-operation in Europe (OSCE). Each member state is obliged under the 1994 Vienna document to provide every other member government with reports on its military expenditure for the most recent fiscal year on the basis of the categories of the UN reporting instrument as well as to provide actual expenditures for earlier years when they differ from previously reported budgets. Where available and at various levels of detail, they must provide data on future budgets. This exchange of information is reviewed annually and surveys are prepared of which states have reported for which years. The information exchange on military expenditure is part of the broader confidence and security building measures (CSBMs) of the organization. This has been a great source of confidence building and trust among otherwise suspicious states in the region, especially considering the addition of the newly independent states. It would be a great step forward for African states to do the same through the CSSDCA (and PCASED in West Africa) that is expected to come on stream soon. Since the CSSDCA is patterned along the OSCE, copying this successful information exchange among member states of the organization will definitely boost cordiality and trust among African states.

## Conclusion

Military expenditure data are very useful for analysis but there is need to pay attention to their weaknesses in order to avoid reaching wrong conclusions. Military expenditure data alone can not explain or indicate all of the phenomena that have been attributed to them; the level of available information is so low that any conclusions reached have to be tentative. However, even on the basis of available information, military expenditure could still serve as part of a confidence and security building measure in the region if all countries were to agree to an exchange of information in this critical question. This would constitute a major part of the 'stability and security calabash' of the CSSDCA.

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