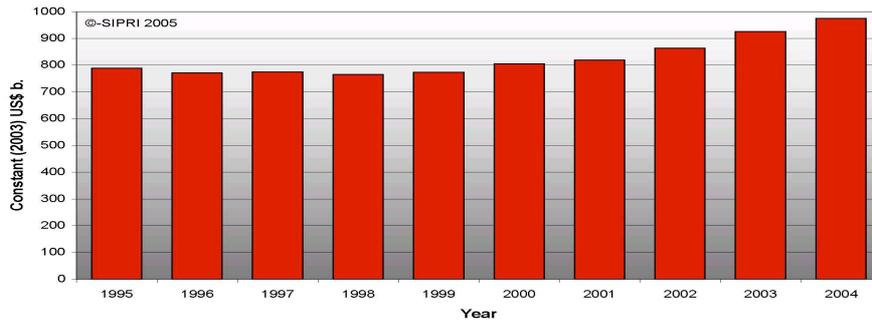




World Military Expenditures

In 2004, world military expenditures reached \$1 trillion - an average of \$162 per person. The United States accounted for nearly half, 47%, of the total. There was a reduction in military spending at the end of the Cold War and until 1998. Since then, there has been an increasing trend; from 2002 to 2004 there was an annual average increase of about 6% in real terms (adjusted for inflation).

World Military Expenditure, 1995–2004



- The recent increase is undoing the progress made after the Cold War- the world military expenditures in 2004 were only 6% lower in real terms than at the peak of the Cold War.
- The biggest factor in the subsequent upward trend has been spending in the United States. Particularly, there has been a rapid increase since 2002 due mainly to the military operations in Iraq and Afghanistan.
- The United States is the foremost contributor of global military expenditures - the Stockholm International Peace Research Institutes estimated the percentage in 2004 as 47% with 455.3 billion US dollars, far and away more than the amount spent by the next largest spender, the UK, at 47.4 billion.

Military Spending in the Developing World

While the amount of military spending in developing countries is small by comparison to global spending, it often occupies budget space desperately needed for development and social service.

Research sponsored by UNICEF indicates that government spending on basic social services - primary education, basic health, and access to safe water - have a particularly big impact on children in poor countries. However, most developing countries spend only 12 to 14 percent of the national budgets on these services. The World Military Expenditures and Arms Transfers (WMEAT) summary reports that in 1999, on average developing countries spent 14.5% of central government expenditures on the military. In South Asia, the average percentage of military spending as a percentage of central government expenditures was 16.1%, and in Southern Africa it was 17.1%.

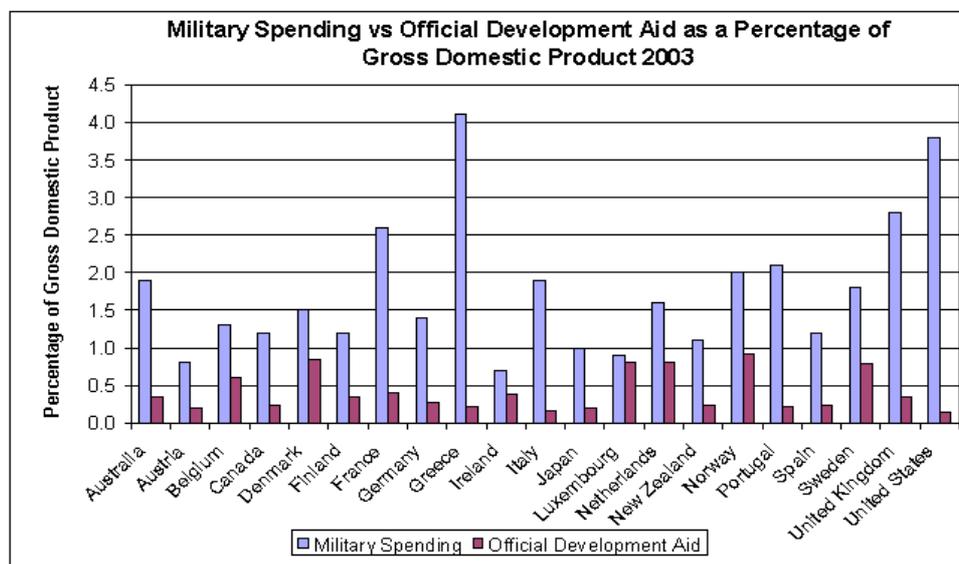
*Shares of World Military Expenditures
1989 – 1999*

	1989	1999
Developed Countries	84.2%	71.2%
Developing Countries	15.8%	28.8%
North America	30%	34.3%
Western Europe	16.2%	22.1%
East Asia	10%	21.4%
Eastern Europe	34.4%	7.3%
Middle East	5.4%	6.5%
South America	1.3%	2.6%
South Asia	.8%	2%
Southern Africa	.7%	1.3%
Oceania	.5%	.9%
North Africa	.4%	.7%
Central Africa	.2%	.5%
Central Asia & Cauc.	*	.5%
Central Amer. & Car.	.2%	.1%

The need for basic social services in developing countries is brutally clear:

- Nearly nine million children die each year in Sub-Saharan Africa and South Asia of easily preventable diseases.
- In South Asia and Sub-Saharan Africa, pregnancy and childbirth cause the deaths of nearly 500,000 mothers each year.
- In the developing world, one third of children do not complete four years of school.
- Half of the children in South Asia are undernourished.
- Half of the world's population lack access to adequate sanitation.

Another issue highly related to world military expenditures is foreign aid. Aid, normally from wealthy countries to developing countries, comes in various forms – humanitarian, development, military, etc. While international aid is substantial, by many standards wealthy countries give relatively modestly, and much aid is heavily tied to the foreign policy objectives of the donor country rather than to the needs of the recipient country.



Some things to consider about aid to developing countries:

- Almost all developed countries have consistently failed to meet the UN goal of 0.7% GDP.
- Reality of Aid, an international non-governmental initiative focused on aid related lobbying and analysis, estimates that one quarter of what the USA, UK, France, Germany, and Japan spend annually on arms would be enough funding for aid to do its part in meeting the Millennium Development Goal of halving poverty by 2015.
- According to UNICEF, as of 2000 the world could have met basic human needs for everyone on earth if \$70 to \$80 billion- 10% of the world's military spending - were redirected towards that purpose.

Source – Global Policy Forum <http://www.globalpolicy.org/soecon/develop/oda/tables/milvsaid.htm>
 Data from SIPRI and Organization for Economic Co-operation and Development

