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World Military Spending

by Anup Shah This Page *Last Updated Sunday, March 01, 2009*

“

Of all the enemies to public liberty war is, perhaps, the most to be dreaded because it comprises and develops the germ of every other. War is the parent of armies; from these proceed debts and taxes ... known instruments for bringing the many under the domination of the few.... No nation could preserve its freedom in the midst of continual warfare.

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— James Madison, *Political Observations*, 1795

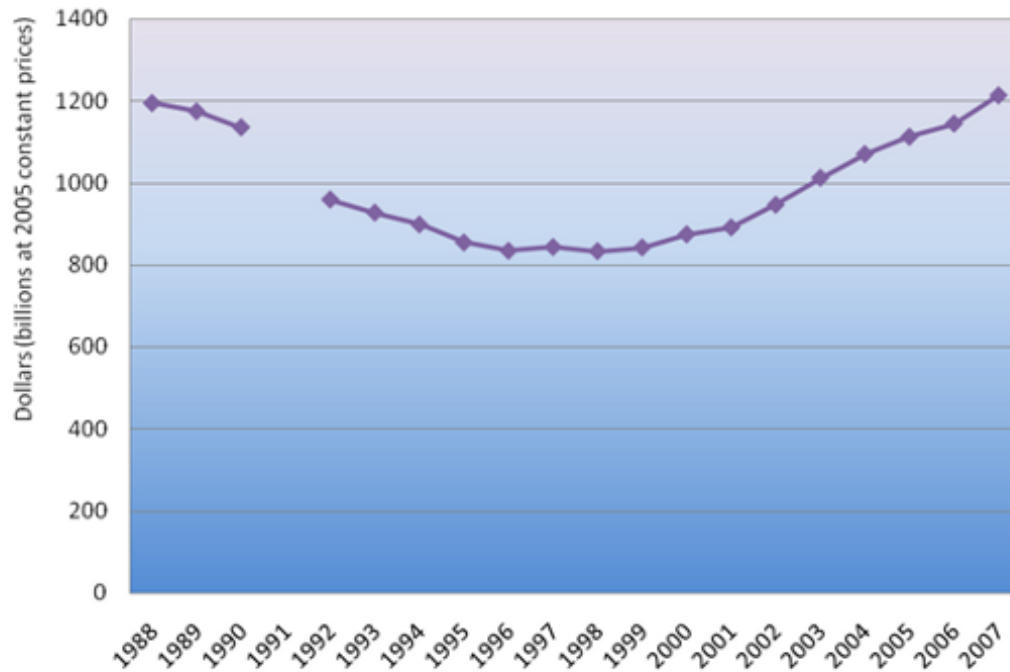
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World Military Spending

Global military expenditure stands at over \$1.2 trillion in annual expenditure and has been rising in recent years.

World Military Expenditure



Source: Stockholm International Peace Research Institute Yearbook 2008

(1991 figures are unavailable.)

Summarizing some key details from [chapter 5 of the Stockholm International Peace Research Institute \(SIPRI\)'s 2008 Year Book](#) on Armaments, Disarmament and International Security for 2007:

- World military expenditure in 2007 is estimated to have reached \$1.339 trillion in current dollars (just over \$1.2 trillion in 2005 constant dollars, as per above graph);
- This represents a 6 per cent increase in real terms since 2006 and a 45 per cent increase over the 10-year period since 1998;
- This corresponds to 2.5 per cent of world gross domestic product (GDP), or \$202 for each person in the world;
- The USA, responsible for about 80 per cent of the increase in 2005, is the principal determinant of the current world trend, and its military expenditure now accounts for just under half of the world total, at 45% of the world total;

SIPRI also comments on the **increasing concentration of military expenditure**, i.e. that a small number of countries spend the largest sums:

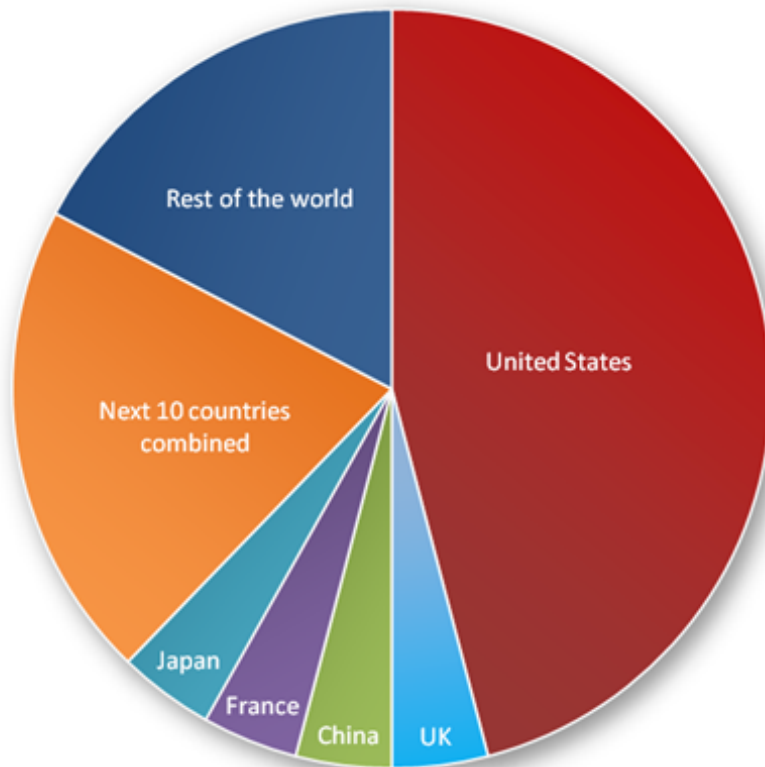
- The 15 countries with the highest spending account for 83 per cent of the total;
- The USA is responsible for 45 per cent of the world total, distantly followed by the UK, China, France, and Japan

each with 4 to 5 per cent of the world share.

Using SIPRI data:

www.globalissues.org

Global Distribution of Military Expenditure in 2007



Source: Stockholm International Peace Research Institute Yearbook 2008

SIPRI also adds that recently more countries have increased their military spending. Factors include

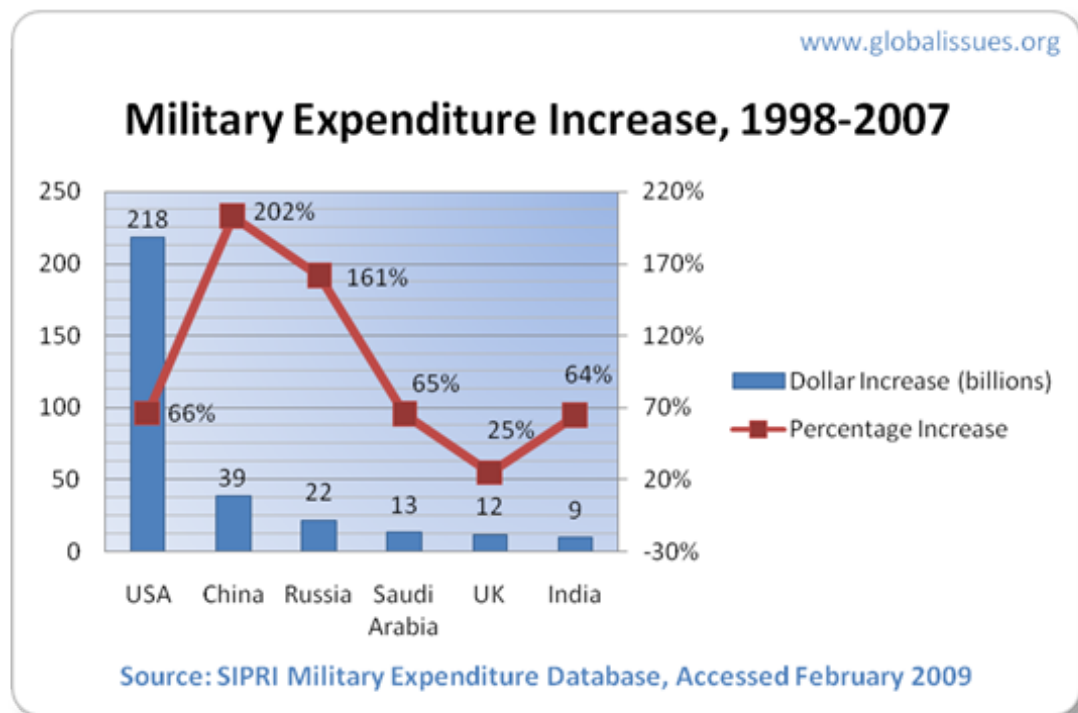
- Foreign policy objectives
- Real or perceived threats
- Armed conflict and policies to contribute to multilateral peacekeeping operations
- Availability of economic resources

The last point refers to rapidly developing nations like China and India that have seen their economies boom in recent years. In addition, high and rising world market prices for minerals and fossil fuels (at least until recently) have also enabled some nations to spend more on their militaries.

In their earlier 2006 report SIPRI noted that, Algeria, Azerbaijan, Russia and Saudi Arabia have been able to increase spending because of increased oil and gas revenues, while Chile and Peru's increases are resource-driven, "because their military spending is linked by law to profits from the exploitation of key natural resources."

Also, "China and India, the world's two emerging economic powers, are demonstrating a sustained increase in their military expenditure and contribute to the growth in world military spending. In absolute terms their current spending is only a fraction of the USA's. Their increases are largely commensurate with their economic growth."

The **military expenditure database** from SIPRI also shows that while *percentage* increases over the previous decade may be large for some nations, their overall spending amounts may be varied:



The latest figures SIPRI uses are from 2007, and where necessary (e.g. China and Russia), include estimates. These figures also do not reflect the **global financial crisis**, the worst since the Great Depression of the 1930s, which future figures will likely reflect.

In a similar report from 2004, the authors also noted that, "There is a large gap between what countries are prepared to allocate for military means to provide security and maintain their global and regional power status, on the one hand, and to alleviate poverty and promote economic development, on the other."

Indeed, compare the military spending with the entire budget of the United Nations:

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The United Nations and all its agencies and funds spend about \$20 billion each year, or about \$3 for each of the world's inhabitants. This is a very small sum compared to most government budgets and it is just a tiny fraction of the world's military spending. Yet for nearly two decades, the UN has faced a financial difficulties and it has been forced to cut back on important programs in all areas. Many member states have not paid their full dues and have cut their donations to the UN's voluntary funds. As of August 31, 2008, members' arrears to the Regular Budget topped \$919 million, of which the United States alone owed \$846 million (92% of the regular budget arrears).

”

— *UN Financial Crisis*, Global Policy Forum (accessed February 22, 2009)

The UN was created after World War II with leading efforts by the United States and key allies.

- The UN was set up to be **committed to preserving peace through international cooperation and collective security**.
- Yet, **the UN's entire budget is just a tiny fraction of the world's military expenditure, approximately 1.5%**
- While the UN is not perfect and has many internal issues that need addressing, it is revealing that the world can spend so much on their military but contribute so little to the goals of *global* security, international cooperation and peace.
- [For more info about the United Nations»](#)

At the current level of spending (for 2006), it would take just a handful of years for the world's donor countries to cover **their entire aid shortfall, of some 2 trillion dollars in promised official aid since 1970**, more than 35 years ago.

[Other spending priorities»](#)

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US Military Spending

The United States has unquestionably been the most formidable military power in recent years. Its spending levels, as noted earlier, is the principle determinant of world military spending and is therefore worth looking at further.

Generally, US military spending has been on the rise. Recent increases are attributed to the so-called War on Terror and the Afghanistan and Iraq invasions, but it had also been rising before that.

For example, Christopher Hellman, an expert on military budget analysis notes in **The Runaway Military Budget: An Analysis** , (*Friends Committee on National Legislation*, March 2006, no. 705, p. 3) that military spending had been rising since at least 1998, if not earlier.

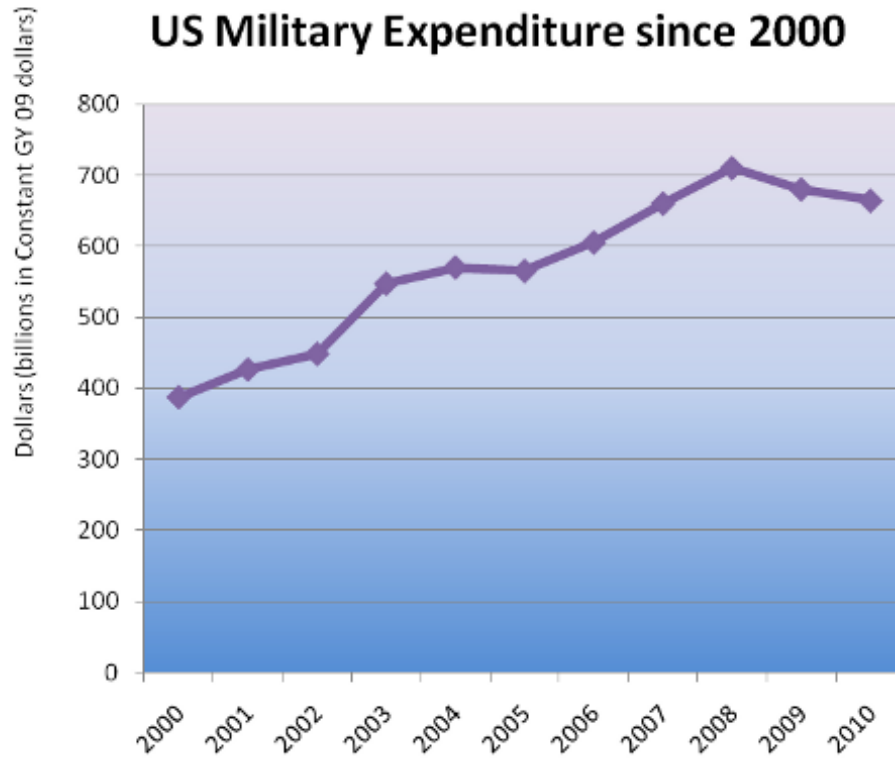
Travis Sharp, from the *Center for Arms Control* provides spending figures from 2000 to the requested figures for 2010 shown here:

Overall spending

Defense budget vs War spending

Raw data and sources

US Military Expenditure since 2000



Source: Center for Arms Control and Non-Proliferation, February 2009

2008 and 2009 figures are part estimates based on latest data
 2010 estimate does not include nuclear weapons (yet), lately \$23bn a year

The decline seen in recent years above are due to a number of factors:

- Iraq war reduction and redeployment to Afghanistan
- 2010 figures are preliminary as of writing, not including nuclear weapons programs
- The **global financial crisis**, affecting all nations, is making governments rethink some military spending.

Nonetheless, compared to the rest of the world, these numbers have long been described as “staggering.”

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In Context: US Military Spending Versus Rest of the World

When the US Fiscal Year 2009 budget request for military spending came out in early 2008, Travis Sharp and Christopher Hellman (mentioned earlier) projected the spending of other nations planned for 2008 thus allowing comparison between US military spending and the rest of the world:

Pie chart

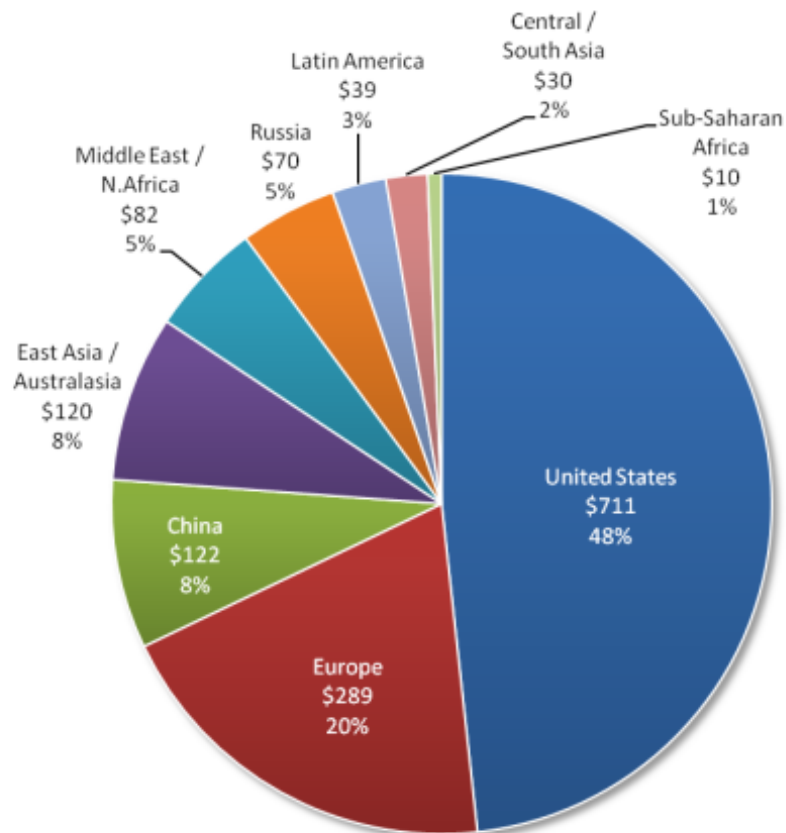
Comparing US with others

Top spenders ranked (and sources)

US Military Spending vs. The World, 2008

(in billions of US dollars and % of world total)

2008 Total Military Spending: \$1.473 Trillion



Source: Center for Arms Control and Non-Proliferation, February 20, 2008.

[See Important notes in accompanying table](#)

Why does the US number seem so high when the budget announced \$517.9 for the Department of Defense?

Unfortunately, the budget numbers can be a bit confusing. For example, the Fiscal Year budget requests for US military spending do not include combat figures (which are supplemental requests that Congress approves separately). The budget for nuclear weapons falls under the Department of Energy, and for the 2009 request, was about \$29 billion.

The cost of war (Iraq and Afghanistan) is estimated to be about \$170 billion for the 2009 spending alone. Christopher Hellman and Travis Sharp also discuss the **US fiscal year 2009 Pentagon spending request** and note that “Congress has already approved nearly \$700 billion in supplemental funding for operations in Iraq and Afghanistan and an additional \$126 billion in FY’08 war funding is still pending before the House and Senate.”

Furthermore, other costs such as care for veterans, health care, military training/aid, secret operations, may fall under other departments or be counted separately.


The frustration of confusing numbers seemed to hit a raw nerve for the Center for Defense Information, concluding

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The articles that newspapers all over the country publish today will be filled with [military spending] numbers to the first decimal point; they will seem precise. Few of them will be accurate; many will be incomplete, some will be both. Worse, few of us will be able to tell what numbers are too high, which are too low, and which are so riddled with gimmicks to make them lose real meaning.

”

— Winslow T. Wheeler, *What Do the Pentagon's Numbers Really Mean? The Chaos in America's Vast Security Budget*, Center for Defense Information, February 4, 2008

Commenting on the earlier data, Chris Hellman, noted that when adjusted for inflation the request for 2007 together with that needed for nuclear weapons the 2007 spending request **exceeds the average amount spent by the Pentagon during the Cold War, for a military that is one-third smaller than it was just over a decade ago.** 

Generally, compared to Cold War levels, the amount of military spending and expenditure in most nations has been reduced. For example, global military spending declined from \$1.2 trillion in 1985 to \$809 billion in 1998, though since 2005 has risen to over \$1 trillion again. The United States' spending, up to 2009 requests may have been reduced compared to the Cold War era but is still **close to Cold War levels**.

Supporters of America's high military expenditure often argue that using raw dollars is not a fair measure, but that instead it should be per capita or as percentage of Gross Domestic Product (GDP), and even then the spending numbers miss out the fact that US provides global stability with its high spending and allows other nations to avoid such high spending. However, as researcher Chris Hellman notes,

“

Linking military spending to the GDP is an argument frequently made by supporters of higher military budgets. Comparing military spending (or any other spending for that matter) to the GDP tells you how large a burden such spending puts on the US economy, but it tells you nothing about the burden a \$440

”

billion military budget puts on U.S. taxpayers. Our economy may be able to bear higher military spending, but the question today is whether current military spending levels are necessary and whether these funds are going towards the proper priorities. Further, such comparisons are only made when the economy is healthy. It is unlikely that those arguing that military spending should be a certain portion of GDP would continue to make this case if the economy suddenly weakened, thus requiring dramatic cuts in the military.



— Chris Hellman, *The Runaway Military Budget: An Analysis* , *Friends Committee on National Legislation*, March 2006, no. 705, p. 3

In regards to the high spending allowing other nations to spend less, that is often part of a supportive theory of the global hegemon being good for the world. Granted, other nations in such a position would likely want to be able to dominate as much of the world as possible, as past empires have throughout history.

However, whether this global hegemony and stability actually means positive stability, peace and prosperity for the *entire* world (or most of it) is subjective. That is, certainly the hegemony at the time, and its allies would benefit from the stability, relative peace and prosperity for themselves, but often ignored in this is whether the policies pursued for their advantages breeds contempt elsewhere (in the modern era that may equate to “anti-Americanism”, resorting to terrorism and other forms of hatred.)

As noted in other parts of this site, unfortunately more powerful countries have also pursued policies that have contributed to more poverty, and at times even **overthrown fledgling democracies in favor of dictatorships or more malleable democracies**. (Osama Bin Laden, for example, was part of an enormous Islamic militancy encouraged and trained by the US to help fight the Soviet Union. Of course, these extremists are all too happy to take credit for fighting off the Soviets in Afghanistan, never acknowledging how it could not have been done without their so-called “great satan” friend-turned-enemy!)

So the global good hegemon theory may help justify high spending and even stability for a number of other countries, but it does not necessarily apply to the whole world. To be fair, this criticism can also be a bit simplistic especially if an empire finds itself against a competitor with similar ambitions, that risks polarizing the world, and answers are likely difficult to find.

But even for the large US economy, the high military spending may not be sustainable in the long term. Noting trends in military spending, SIPRI added that the **massive increase in US military spending has been one of the factors contributing to the deterioration of the US economy since 2001**. SIPRI continues that, “In addition to its direct impact of high military expenditure, there are also indirect and more long-term effects. According to one study taking these factors into account, the overall past and future costs until year 2016 to the USA for the war in Iraq have been estimated to \$2.267 trillion.”

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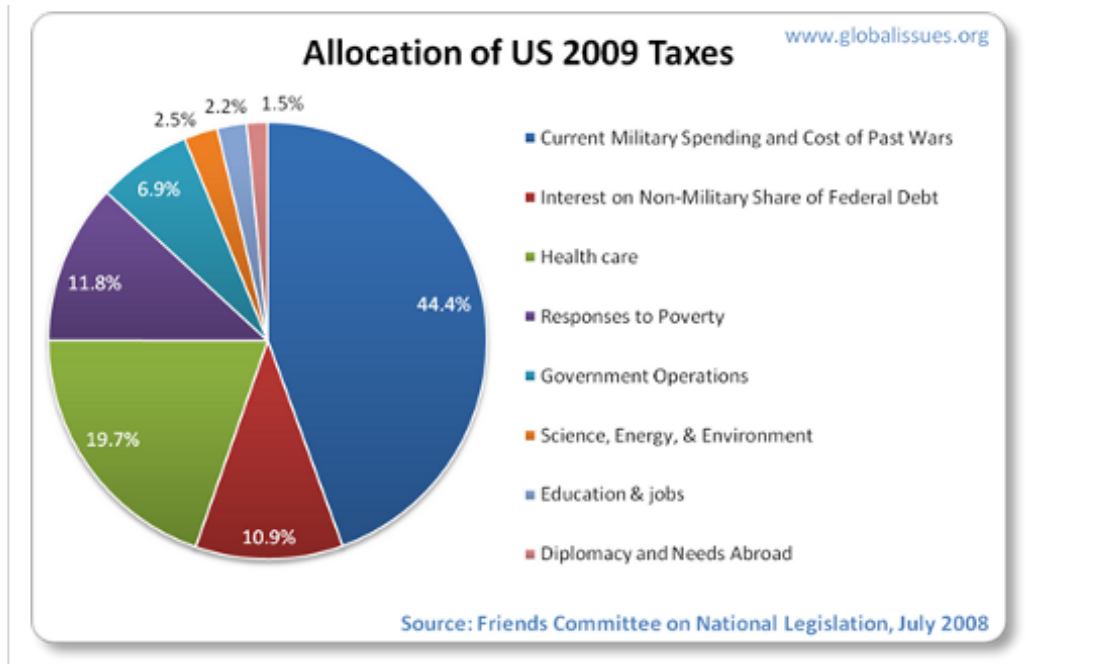
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In Context: US military budget vs. other US priorities

The peace lobby, the *Friends Committee on National Legislation*, calculates for Fiscal Year 2009 that the majority of US tax payer’s money goes towards war:

As a pie chart

Raw data and sources



Furthermore, “national defense” category of federal spending is typically just over half of the United States discretionary budget (the money the President/Administration and Congress have direct control over, and must decide and act to spend each year. This is different to mandatory spending, the money that is spent in compliance with existing laws, such as social security benefits, medicare, paying the interest on the national debt and so on). For recent years here is how military, education and health budgets (the top 3) have fared:

Discretionary budgets in \$ (billions) and percentages

Year	Total (\$)	Defense (\$)	Defense (%)	Education (\$)	Education (%)	Health (\$)	Health (%)
Sources and notes							
<ul style="list-style-type: none"> The link for each year takes you to that year's source The defense budget is only the Pentagon request each Fiscal Year. It does not include nuclear weapons programs from the Department of Energy, or funding for wars such as Iraq and Afghanistan. 							
2009	997	541	54	61.9	6.2	52.7	5.3
2008	930	481.4	51.8	58.6	6.3	52.3	5.6
2007	873	460	52.7	56.8	6.5	53.1	6.1
2006	840.5	438.8	52	58.4	6.9	51	6.1
2005	820	421	51	60	7	51	6.2
2004	782	399	51	55	7	49	6.3
2003	767	396	51.6	52	6.8	49	6.4

For those hoping the world can decrease its military spending, SIPRI warns that “while the invasion [of Iraq] may have served as warning to other states with weapons of mass destruction, it could have the reverse effect in that **some states may see an increase in arsenals as the only way to prevent a forced regime change.**”

In this new era, *traditional* military threats to the USA are fairly remote. All of their enemies, former **enemies and even allies do not pose a military threat** to the United States. For a while now, critics of large military spending have pointed out that most likely forms of threat to the United States would be through terrorist actions, rather than conventional warfare, and that the spending is still geared towards Cold War-type scenarios and other such conventional confrontations.

“

[T]he lion's share of this money is not spent by the Pentagon on protecting American citizens. It goes to supporting U.S. military activities, including interventions, throughout the world. Were this budget and the organization it finances called the "Military Department," then attitudes might be quite different. Americans are willing to pay for defense, but they would probably be much less willing to spend billions of dollars if the money were labeled "Foreign Military Operations."

”

— *The Billions For "Defense" Jeopardize Our Safety*, Center For Defense Information, March 9, 2000

And, of course, this will come from American tax payer money. Many studies and polls show that **military spending is one of the last things on the minds of American people**.

But it is not just the U.S. military spending. In fact, as Jan Oberg **argues**, western militarism often overlaps with civilian functions affecting attitudes to militarism in general. As a result, when revelations come out that some Western militaries may have trained dictators and human rights violators, the justification given may be surprising, which we look at in the next page.

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“Bad ideas flourish because they are in the interest of powerful groups” — *Paul Krugman*
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