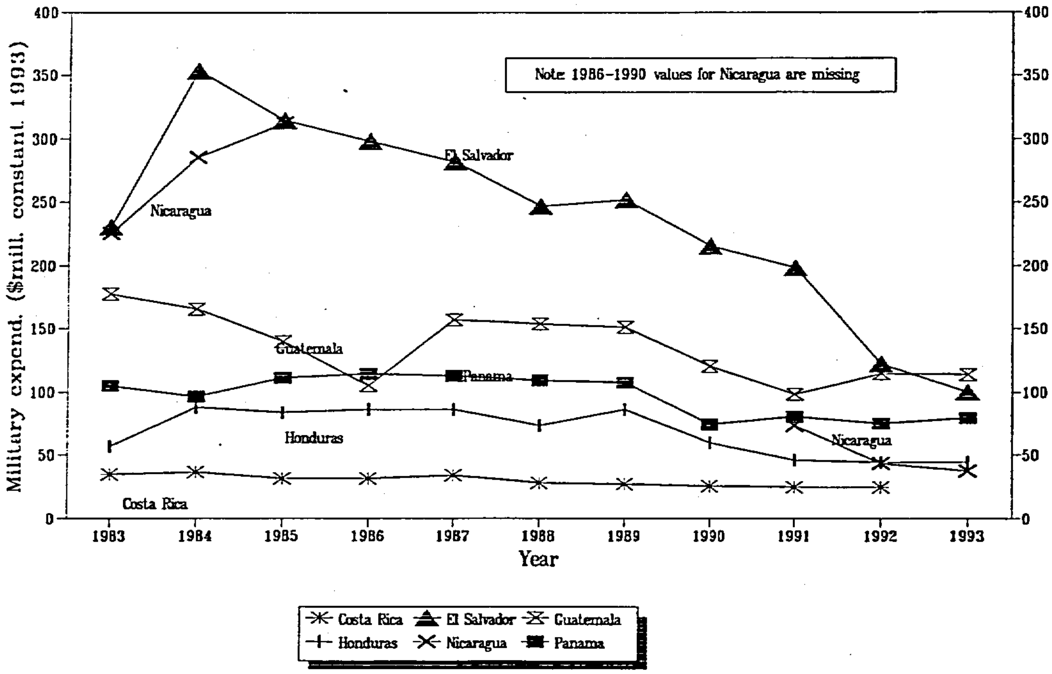
Figure 5: Central America
Military Expenditures, 1983-1993



spending may be responding to internal rather than inter-state security concerns, since changes in spending do not appear to be related to any particular inter-state conflicts in the region. Once again, however, the quality of the data is too poor to allow greater comparisons or more precise conclusions.

The positive signs of Figure 5 do not, however, mean that military expenditures impose no ongoing negative burdens or consequences on the states of the region. Figures 6 to 9 on the following pages illustrate some different ways of analysing these impacts. The raw data on which this is based is also provided in Table 1, and the explanation of why these indicators were chosen and compared appears in the previous section of the report.

Figure 6 lines up the seven regional states according to their level of military expenditure as a percentage of GNP. It shows that most states in the region fall in the same narrow band for spending, between 1.0 and 1.5 percent of GNP. In global terms, this is relatively low. The highest spender, Nicaragua (2.6 percent of GNP), has been reducing its spending since the end of the war, but still appears to be an "outlier" in the regional context. Further support to efforts to bring its spending in line with the rest of the region may be appropriate. Likewise, Costa Rica's low level of resources devoted to security expenditures again illustrates what can be achieved in the region.