

Appendix 3:

Military Spending

From the most recently available statistics, we note that defence is among the largest recipients of budgetary allocations in nearly all the Horn countries. In Djibouti expenditure on defence was 18.2 per cent of total budgetary resources in 1990. This was the second highest allocation after General Administration (44.3 percent). It was followed far behind by education (7.65 per cent), economic services and debt servicing, in that order.²¹ The debt servicing was 4.8 per cent in 1990 and 4.4 per cent in 1992.

Djibouti is highly dependent on foreign assistance. Her relations with France, strategic location in the Gulf and Islamic majority have helped to procure substantial amounts of aid from France, USA and the Arab countries. The internal crisis in Djibouti, particularly with FRUD, has led to increasing military expenditure but France has used its aid leverage to compel the government to reduce military expenditure and to negotiate with FRUD. This experience, while limited in success, shows that it is possible to use aid for reduction in military expenditure. The French decision may have been necessitated, though, by reasons other than a trade-off between military expenditure and development, such as the costs of the military co-operation agreement.

Ethiopia is one of the poorest countries of the region and the world. Statistics show that until 1988, expenditure on general services and defence was higher than the combined expenditure on education, health, transport and communications. A separate category of public order and safety received significant allocations even above health. There was a sharp increase in military expenditure after the overthrow of Haile Selassie in 1974. It is estimated that the size of the army rose from 350,000 to 5 million in 1990. However, statistics are lacking on current military expenditure. It would be interesting to examine the recent data, particularly after the end of the Eritrean struggle for independence, in order to determine the standing of defence

²¹*Africa South of the Sahara*, Europa Publications Ltd., 1994, 1995.