

categories, offsetting military assistance, and the manipulation of foreign exchange accounts.²⁷ One example of this was provided by a detailed World Bank study of Argentina, which concluded that during the 1970s actual spending was 50 percent higher than was revealed in public reports. As one analyst notes, "unless detailed records are studied, it is not possible to judge the extent of misrevelation of the data."²⁸

Second, the *comparability of national statistics* on military spending is low. Legitimate differences in national accounting procedures can result in huge differences in reported figures. For example, states differ widely in their treatment of weapons procurement, research and development costs, and military construction (even for civilian products), with some including them in defence budgets, others treating them under other headings. Nuclear (or other weapons of mass destruction) programs have often been reported under non-defence categories (the Department of Energy in the United States, for example). States such as Iraq have concealed expenditures or entire programs under apparently "benign" categories.²⁹ By contrast, the armed forces in a country such as Egypt are involved in a wide range of civilian projects, including road construction and agricultural production. Inclusion of these items would artificially inflate the level of "security" expenditure, although it does reflect the role of the military in economic, social and political life.³⁰

Third, the radically *different structures and organization* of armed forces makes even comparable figures misleading. For example, all things being equal, an all-conscript force is much less expensive than a paid professional force. On the other hand, the armed forces of a state with a strong national mobilization policy (such as Israel or Switzerland) or a large "militia" (such as Burkina Faso or Libya) cannot be easily compared to the standing army of its neighbours. Does Switzerland, for example, have 31,000 soldiers (its 3,400 regular forces, plus annual recruits), or 396,300 (its total reserves)?³¹ The former figure is the 91st largest force in the world; the latter is the 19th largest - just behind Germany. Likewise, in some states security expenditures include resources devoted to national police or internal security forces, while in

²⁷ Nicole Ball, "Measuring Third World Security Expenditure: A Research Note," *World Development*, 12:2 (1984), 157-165; Nancy Happe and John Wakeman-Linn, "Military Expenditure and Arms Trade: Alternative Data Sources," *IMF Working Paper*, WP/94/69 (Washington: International Monetary Fund, 1994).

²⁸ Sonmath Sen, "Military Expenditure Data for Developing Countries: Methods and Measurement," in Lamb with Kallab, *Military Expenditure and Economic Development*, 5.

²⁹ David Kay, "Denial and Deception Practices of WMD Proliferators: Iraq and Beyond," *Washington Quarterly*, 18:1 (Winter 1995).

³⁰ See Robert Satloff, *Army and Politics in Mubarak's Egypt* (Washington: The Washington Institute for Near East Policy, 1988); Robert Springborg, *Mubarak's Egypt: Fragmentation of the Political Order* (Boulder: Westview Press, 1989).

³¹ The figures are from International Institute for Strategic Studies, *Military Balance, 1995/96* (London: IISS, 1996).