

- absolute values of military spending
- military spending as a percentage of Gross National Product
- military spending per capita
- number of soldiers per thousand population

Where useful, reference is also made to the overall size of the armed forces. With respect to the potential negative *consequences* of security spending, use is made of the following four indicators:

- average annual GNP/capita growth
- education spending per capita
- health spending per capita
- political and civil liberties

Where useful (as in Figure 2 above) reference is also made to the Human Development Index.

These indicators are all indirect, in the sense that they do not straightforwardly reflect the security and welfare of citizens (which might be better assessed by such figures as levels of internal and external conflict and deaths, life expectancy, literacy rates, and numbers of political prisoners).¹⁵ They do, however, provide some sense of government priorities and choices for security and broader public spending, and hence are appropriate indicators of possible tradeoffs or opportunity costs. Changes in the absolute levels of military spending, as well as the percentage of GNP devoted to the armed forces can, for example, indicate a changed assessment of the regional or internal threat environment (although low or declining spending might also indicate economic scarcity). Military spending and the number of soldiers per capita places large and small states on a more or less equal footing, and measures the relative "weight" of the armed forces in society. Economic growth figures can capture the possible future investment costs of current military expenditures. Education and health spending illustrate more directly the current opportunity costs of military spending. The last indicator, the level of political and civil liberties, is intended to reflect the possible societal consequences (repressive and authoritarian rule) of excessive weight being placed on the armed forces.

In all cases, the data used is from publicly available sources, and it must be treated cautiously, since the quality of the data is very poor and uneven. As noted above, the comparability of any macro-indicators is suspect, and large differences may not reflect radically different security policies. But again, since the purpose of the analysis is to provide tools that can be used to spur cooperative security dialogues, then publicly-available and recognized data represent a valuable (and sometimes even neutral) starting point.

¹⁵ For one example, see E. Kick, R. Nasser, B.L. Davis and L. Bean, "Militarization and Infant Mortality in the Third World," *Journal of Political and Military Sociology*, 18 (1990), 285-305. The problem with such analyses, however, is that it is difficult to specify a causal link between the factors, which are undoubtedly mediated by other factors, the most important of which is government policy itself.