

So, What is Excessive?

It would be convenient if there were an easily identified limit beyond which military spending in developing countries was accepted as excessive and a hinderance to economic development. Of course, such a limit could not be expressed in absolute terms -- it would need to be relative to the size of countries' economies. When applying the concept of an acceptable limit to military spending in the real world, it also needs to be relative to the military activities of neighbouring countries, and relative to individual countries' legitimate internal conflict management requirements. It quickly becomes impossible to find a universally applicable point estimate of a limit to military spending.

That said, the relationship between military spending and economic development is still one that warrants attention. In 1992, OECD countries collectively disbursed about \$US60 billion of Official Development Assistance.³ In the same year, military spending in developing countries was about \$US125 billion.⁴ In some developing countries, military spending and ODA inflows represent similar shares of national income. Although more aid per capita has flowed historically to developing countries that spend more on the military, donor countries are considering now whether a reversed linkage would be more appropriate, particularly from a development perspective.⁵

The best advice to those analyzing military spending in developing countries, and especially to those engaged in international comparisons, is to keep the analysis simple and rely mostly on aggregated data. It must be recognized that there is no way to compensate for data inaccuracies, and the available data provide only the roughest guide. Since it is difficult enough to collect even the most basic statistics such as GDP, anything more specific, such as the shares of public expenditures devoted to education and health, is apt to be riddled with errors and omissions.

³ See UNDP, *Human Development Report 1994*, Oxford University Press, Oxford, U.K., 1994, p. 197.

⁴ See UNDP, *op. cit.*, p. 48.

⁵ A key part of the debate on military spending and development centres on the relationship between aid and military spending. Some commentators have suggested restricting aid disbursements to those countries that fail to reduce military spending to a specified level such as 2% of GDP. See R.S. McNamara, "The Post-Cold War World: Implications for Military Expenditure in Developing Countries", in *Proceedings of the World Bank Annual Conference on Development Economics 1991*, World Bank, Washington DC, March 1992, p. 107.