

affect only those states that borrow from multilateral financial institutions, rather than those which obtain credit in the private market (this is increasingly the case in, for example, East Asia).

The most straightforward initiatives concentrate on the "stick" of threatening to reduce bilateral or multilateral development assistance or credits in order to reduce military expenditures. The comparative indicators that have been used include: the percentage of GNP devoted to the armed forces, the percentage of government expenditures devoted to the armed forces, the relationship between military spending and fiscal deficits, and the level of personnel in the armed forces (soldiers/thousand population). These indicators vary widely from region to region, and offer no easy bench marks, but within particular regional contexts there are always one or several "outlier" states that appear to devote disproportionate resources to the military. These are not always, however, the states most susceptible to multilateral pressure.

Perhaps the most important initiatives concentrate instead on the "carrot" of offering inducements and assistance to those states that participate in cooperative security-building processes, multilateral non-proliferation regimes, and domestic demilitarization programs. Attention in three specific areas has been highlighted by research in this area: the demobilization and reintegration of military personnel in the aftermath of conflicts or a transition to democratic rule (eg: Argentina, Uganda, Central America, Russia); the conversion of defence industries (eg: Slovakia, Poland and the former Soviet Union), and in the overall rebalancing of military expenditure with other government spending (eg: much of Sub-Saharan Africa, India). Each of these issues goes beyond simple declaratory policy linkages, and requires concerted assistance from the international community in such matters as civil military relations, military personnel retraining schemes, investment and export assistance, and the encouragement of "good governance."⁵⁷ All also hold greater promise if linked to some of the exclusively supply-side strategies discussed above, or if part of a more comprehensive package of specific efforts to stem the proliferation of conventional weapons. In particular, such positive measures could, if linked to measures for conditional technology access and supplier restraint, help catalyze conventional non-proliferation efforts.

⁵⁷ "Good governance" is a catch-phrase popularized by the World Bank to describe "the manner in which power is exercised in the management of a country's economic and social resources for development." See World Bank, *Governance and Development* (Washington, D.C.: IBRD, 1992), 58. The OECD Development Assistance Committee uses the term to cover a range of issues associated with participatory development, respect for human rights, transparency in decision-making and democratization.