

Military spending as a share of GDP is one of the most common and easily understood measures of the relative size of the military in a country. Since GDP is defined similarly across all countries (keeping in mind the above caveats), this ratio would appear to be appropriate for international comparisons. The appeal of this approach is its simplicity in terms of calculation and the intuitive understanding of the resulting ratio. If, for example, military spending represented 5 per cent of GDP in one country and 10 per cent in another, we would feel comfortable concluding that the military was significantly larger (perhaps even twice as large in relative terms) in the country with the 10 per cent ratio.

Military spending as a share of GDP is available for most countries from the International Institute for Strategic Studies. The IISS provides both the annual defence budget estimates and actual annual defence expenditure estimates, although for many countries the budget estimates are more timely. In order to provide the most up-to-date data, the tables in this Commentary use defence budget estimates.

Military Spending as a Share of Health and Education Spending

In trying to determine a country's relative commitment to maintaining the social infrastructure necessary for economic development, military spending is compared often to government spending on health and education. A low ratio of military spending to health and education spending is taken to imply that a country has institutionalized the priority it attaches to development through spending commitments.

One of the practical drawbacks of using this ratio is the lack of data. For many developing countries, there are no recent data on health and education expenditures. Of the 150 developing countries considered in the tables of this Commentary, there were no data available for 78 countries in the primary source (UNICEF, *State of the World's Children*). For 31 of these latter countries, data were drawn from the UNDP *Human Development Report* of 1994. Although using two sources results in a more complete data set, the years covered were different, making it difficult to compare internationally.

Armed Forces Per 1,000 People

Another easily understood and widely used measure of the relative size and importance of the military is the number of armed forces personnel per 1,000 people. For the purposes of this Commentary, the armed forces include only "active" personnel. Reserves are not included unless they have been mobilized. The IISS has