How resources should be allocated in a national budget is always a contentious issue. Even in the richest countries, a dollar spent on the military is usually a dollar not spent on social and economic programs. As US President Dwight D. Eisenhower argued in 1953, 

"Every gun that is made, every warship launched, every rocket fired signifies in a final sense a theft from those who hunger and are not fed, those who are cold and not clothed. The world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists and the hopes of its children."

For a few years after the end of the Cold War, it appeared that the need for a massive military budget was a thing of the past and that countries could redirect military spending to improve the lives of their people. But the “peace dividend” did not last long.

According to researchers at the Stockholm International Peace Research Institute (SIPRI), a non-government organization that monitors military spending, from 1988 to 1996, world military spending declined about 28 percent in real (inflation-adjusted) terms (about 4.5 percent per year). From 1996 to 2001, it grew about 1.5 percent per year. Between 2001 and 2009, worldwide military spending increased an average of 5 percent per year, passing Cold War levels in 2005. In 2011, the rate of increase fell to 0.3 percent.

In 2011, states spent $1.738 trillion on military forces and in military conflicts. With the world’s population at 7.02 billion, that was $247 for each person in the world and compared to $133.5 billion spent on development aid to less-developed countries (LDCs). Thus, states spent 13 times more on the military than they did on development aid.

1 This background guide was written by Karen Ruth Adams, MMUN faculty advisor, and Kedra Hildebrand, 2009 teaching assistant. Copyright 2012 by Karen Ruth Adams.


5 Perlo-Freeman and Solmirano, “Global developments in military expenditure.”


In the Millennium Declaration (2000), UN member states called on developed countries “to grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction.” At the 2002 Monterrey Conference on Financing for Development and the 2005 World Summit on Sustainable Development, a target of 0.7 percent of gross domestic product (GDP) was established. According to the UN Development Programme (UNDP), if all developed countries spent this amount on official development assistance (ODA), there would be sufficient funds to achieve the Millennium Development Goals (MDGs) by the target date of 2015.

For the purposes of this target, developed countries are defined as members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD), which includes the 24 richest countries in the world (measured in terms of GDP per capita). In 2011, just five of these countries (Denmark, Luxembourg, the Netherlands, Norway, and Sweden) met or surpassed this target. Overall ODA fell to 0.31 percent of developed countries’ combined GDP.

In 2002, a group of experts told the General Assembly that development and security are closely related. According to the group, which included foreign ministry and military officials from around the world:

> By promoting economic and social progress and by generating opportunities for people, development policies and programmes can contribute to eradicating poverty, promoting economic growth and stabilizing economies and States, thereby creating conditions of increased security and well being. … Non-military threats to peace and security, which retard development and create social strain, tension and strife, include economic instability, health crises, environmental degradation and resource scarcity, and gross violations of fundamental human rights. The poor are generally more vulnerable to threats of every type. Non-military threats are among the root causes of armed conflict.

Progress on the MDGs has been neither as fast nor as far-reaching as hoped. Even before the international crisis began in 2007, it was clear that it would be difficult to attain their fairly modest targets. Since 2007, two new issues have emerged that threaten to make it even harder to attain sustainable development and security. These issues are the international economic crisis and climate change. To address these new challenges, as well as the long-standing problems of development, it would be helpful for states to redirect some of their spending from military to civilian purposes. But will they be willing to do so?

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History and Current Events

Military spending can be analyzed in a number of ways, each of which provides insight into how military spending could be redirected to other purposes. One approach is to consider which countries spend the most on their militaries and whether they could redirect these funds. Another approach is to consider which conflicts are responsible for the most spending and try to resolve those conflicts so spending could be reduced and redirected. A third approach is to analyze how much countries spend on the military compared to the size of their economy and urge those with heavy defense burdens to reduce military spending to reduce citizen dissatisfaction and the likelihood of civil war.

Option 1: The Largest Military Spenders Could Divert Some Spending to Development Purposes

For many decades, the United States has spent far more on the military than any other country. In 2011, US spending was $690 billion and accounted for 41 percent of the world total. Each of the next largest spenders -- China, Russia, the United Kingdom, and France -- accounted for just 4 to 8 percent. Thus in 2011, just five of UN’s 193 member states were responsible for 58 percent of world military spending.

In 2011, three of the top five military spenders – the US, France, and the UK – were developed states. As developed states, they have been urged to spend at least 0.7 percent of their gross domestic product (GDP) on aid to developing countries. As shown in Table 1, in 2007, none of them met this target.

Table 1
Population, Military Spending, and Development Assistance of Top Five Military Spenders, 2011

<table>
<thead>
<tr>
<th>State</th>
<th>Population (in millions)</th>
<th>Military Spending (billion US$)</th>
<th>Military Spending/GDP</th>
<th>Military Spending per person</th>
<th>Official Development Aid (ODA)/GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>314</td>
<td>$690</td>
<td>4.8%</td>
<td>$2,197</td>
<td>0.21%</td>
</tr>
<tr>
<td>China</td>
<td>1,343</td>
<td>129</td>
<td>2.1</td>
<td>96</td>
<td>n/a</td>
</tr>
<tr>
<td>Russia</td>
<td>143</td>
<td>64</td>
<td>3.9</td>
<td>448</td>
<td>n/a</td>
</tr>
<tr>
<td>UK</td>
<td>63</td>
<td>58</td>
<td>2.6</td>
<td>921</td>
<td>0.56</td>
</tr>
<tr>
<td>France</td>
<td>66</td>
<td>58</td>
<td>2.3</td>
<td>879</td>
<td>0.50</td>
</tr>
</tbody>
</table>

In 2011, US GDP was $15.09 trillion. To reach the target of 0.7 percent of GDP in ODA, the US would need to spend $1.06 trillion per year in development assistance. As shown in Table 1, in 2011, the US spent 0.21% of its GDP (about $31 billion) in ODA. To meet the target, the US would need to shift $75 billion of its military spending to development assistance. This would be an 11 percent reduction in US military spending and equivalent to $238 per American. Similar calculations can be made for the UK and France.

According to SIPRI, “Six of the world’s top military spenders—Brazil, France, Germany, India, the United Kingdom and the United States—made cuts in their military budgets in 2011, in most cases as part of attempts to reduce budget deficits. Meanwhile other states, notably China and Russia, increased their military spending markedly.”

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14 These figures are in 2010 constant US dollars. Perlo-Freeman and Solmirano, “Global developments in military expenditure.”


16 CIA World Factbook.

In 2011, the top five spenders spent a total of $999 billion on their militaries. According to the UN Development Program, it would take just 20% of this ($200 billion per year) to attain all eight of the MDGs by 2015. If the top five spenders reduced their military spending by 20% and gave the savings to the UN and developing country programs to attain the MDGs, the goals could be attained. Alternatively, all states could cut their military budgets by 12 percent ($200 billion needed for MDGs/$1.738 trillion 2011 worldwide military spending).

**Option 2: States Could Resolve Their Conflicts So Military Spending Could Be Reduced**

Another option for reducing military spending is to resolve the conflicts towards which spending is directed. Over the past decade, the most expensive military conflicts have been the war in Iraq, the war in Afghanistan, and more generally the war on terrorism. The vast majority of funds spent in those conflicts have been spent by the US. From 2002 to 2011, US military spending increased by 59 percent. According to SIPRI, these wars “cost the USA over $1.2 trillion in additional military expenditure alone by the end of 2011, and may result in total long-term costs of as much as $4 trillion.” These costs are in addition to “destruction of capital and infrastructure; disruption of normal economic activity; loss of human capital through death, injury, displacement and disruption to education; and loss of foreign investment and tourism.”

In addition to the wars in Iraq and Afghanistan, recent international wars have included Eritrea-Ethiopia (1998-2000), India-Pakistan (1999), and US/NATO-Yugoslavia (1999). In 2011, there were 37 armed conflicts, a 20 percent increase from 2010. Of these, six had more than 1,000 battle deaths: Afghanistan, Libya, Pakistan, Somalia, Sudan, and Yemen.

Most of the wars in 2011 were civil wars in sub-Saharan Africa. As a result, it is not surprising that “Africa was the region with the largest increase in military spending in 2011 -- 8.6 per cent. This was dominated by a massive 44 per cent increase by Algeria, the continent’s largest spender.” Other regions with increases were the Middle East (4.6 percent), Asia and Oceania (2.2 percent) and Europe (0.2 percent). 2011 military spending in the Americas decreased by 1.4 percent.

**Option 3: States with Heavy Defense Burdens Could Reduce their Spending to Avoid Future Wars**

A third option for reducing military spending is for states with high defense spending relative to the size of their economies, populations, or overall government budgets to redirect spending from military to civilian purposes within their own borders. This could increase citizen satisfaction with the government and reduce the likelihood of civil war. Since 1945, most wars have been civil wars. Thus, averting future civil wars is a way to reduce military spending over the long term.

The experience of the Soviet Union provides support for the idea of minimizing the “defense burden” on an economy. During the 1980s, the US Central Intelligence Agency (CIA) estimated that the Soviet Union’s military budget was much as 17 percent of its GDP. At other times, it may have reached 25 percent of GDP.

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18 UNDP, “Tracking the MDGs: Global Partnership Progress.”

19 SIPRI, “SIPRI Military Expenditure Database.”


22 SIPRI, “Military Expenditure.”

23 SIPRI, “Military Expenditure.”

measures the total value of goods produced in an economy in a given year. Thus during the Cold War, as much as 25 cents of every dollar of value produced by the entire Soviet economy was spent on the military. This was a very heavy defense burden. By comparison, at its Cold War peak in 1963, US military spending as a percentage of GDP was 9 percent. In the 1980s, when Soviet spending was estimated to be at 17 percent of GDP, the US was at 6 percent. This difference between Soviet and US defense burdens contributed to the inability of the USSR to keep up with the US in terms of computerization, industrial output, and civilian standards of living and played a large role in the disintegration of the Soviet Union in 1991.

Table 2 lists the 10 states that spent the largest percentage of their 2011 GDP on the military.

Table 2
Top 10 States by Level of Military Spending/GDP, 2011

<table>
<thead>
<tr>
<th>State</th>
<th>Military Spending/GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timor Leste</td>
<td>4.9%</td>
</tr>
<tr>
<td>US</td>
<td>4.8</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>4.4</td>
</tr>
<tr>
<td>Angola</td>
<td>4.2</td>
</tr>
<tr>
<td>Namibia</td>
<td>3.9</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>3.8</td>
</tr>
<tr>
<td>Singapore</td>
<td>3.7</td>
</tr>
<tr>
<td>Algeria</td>
<td>3.6</td>
</tr>
<tr>
<td>Colombia</td>
<td>3.6</td>
</tr>
<tr>
<td>Ecuador</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Another way to assess the defense burden is to consider states’ military spending per capita (per person). Figures for the top five military spenders are shown in Table 1 (above). According to some analysts, spending per capita is a better measure of defense burden than spending as a percentage of GDP because it shows the effect of military spending on individual citizens. This statistic is especially significant in times of economic downturn because states do not automatically reduce military spending when GDP falls.

A final way to assess national defense burdens is to compare government spending on the military to government spending on economic and social programs such as education and health care. There is usually a trade-off between these types of spending because tax revenues can only be increased to a certain point before taxpayers start to complain. This trade-off is why analysts often talk about “guns versus butter.”

States facing potential domestic instability, such as China, often spend relatively little on their militaries compared to social programs. By contrast, states that are more stable internally are able to spend more on international military operations. For example, in 2008, the US spent 55 cents of all income tax dollars on the military. The remaining 45 cents were split among education and other social and economic programs such as

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27 SIPRI, “SIPRI Military Expenditure Database.”

28 Pamela Hess, “Defense Spending approaching Cold War high.”

agriculture, commerce, justice, foreign aid, and health and human services (not including Social Security and Medicare, which are funded by payroll taxes).\textsuperscript{30} In addition, Congress approved special appropriations for Iraq and Afghanistan, which were financed by issuing US government debt. The US has been able to do this because investors have confidence in the value of the US dollar and the long-term prospects for growth in the US economy. If their confidence fell, the US would either have to pay higher interest rates on its debt or reduce its spending to levels that could be covered by tax revenues.

When the British, French, and Japanese empires broke up at the end of World War II, many new states emerged in Africa and Asia. Like Latin American states, which attained independence earlier, they began to create national militaries and spent considerable sums to assure their continued independence and retain domestic authority. At the end of the Cold War, it became obvious that these states could not maintain their rates of military spending and continue to develop socially and economically. To reduce developing countries’ emphasis on military spending, major donor countries began to tie development aid to agreements on military budget reduction.\textsuperscript{31} Despite such efforts, according to SIPRI researchers, developing countries continue “to have the highest military burden, give the lowest priority to social expenditures and have the greatest development needs.”\textsuperscript{32}

**New Reasons to Reduce Military Spending: Economic Crisis and Climate Change**

State stability has long depended on reasonable levels of military spending compared to social and economic programs. In addition, developing countries have long depended on development aid to realize progress for their people. In the current context of economic crisis and climate change, reductions in military spending and increases in social and economic spending and development aid have become even more important.

According to the UN Conference on Trade and Development (UNCTAD), the international economic crisis that began in 2008 imperils development and realization of the MDGs:

The current financial crisis has … pushed most developed countries into a recession that is likely to have negative consequences for LDCs’ future economic prospects. … The human and social costs of the present crisis are considerable everywhere, but for the poorest countries, they will include not just the loss of employment but also rising levels of poverty, spreading malnutrition and higher mortality rates for children and other vulnerable groups. There will also be increased pressure on the skilled and able-bodied to emigrate. For many LDCs, there is thus a real risk that this economic crisis will turn into a social and humanitarian disaster.\textsuperscript{33}

In addition, according to the Intergovernmental Panel on Climate Change (IPCC), “over the next half-century, climate change could impede achievement of the MDGs” by creating severe weather patterns, reducing agricultural production, contributing to health problems, and requiring resettlement of coastal populations.\textsuperscript{34}

The economic crisis and climate change pose problems not only for development, but also for security. As explained by a group of experts commissioned by the GA in 2002, “economic instability, health crises, environmental degradation and resource scarcity” threaten international peace and security because they “create social strain, tension and strife.”\textsuperscript{35}


Sometimes it is argued that military spending has a stimulating effect on economies and is therefore beneficial during economic crises. In the present situation, this argument has three flaws. First, military spending will not address climate change. Second, military spending is not development aid. In 2011, more than 50 percent of world military spending was carried out by just the US, UK, and France. Thus increasing military spending is unlikely to help developing countries, unless it does so by helping developed countries emerge from economic crisis so they will increase trade and aid. But (and third), there are more efficient ways to stimulate developed countries’ economies. In the 21st century, a dollar of military spending has fewer direct benefits to civilians than a dollar of social and economic spending. According to researcher James Hecht, in the US $1 billion spent for military procurement creates about 25,000 military jobs. By contrast, $1 billion spent on education would create 40,000 jobs, and the same amount spent on health care would create 45,000 jobs.36

Evidence for the economic benefits of reduced military spending is provided by post-Cold War Russia. From 1990 to 1997, Russia suffered a slump much worse than the US’s Great Depression. Economic output (GDP) plunged 40 percent, compared to 30 percent in the US between 1929 and 1933. The situation finally turned around in 1997, when Russian military spending fell to just three percent of GDP from its Cold War high of 25 percent.37

Evidence for the security benefits of development aid and reduced military spending is provided by Liberia. In 2003, after 14 years of civil war, the UN and international donors provided aid to demobilize combatants and meet emergency development needs. In 2005, a new government was elected, and Liberia received additional aid for post-conflict reconstruction. This benefited not only Liberia but also other countries in the region, which had been burdened by refugees and other effects of the Liberian civil war.38

Why Is It So Hard to Reduce Military Spending?
Despite the benefits of reducing military spending, it is often hard to persuade states to do so. The first reason often cited for this is the desire to provide for an adequate national defense in an uncertain international world. This reason is illustrated by a recent US public opinion poll in which 72 percent of Americans felt that it was better to have too much defense than too little.39

A second reason states are reluctant to reduce their military spending is the influence of what US President Eisenhower referred to as the “military-industrial-Congressional complex.”40 This reason is illustrated by the fact that countries with big militaries (such as Russia and the US) continue to have large militaries, while states with smaller militaries (such as Sweden) consistently have smaller ones. In each country, certain corporations, politicians, and workers benefit from the status quo and work hard to preserve it. For example, although Russia has fallen from great power status and today spends far less on its military than it did during the Cold War, due largely to domestic pressures it has significantly increased its military spending over the past 10 years.

In practice, these two reasons interact. Although states may claim that their spending is used only to build up defenses, other states may fear that these militaries will be used against them. This situation, known as the “security dilemma,” can lead to cycles of increased military spending (arms races).

37 Francis, “Recession for Russia?”
**Previous Committee Work on This Topic**

The General Assembly first urged UN member states to reduce military spending in the 1980s. In Resolution 35/142B, entitled “Reduction of Military Budgets,” the GA argued that the first step should be achieving transparency of military expenditures. Specifically, the GA urged member states to report their annual military expenditures in a standardized format to the UN Secretary-General. From 1980 to 1990, when the Cold War was ongoing, fewer than 30 states participated. Since then, the year with the largest number of reports was 2002, when the Secretary General received 82 reports.41 According to SIPRI,

Over the past decade, there has been a general decline in the annual reporting by United Nations member states of their military spending through the use of the UN Standardized Instrument for Reporting Military Expenditures. At the same time, an increasing number of countries have posted information about their military expenditure online, albeit not according to the UN definition or the format of the UN Standardized Instrument. Indeed, of the 79 countries that made no response to the instrument between 2002 and 2008, 61 made at least basic information on their defence budget available online, and 16 of those gave a detailed breakdown of the budget.42

In 1984, the GA passed Resolution A/RES/39/64, which argued that military expenditures “constitute a heavy burden for the economies of all nations and have extremely harmful effects on world peace and security.”43 In 1989, as the Cold War was ending, the GA reaffirmed the 1984 resolution and further stated that it was, “convinced that the reduction of military expenditures as a result of the progress in disarmament negotiations will have favorable consequences on the world economic and financial situation.”44

In November 1996, the GA First Committee released a statement reaffirming the 1980 resolution.45 In 1999, the First Committee again discussed the reduction of military budgets and the need for objective information on military matters. To keep military spending from increasing, the GA-1 also proposed a “prohibition of the development and manufacture of new types of weapons of mass destruction and new systems of such weapons.”46 The GA-1 has passed similar resolutions in subsequent years. The most recent resolution (2011) urges member states to agree to a common definition of military expenditure.47

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Conclusion

Previous General Assembly work on reducing military budgets is not promising. Little discussion regarding reductions in military spending has occurred. Instead the focus has been on achieving compliance with the reporting provisions of Resolution 35/142B (1980). Yet, over time, fewer states have complied with these provisions.48

The right of each state to decide how to allocate its spending is protected by Chapter I, Article 2 of the UN Charter, which states that the UN “is based on the principle of the sovereign equality of all its Members.”49 Thus the GA cannot make member states reduce their spending. Instead, it must rely on arguments about the costs of such spending. At present, these costs seem very high. With small reallocations of military spending, developed states could help developing countries achieve the MDGs.50 Without these reallocations, it would be difficult to meet the 2015 targets, even before the effects of the economic crisis and climate change are considered.

In 2009, developing countries “made it clear that they will not sign a treaty [to reduce greenhouse gas emissions] unless they get money to help them adapt to a warmer planet.” The cost of making needed changes is steep — at least $1 billion and as much as $1 trillion per year.51 In 2011, worldwide military spending was 17 times that amount ($1.738 trillion).

Should the GA-1 encourage member states to reallocate military spending to achieve the Millennium Development Goals and adapt to climate change? In researching and writing your country’s position on this topic, consider the following questions:

-- How much does your country spend on its military? How has this changed in recent years? What is its defense burden? Consider military spending relative to GDP, per capita, and compared to spending on social and economic programs.
-- Why does your country spend this amount on the military? Consider its recent and current military conflicts, as well as its regional situation and military-industrial complex.
-- How has your country been affected by the international economic crisis?
-- How is your country likely to be affected by climate change?
-- Which is the most severe security threat to your country: military conflict, lack of development, or climate change?
-- If your country is a developing country, how much aid does it receive? If it is a developed country, how much aid does it give? Is it meeting the 0.7 percent target?
-- Should the GA urge states to reduce their military budgets and redirect the savings into environmental and development programs? If so, which or what combination of the three options for reducing military spending should the GA-1 endorse?


Recommended Reading

Available at http://www.ipcc.ch

This is the most detailed, documented, and up-to-date statement of the climate change problem and possible policy responses. The “Summary for Policy Makers” (http://www.ipcc.ch/pdf/assessment-report/ar4/wg2/ar4-wg2-spm.pdf) provides a concise statement of the challenges in each world region.


This publication provides information on the development assistance granted by each of the 24 developed-country members of the OECD in 2011.


This site provides an overview of many aspects of world military spending, using data from the 2011 SIPRI Yearbook. It is a good place to find out more about the issues discussed in this guide.


SIPRI is the most reliable source for information on military spending. From this page, click on “Enter the Database” (at the top right) to review data on your country’s military spending and military spending as a percentage of GDP.


This report provides an overview of the MDGs and progress on their attainment to date. Reading this report will help you evaluate whether it is necessary to increase development funding.


This web site provides background information on UN actions related to military spending. In addition, it has links to each year’s report by the UN Secretary General, which compiles the information submitted by member states. Reviewing the most recent report will tell you whether your state is in compliance with the GA’s resolutions urging states to report. If so, you can also see some detailed information about its military spending.


Searching this site for “military expenditures” will take you to the links for the resolution, press release, and meeting record for the GA’s most recent debate on military spending. The press release and meeting record summarize the positions of various UN member states. Search for your country’s name.