DISARMAMENT AS A CHANCE FOR HUMAN DEVELOPMENT

Is there a peace dividend?

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I. Military expenditures and the peace dividend

The reduction in tension between the superpowers offers the opportunity to release funds, a peace dividend that could be put to constructive use.' Has this opportunity, as expressed in the Human Development Report 1991, been taken?

Military force and wars, as integral components of security policy and international relations, are still the traditional assumptions of military-oriented security. Although there is a new security vision based on co-operation, trust, mutual understanding and collective security, it has still not been generally accepted in government policy.

The trends in military spending in 1990 which are now emerging, judging from the available empirical data, suggest rather mixed results. Both the United States and the Soviet Union, which combined still account for 60% of total world military expenditure,

continued to reduce their financial military investments in 1990: the United States by approximately 7% and the Soviet Union by an estimated nearly 10%. These funds, approximately $20 billion in the United States and probably over $25 billion in the Soviet Union, are not available as an international peace dividend; rather, they are getting soaked up in the United States as a budget-balancing item to reduce the deficit, and in the USSR they are used in the laborious process of perestroika (for detailed statistics, see the appendix, tables A1 and A2).

Although the reduction of international tension has been most profound in Europe, the military expenditures of the West European and neutral countries (expressed in US dollars at 1988 prices and exchange-rates) have remained stable; on average, the European NATO countries have even increased their expenditures slightly. Considering the significant political changes in Europe during the past few years and the world-wide ecological and development problems ahead, these reservations against speedy disarmament and lower military spending are signs of a totally unacceptable attitude. However, governments of many of the European NATO countries have announced far-reaching force restructuring that will involve military budget reductions as well: thus, the promise of a future peace dividend in Europe does exist. With the disappearance of the German Democratic Republic at German unification, military expenditures in the former non-Soviet Warsaw Treaty Organization (WTO) were halved.

Overall developments of military expenditures in the Third World were also unsatisfactory. Their military expenditures-to-GDP ratio of over 4% on average has been higher than in most West European countries. After an over-proportional increase in military expenditure from the mid-1960s to the mid-1980s, military expenditures started to decline in the Third World, mainly out of economic necessity. Third World (excluding China) military spending was on average reduced by around 4% per annum between 1987 and 1989, but in 1990 this process was slowed down and Third World expenditures fell by only 2% according to a preliminary estimate. In certain regions, South Asia, the Asia–Pacific developing countries, and in Central and South America, military expenditures remained stable.

Developments in the Asia–Pacific region are particularly worrying: Japan, Taiwan and North Korea keep increasing their military expenditures. The armed forces of other countries in the region are also engaged in expansion and modernization programmes (especially of their naval forces) and are thus not reducing their military spending.

This 1990 trend in world military expenditures cannot of course be explained exclusively by the Gulf War since most of the cost of the war occurred in 1991. It is not unreasonable to assume that as a consequence of the Gulf War some governments might feel obliged to reverse the previous trends of military expenditure reductions.

If there is to be a peace dividend there must be disarmament, a reversal of the technological arms race, improved international relations on a global scale, a fair chance for economic development in the Third World due to improved economic relations, peaceful settlement of conflicts, and the establishment of centres for crisis avoidance and

crisis management, for reduction of tension and for redirecting resources used for military purposes to useful purposes (investments) as well as the introduction of a new security concept based on a co-operative security system under the auspices of the United Nations. Obviously, the peace dividend in such an optimistic (but not totally utopian) scenario would be large. The current number of 25 million armed forces world-wide could be reduced by half, as could the figure of approximately 15 million workers employed in the arms industry. If military expenditures are reduced globally by 5% annually, these freed resources would translate into a total saving, on current military expenditures, of over $2 trillion from 1990 to the year 2000. The peace dividend would grow from almost $50 billion in 1991 to over $350 billion in the year 2000 (see figure 1).

The following measures are suggested:

1. Military spending cuts of 5% per year: governments are requested to declare such a policy unilaterally.
2. . Increased social spending at home and increased international aid, using the savings from the military to deal with urgent social problems at home and abroad.
3. Freezing of military research and development expenditures to slow down modernization of weapons technology.

II. The arms trade, military assistance and military bases

The trade in conventional arms[1]

The global value of the trade in major conventional weapons in 1990 is estimated to have been $21.7 billion (as expressed in 1985 US dollars). This represents a decrease of 35% from the value for 1989,[2] which was itself a lower figure than those recorded for the years of the mid-1980s. The value of deliveries of major conventional weapons in 1990 is less than 60% of the value recorded for 1987, a peak year. (See appendix, tables A4 and A5 for details on the major exporters and importers.) **The SIPRI arms trade data cover five categories of *major conventional weapons*: aircraft, armour and artillery, guidance and radar systems, missiles, and warships. Statistics presented refer to the value of the trade in these five categories only; they do not include the trade in small arms, artillery under 100-mm calibre, ammunition, support items, services and components, or component technology, except for specific items.**

Within the 1990 world total, the share of deliveries to Third World recipients was 55%, the same share as recorded for 1989, but significantly less than in previous years. The declining importance of the Third World on the global arms market after 1987 was caused mainly by three factors:

1. Less hard currency has been available to a number of leading importers.
2. Several 'hot wars' ended, notably the war between Iran and Iraq in 1988.
3. The expansion of arms industries in a number of Third World countries during the 1970s and 1980s has led to a reduction in arms imports by the historically large importers. The trend of reduced arms transfers might be halted as a result of the

1991 Gulf War, since this experience did not fundamentally change arms export policies to Middle Eastern countries.

The USSR and the USA remained the largest exporters of major conventional weapons in 1990, together accounting for 69% of the total value of deliveries. However, in 1990 the value of US arms deliveries exceeded that of Soviet arms exports, reversing the established rank order. Soviet exports of major conventional weapons fell rapidly in 1990, mainly because of drastically reduced exports to Third World countries, particularly to India, Iraq and Afghanistan, but also as a consequence of political changes in the former WTO. In 1989 the USSR and the USA accounted for 37% and 34%, respectively, of the world total; in 1990 their respective shares were 29% and 40% (see figure 2).

The 12 member countries of the European Community accounted for 20% of the total value of major conventional weapons delivered in 1990. This share fluctuated throughout the period 1986–90 at around 20%. However, within that total, the share of deliveries accounted for by France, the UK and Germany, the three largest arms producers in Western Europe, rose significantly to over 90%. This reflects the decline in the value of exports of major conventional weapons by the Netherlands, Spain and Italy and, to a lesser extent, Belgium and Portugal.

The value of major conventional arms exports by the Third World continued to decline in 1990, representing just over 1% of total exports compared with over 4% in 1987. Exports of major weapons by two of the largest Third World arms producers, Brazil and Israel, declined dramatically in 1990, while exports from Singapore and South Korea, which had shown significant growth until the mid-1980s, were virtually eliminated by 1990. However, this may exaggerate the decline of arms production in the Third World since the data exclude such items as small arms and artillery with a calibre of less than 100 mm.

In 1990, the major arms-importing country was Saudi Arabia, reflecting the immediate impact of the crisis stemming from the invasion of Kuwait by Iraq. The arms imports of other countries in the Persian Gulf region, notably the United Arab Emirates and Bahrain, also increased significantly in 1990. The increase in exports to some Middle Eastern countries might continue in 1991 as well, especially to countries such as Saudi Arabia, Egypt, Israel, Kuwait and Turkey. Elsewhere in the Middle East, however, the pattern of reduced arms imports continued in 1990. For the period 1986–90 Iraq remained a major importer, although its import of major conventional weapons in 1990 was insignificant.

The Gulf War clearly demonstrated that the Iraqi Government had systematically built up its armed forces and had equipped them with weapons and technology from many sources, East, West and South: the allied coalition fighting Iraq faced its own weapons in the conflict. This war has set in motion discussions of arms transfer control in many forums. The United Nations report on transparency of the arms trade has been strongly influenced by the war experience. The five permanent members of the UN Security Council, which are also the five largest weapon exporters, met for the first time in July

1991 in Paris to discuss restrictions. Governments of the member states of the Conference on Security and Co-operation in Europe (CSCE) have suggested implementation of tighter controls. Similar proposals have been made in the European Community and were taken up in the 1991 G7 meeting, and they are being discussed by various national governments. All these are promising signs; however, the reality of the arms trade has not changed yet. The Middle East remains an important weapon importing region, and most major exporters, while discussing restrictions, continue to supply weapons. It is the continuation of traditional practices rather than the lessons learned that are the order of the day after the Gulf War.

While a strong political momentum for arms transfer control is apparent, economic considerations work in the opposite direction. Economic pressures are mounting on the arms industry as a result of stagnating or reduced procurement budgets. Capacities in the traditional arms producing countries, the USA, the USSR and the countries of Western Europe, have not yet adjusted to the changed political situation. Substantial production over-capacities exist. It is not surprising that companies try to push for additional exports in such a situation. Unless arms production capacities are drastically reduced, arms export controls are bound to remain half-hearted.

The following measures are suggested:

1. Increased transparency of the flow of arms by establishing a mandatory UN register for arms transfers.
2. Restrictions on supplies, especially to areas of conflict, particularly by the major arms exporters.
3. Tighter controls on the supply of dual-use technology which can be used both for military and civil purposes, especially to those countries that are over-investing in their armed forces.
4. Tighter controls on particularly dangerous weapons and weapons technology: ballistic missiles, chemical and nuclear weapons and the technology to produce them.
5. Strengthening the few existing and establishing new multilateral arms control regimes.
6. Drastic reduction of arms production capacities.

Military assistance

Only the United States reports in detail about its military assistance. Information about the programmes of all other countries is limited, often based on occasional reports in newspapers. Based on this information, it appears that the United States has by far the largest programme, probably followed, according to the scarce evidence available, by the Soviet Union. For other countries such as China, France, the United Kingdom, Germany and other West European countries, commercial arms exports are more important than military assistance.

The United States

A large portion of US military assistance finances the arms imports of friendly countries (while the portion of so-called commercial arms exports is small). Military assistance to foreign countries is imbedded in a programme called Security Assistance.

This programme includes:

Foreign Military Financing (FMF), a largely grant aid military assistance programme,

Military Assistance Programme (MAP), which has recently been integrated in the FMF programme,

International Military Education and Training (IMET), a programme which provides military education and technical skills to members of foreign military forces,

Peace-keeping Operations (PKO), a fund which finances US contributions to international peace-keeping operations, and

Economic Support Fund (ESF), an all-grant programme for economic reform and development (not all US economic assistance is included in this programme).

Economic support, peace-keeping and military assistance are integrated in one programme because, according to official reasoning, they serve the same purposes:

Promotion of democratic values, including support for the consolidation of democracy through the rule of law, free and fair elections and respect for human rights;

Advancing the cause of peace, through arms control and non-proliferation initiatives, regional conflict resolution and strengthened UN peacekeeping capabilities;

Economic progress, by fostering market forces through deregulation, privatisation, development assistance and expansion of trade and investment;

Countering transnational dangers, such as environmental degradation, narcotics trafficking and terrorism; and

Fostering global responsibility sharing, strengthening the sense of community amongst the industrial democracies while promoting democratic, humanitarian and open market values throughout the world.[3]

The extent to which this programme has actually contributed to the values mentioned has often been questioned, and criticism has been raised that repressive regimes and military dictators have been assisted to remain in power. To better the lot of the people in the world it is important to clearly distinguish between programmes for economic improvement and military assistance; the latter is often no more than a cover for financing arms exports.

According to official information over US$140 billion was granted as military assistance in the security programme between 1946 and 1990.[4]

This share amounted to 38% of the total programme. Out of the $140 billion military assistance, over $100 billion was provided as grants and $40 billion as loans, of which close to $8 billion was still 'outstanding loan balances' in 1991. Tables 1 and 2 give an impression of the order of magnitude in recent years.

The military assistance to foreign countries, mainly in the Third World, has fluctuated substantially and in certain years of the 1950s reached a level of over $4 billion. It was reduced especially during the 1970s. Since the mid-1980s it has fluctuated around $5 billion, and 106 countries are currently recipients of US military assistance.

The Soviet Union

The Soviet Government does not provide any systematic information about its military assistance programme. In 1990, Colonel General Ye. Smirnov, deputy chief of the USSR Armed Forces General Staff, in an interview about the presence of Soviet military personnel, responded: 'In foreign states there are collectives of Soviet military advisers and specialists of varying numerical strength... In the middle of the eighties the number of advisers and specialists was about 10 000. Considering the new approaches towards co-operation and training of highly skilled national military cadres in the USSR, the numerical strength of advisers and specialists abroad has now been more than halved.'[5]

Such figures are inconclusive as long as no information is given concerning which personnel and foreign countries are included and which are excluded.

The US intelligence services have tried to make estimates of Soviet military assistance. Since this information is not unbiased and is impossible to verify, the numbers should be treated with caution. Figures given for foreign military aid fluctuated between US$6.0 and $7.8 billion annually between 1982 and 1988.[6]

A comparison of the Soviet debt and arms exports gives a further indication of the order of magnitude of Soviet military assistance.

Although arms exports have in the past been a major component of total Soviet foreign trade, there is no evidence that arms sales by the USSR bring significant benefits to the economy as a whole. Several of the key recipients of Soviet weapons have not been in a position to pay for the imported weapons, let alone to pay in hard currency. The scattered evidence available on the terms of payments suggests that the USSR has not always been able to recover the real cost of production of exported weapons. Consequently, the USSR has often assisted clients by subsidising their weapon exports.

Most of the leading debtors to the USSR are also major importers of Soviet weapons. Among the top 20 debtors are 13 of the top 20 weapon importers, as table 3 indicates.

The top 20 debtors account for 94% of the total debt owed the USSR and for 77% of Soviet major conventional arms exports.

Although a correlation between debt and arms imports is suggested by the table, and is plausible, neither set of figures should be regarded as truly reliable because information from the USSR remains limited. There is no way to disaggregate the percentage of debt accounted for by arms purchases.

The following measures are recommended:

1. A reduction of military assistance.
2. Transfer of the freed resources to economic and social aid programmes.

Military bases

During the period of the cold war, military bases were usually seen in the context of major-power rivalry: they were a vital component of the competition between the blocs. This situation has changed significantly. The question is no longer where the great powers can get access to additional military facilities abroad but, on the contrary, how many and what bases can or have to be closed. In addition to the two superpowers, several other countries have had troops in foreign countries, often as proxies for a big power (e.g. Cuba in Africa) or occasionally also independent of the East–West rivalry (e.g. Pakistan in Saudi Arabia). By far the largest foreign military presence in the form of bases, military installations, troops etc. is still held by the United States and the Soviet Union.

There is no clear definition of what constitutes a 'military base', 'basing rights', 'overseas base' or 'military installations'. In a SIPRI publication[7]

the following typology is chosen to describe 'foreign military presence': – airfields,
– naval sites,
– ground force sites,
– missile sites,
– space sites,
– communications and control sites,
– intelligence and command sites,
– environmental monitoring sites of the military,
– research and testing sites for military systems, and
– logistic sites.

Given the diversity of these types of military site, manned with several thousand troops in some cases, and with only a few specialists in others, it is obvious that no generally accepted criteria are available to account for what these bases cost. The cost figures, especially in the case of the Soviet Union, are not available. In the case of the United States they are integrated in a variety of different categories of the budget.

To give an impression of the order of magnitude of the possible effects of base closures and reduction of foreign and national military presence, in order to quantify the possible peace dividend, the case of the united Germany is chosen here for illustration. Both superpowers were present with large numbers of troops in one of the two parts of Germany. The USSR, the United States and other NATO countries will withdraw troops during the next few years. The two German armies are in the process of integration and then reduction. Table 4 gives an indication of the planned reduction. The number of military and military-related personnel will be reduced from over 2 080 000 in 1990 to 903 000 by 1994. The number of troops will be reduced by about 60 %. Over 150 000 fewer civilians will be employed with the different branches of the armed forces in Germany and the arms industry will be halved from approximately 300 000 to 150 000 jobs.

Except for Soviet force reductions, these reductions are probably the largest taking place anywhere in the world. There are, however, many more countries for which base closures and reduction of military presence have been announced. These reductions, as in the case of Germany by more than 50% in four years, will, of course, not immediately translate into a peace dividend of the same proportions. Current costs cannot be cut immediately by more than 50%. Retraining programmes have to be financed, unemployment compensation paid, equipment scrapped, and industry has to write off certain investments, land has to be reclaimed, buildings have to be renovated etc. Disarmament requires funding. In Germany the reductions taking place are discussed in terms of both cost and opportunities. The first school of thought asks (especially at the community and regional level): What are the income and job losses and how can they be compensated for? The second school of thought stresses the expansion of choices and the chances for improvement of the quality of life. Land and buildings used by the military can be made available for non-military purposes. It is also important that many of the financial requirements relating to disarmament are either short-term or one-time investments, similar to those of other industrial restructuring or economic adjustment programmes. No particular measures are suggested in this area since the process of base closures and reducing foreign military presence is taking place at a rapid pace.

Footnotes:

1 This section is an abridged and updated version of section I of chapter 7, 'The trade in major conventional weapons', in SIPRI Yearbook 1991: World Armaments and Disarmament (Oxford University Press, 1991), especially pp. 197–200.

2 This reduction should be viewed with caution since the initial estimate for the latest year generally increases as more information becomes available. These statistics are trend indicators of the deliveries of major conventional weapons and not figures which measure what was actually paid for the arms supplied. Only transfers of major conventional weapons are included.

3 United States of America, Congressional Presentation for Security Assistance Programs, Fiscal Year 1992, p. 4.

4 U.S. Overseas Loans and Grants. Obligations and Loan Authorizations, CONG-R-0105, p. 6.

5 Krasnaya Zvezda, 14 June 1990, reprinted in English in FBIS-SOV-90-116, 15 June 1990, p. 11.

6 Allocations of Resources in the Soviet Union and China, Hearing before the Subcommittee on National Security Economics, Joint Economic Committee, 14 Apr. and 7 July 1989, 101st Congress (US Government Printing Office: Washington, DC, 1990), quoted in Sen, S., 'Debt, financial flows and international security', SIPRI, SIPRI Yearbook 1991: World Armaments and Disarmament, (Oxford University Press 1991), p. 186.

7 Harkavy, R., SIPRI, Bases Abroad (Oxford University Press, 1989), p. 17.

III. The military profile as a criterion for economic aid

If a government chooses to spend more on its army than on its people, it cannot be regarded as committed to human development, and this basis should certainly count against it in aid negotiations.' This statement of the *Human Development Report 1991* rests on the assumption that governments which undertake to increase military expenditure must either decrease social expenditure and economic services or increase the budget. Increased military expenditures lead to crowding out other types of expenditure or to increases in the overall government budget. As Hewitt, in an IMF paper, argues, decreasing social expenditures are likely to cause the poorer segments of society to pay a higher cost since their benefits are reduced. Decreasing expenditures on productive economic activities will have negative effects on development and economic growth. Increasing the budget will lower private consumption as a result of needed tax increases (current or future).8

Opportunity costs are associated with high investments in military activities. Conversely, military expenditures are reactive to financial constraints; thus governments have a choice in setting priorities. How can this linkage be given operational shape in aid negotiations and agreements to give incentives for a policy of diverting resources from the military to other areas, such as development programmes?

It is suggested here to apply three criteria to establish government military/development profiles, which provide the framework for the rank of countries according to low, medium and high priority for aid:

1. *The percentage share of health and education expenditure in GNP minus the percentage share of military expenditures in GDP:* There are limits to what governments can spend. Given severe budget constraints and limited national incomes, social and development spending should have priority over the military. But the military profile of a government should not be the only criterion for the

terms under which it receives aid; its development record is just as important. It is of immense interest whether governments really spend the resources on social and development programmes or not. This ratio takes the income constraint into consideration and indicates what priorities governments set and what part of the national income is spent on the military and thus not available for other purposes. Positive percentages indicate higher spending on health and education than on the military. Negative percentages indicate higher military than health and education expenditure.

2. *The absolute amount of military expenditures:* There are, of course, genuine security problems which governments are obliged to consider. To what extent military expenditures are needed and beyond what point they are excessive is objectively difficult, if not impossible, to judge. Justification for the resources spent on the military must be based on security needs. To use only the military expenditure/GDP ratio as a criterion for granting aid, as has been suggested and is being considered by several donor countries and organisations, discriminates against the small and low-income countries. Their spending both on the military and on development in absolute terms can never match that of the rich countries. Therefore, the total amount spent on the armed forces (expressed in US dollars) is used here as a corrective to compensate for the bias of the GDP ratio against small and low-income countries.

   The percentage share of major conventional weapon imports in total merchandise imports: Investment in economic and social development requires imports of goods and services. Given the debt and international liquidity situation, financial resources (hard currency) to finance imports are scarce in many countries. Nevertheless, substantial amounts are channelled into importing weapon systems and are thus forgone for importation of badly needed non-military goods. This criterion purposely ignores whether the import of weapons is financed by the recipients' own resources or within military aid programmes, since the re-orientation of military aid programmes could potentially increase recipients' external assistance. This criterion discriminates against the countries with a high portion of their imports as weapon imports. (The countries giving priority to domestic arms production instead of imports of weapons are bound to rank high in criterion 2.)

After establishing a rank order for each of the three criteria, the ranks are added to calculate a combined rank. The result of these computations is given in table 5 , breaking the countries into three equally strong groups of 30 countries each of high-, medium- or low-priority aid recipients.

There are basically two ways to operationalise this proposal in negotiations for external assistance:

1. *The quantity of aid:* Probably only in extreme cases is it justified and politically sensible to cut off external assistance totally. Aid cut-off is perhaps too drastic a suggestion. However, a gradual reduction seems realistic. It is suggested here to reduce aid by:

   30% for the 10 countries with the lowest priority (rank 81–90),
   20% reduction for the next 10 countries (rank 71–80) and
   10% reduction for the next group of 10 countries (rank 61–70).

   The freed resources should be given to those countries with high priority (rank 1–30), possibly also with gradual increases according to the rank order.

   The medium-priority group should neither be penalised nor rewarded in the quantity of aid made available to them.

2. *The terms of aid:* High-priority aid recipients should receive not only more aid but also more favourable terms. This policy can be implemented by reducing interest rates and prolonging the repayment period or by increasing interest-free and non-repayable grants. Countries with low priority should be penalised and carry the heavier burden.

Technical note

1. There is certainly room for discussion of where the cut-off points between low, medium and high priority lie. The message, however, is clear. A linkage between external assistance and high investments in the armed forces can be established. Those countries with a high military profile should be penalised in external assistance negotiations and should not receive aid on favourable terms. On the other side of the coin: Governments with low investments in the military should be whole-heartedly rewarded by the grant of more aid at favourable terms.
2. The rank order does not clearly distinguish the differences in absolute values. More sophisticated statistical methods might lead to slight changes in the rank order; however, the results would not be significantly altered.
3. The three criteria chosen do not take the different security needs of countries into consideration. Countries that face outside aggression might feel obliged to invest more in their military than countries located in a more peaceful environment.

In fairness to the countries in the sample, errors are likely to occur in the calculations of rankings since they are based on figures of unknown reliability. Precise figures are usually not available, and governments try to hide their military expenditures in different sections of the budget. Furthermore, the rank order for a given number of developing countries has, of course, one basic difficulty. By implication, the rank order serves only to indicate where countries stand relative to other countries. Improvements in rank of the military profile of country A are at the expense of country B, even if the record of

country B has not deteriorated in absolute terms. Possible across-the-board improvements in all or most countries (on average military expenditures have fallen during the past four years) would not necessarily lead to better external aid conditions but only to a shift from one group to another.

It is therefore suggested to consider not only the changes in rank from one year to the next but also the development in absolute terms. A government that did not shift its priorities away from spending on health and education should not lose favourable aid terms even if its military profile was not improved.

Once these criteria are established and implemented (either universally or by individual donor countries or organisations), recipients have an incentive to rethink their priorities and redirect their financial resources. Improvements of countries in the suggested rank order from one year to the next should immediately be rewarded by more external assistance or better terms of aid.

The following measures are suggested:

1. Using the suggested 'military/development profile' of countries as a criterion for aid negotiations.
2. Setting of priorities with existing aid programmes according to the 'military/development profile'.
3. Changing the quantity of aid and its terms accordingly.

IV. Armed conflicts[9]

The tragedy in the Gulf demonstrates the need for more effective methods of resolving Third World conflicts.' This statement of the Human Development Report 1991 should be underlined and, unfortunately, has to be extended also to Europe, as conflicts in the Soviet Union, Albania and Yugoslavia drastically demonstrated in 1991.

While old conflicts were settled, new major conflicts erupted; and numerous other protracted armed conflicts that have not reached the stage of 'major armed conflict' may quickly escalate.

A major armed conflict is defined as prolonged combat between the military forces of two or more governments or of one government and at least one organised armed group, involving the use of weapons and incurring battle-related deaths of at least 1000 persons.

Recent developments

Cooling down:

End of the cold war.

Reduction of arms imports and of military expenditures of most Third World countries.

Negotiations in several forums about the control of the arms trade.

Dissolution of the Warsaw Treaty Organisation.

Implementation of the INF Treaty, signing of the CFE and the START treaties.

Brazil and Argentina signed an agreement not to manufacture nuclear weapons.

Unification of North and South Yemen and East and West Germany.

North and South Korea join the United Nations.

Reduction of armed forces and weapons especially in Europe.

Stop of production of binary chemical weapons in the United States.

The 1974 Threshold Test Ban Treaty and the 1976 Peaceful Nuclear Explosions Treaty enter into force.

Willingness to join the NPT by France, China and South Africa.

Peace plan for Angola.

Namibia becomes an independent state.

End of war in Liberia.

End of conflict in Ethiopia.

Reduced tensions in Nicaragua.

Reduced tensions in the Lebanon.

Approved plan for settlement of West Sahara conflict.

UN peace plan for a solution of the conflict in Cambodia.

Heating up:

Attempted coup in the Soviet Union.

Armed conflicts in the Baltic states and other Soviet republics.

Iraqi invasion of Kuwait and the Gulf War.

Armed conflicts in Yugoslavia.

Intensification of military action against the Kurds in Turkey.

Intensification of the conflict in Sri Lanka.

Mass exodus of people from Albania.

Expansion of military forces of several Asia–Pacific countries.

Military expenditures of over US$500 billion in and for Europe.

Continued supplies of weapons to the troubled Middle East region.

Continued danger of nuclear proliferation.

Continued danger of chemical weapons proliferation.

Uninterrupted high investments in sophisticated new weaponry of the major military powers.

Most major armed conflicts of 1990 were fought in the Third World: In addition to 1 in Europe, there were 5 in the Middle East, 10 in Asia, 10 in Africa, and 5 in Central and South America (see figure 3). The number of major armed conflicts in the world has gradually dropped from 35 in 1986 and 36 in 1987 to 33 in 1989 and 31 in 1990, following agreements concluded between warring parties in several conflicts, especially due to the good services of the United Nations. This positive development, however, cannot let us rest assured. On the contrary, armed conflicts continue to plague our planet. In addition to the 33 major armed conflicts of 1989, 59 minor armed conflicts were registered, the vast majority of them (53) in the Third World (see appendix, table A9 for a full list of 'major' and 'minor' armed conflicts). There are three types of conflict: International conflicts between two governments using their military force against each other. State-formation conflicts involving at least one government and one non-governmental party demanding change in the constitutional status of a territory. Internal conflicts over the control of government involving at least one government and one non-governmental party. In only one location was an international major armed conflict fought in 1990. Most conflicts, namely 17, were state-formation conflicts, and 13 were internal.

Conflict resolution

With the end of the superpower bipolarity, a new vision of a post-cold war world and of a new concept of security has evolved. Hopes for a fundamental change in international relations have grown. The East–West competition that often dominated conflicts in the Third World or added an East–West dimension to conflicts in the South is no longer a cause for concern. The Third World is no longer the ideological battleground of

superpower rivalry. The end of the East–West confrontation also signalled a new and expanded role for the United Nations, a role in peace prevention and peace settlement that had often been blocked during the previous four decades.

At the end of the era of bipolarity and superpower competition, the United States emerged as the dominant military power. This dominance was demonstrated in the war against Iraq. Iraq's aggression and the war against Iraq illustrated that military force is still the central means of foreign and security policy. It has been argued that the threshold for the use of military force in the numerous conflicts has been lowered. Since the end of the East–West rivalry it is no longer feared that conflicts might proliferate into a superpower confrontation. Intervention apparently is less risky today than during the cold war.

The Third World is, however, not just an object of great-power interests. The withdrawal of external actors does not necessarily lead to ending conflicts. The causes for many conflicts are not related to outside interest or interventions. Most conflicts did not disappear with the changed international climate since their causes were not removed. Internal conflicts, often fuelled by religious differences or ethnic strife, the renaissance of nationalism, existence of injustice, undemocratic and authoritarian regimes, territorial claims, artificially drawn borders, etc., continue to be fought; and the lack of institutionalised arms control forums and the non-existence of capable peace-settlement organs make conflict resolution difficult. Usually there are no military solutions to non-military conflicts. The drug problem will not be solved by a 'war on drugs', and social and economic injustice between rich and poor, between North and South, West and East and within countries, will continue to cause tension and conflicts. These problems must be resolved through political and economic means. Military programmes, especially in the northern hemisphere but also in the Third World, have not been adjusted to this reality. Too large a quantity of the scarce resources are still directed at strengthening military power instead of correcting economic imbalances.

A number of non-military measures are suggested to lessen tension and to prevent or resolve conflicts:

1. Mediation between conflicting parties: Past experience shows that, despite numerous failures, participation of the United Nations (the Secretary-General) might be helpful. Strengthening the role of existing peace-settlement organs (the UN Security Council) and creating additional ones within the United Nations could help settle conflicts. Recent experiences of the United Nations in Southern Africa, Cambodia and the Middle East suggest the possibility of a revival of the United Nation's original, far-reaching peace-keeping function.

2. Crisis management is important; crisis avoidance is more important: The United Nations could play a more active role in crisis prevention and avoidance if it establishes an early-warning system that registers areas of tension and takes an initiative to understand the nature of the conflict in order to be able to suggest solutions.

3. UN Military Staff Committee: Making the UN Military Staff Committee under UN Charter Article VII operational to enable the UN to enforce its peace-keeping operations.

4. Controlling the arms trade: (see recommendations in section II) First, establish a UN register of the arms trade to increase transparency in the flow of arms and, second, tighten restrictions on the transfer of arms by establishing an efficient multilateral arms transfer control mechanism to complement national controls.

5. Centres for conflict resolution: Reduction of tension, crisis management, mediation between conflicting parties, verification of peace settlements and disarmament agreements can actively be promoted through the establishment of regional centres for conflict resolution. After the end of the cold war, the institutionalisation of the CSCE process offers an alternative security concept in Europe based on co-operation instead of the traditional antagonism. The history of this process in Europe shows that the establishment of dialogue between belligerent countries pays off in the long term. Such processes are virtually absent in most other regions of the world. However, they are urgently required to stop wars, ease tension and facilitate disarmament.

6. Regional security arrangements: There is scope for regional security arrangements, disarmament agreements, agreements on territorial disputes etc. Initiatives from outside might assist the peace process. However, initiatives from within the region to prevent great-power involvement are more important. Especially in the Third World but also in Europe, forums are required at the regional level, preferably under the auspices of the United Nations, whose task should be to monitor and moderate tensions and crises in order to de-escalate emerging conflicts and search for peaceful settlements of ongoing armed conflicts. The United Nations should be authorised and equipped to initiate, monitor, and verify arms control and disarmament agreements.

7. Collective security system: Support for a system of collective security under the auspices of the United Nations, to guarantee territorial integrity, repel aggression and institutionalise a mechanism for conflict resolution, will not only help prevent conflict but also enhance reducing nationally based military power.

Footnotes

8 Hewitt, Daniel P., Military Expenditure: International Comparison of Trends, International Monetary Fund Working Paper WP/91/54, Washington, DC, 1991, p. 15.

9 The statistics in this section are based on K. Lindgren (ed.), States in Armed Conflict 1989, Department of Peace and Conflict Research, Uppsala University, Report No. 32, 1991; and Lindgren, K., Heldt, B., Nordquist, K.–_ and Wallensteen, P., 'Major armed conflicts in 1990', SIPRI, SIPRI Yearbook 1991: World Armaments and Disarmament (Oxford University Press, 1991), pp. 345–380.

TABLES

- Table 1 Official US Security Programme
- Table 2 US Military Assistance
- Table 3 A Comparison of Major Client of Soviet Arms and Major Soviet Debtors
- Table 4 Military and Military Related Personnel in Germany
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TABLE 1. Official US Security Programme, 1970–92, in US $m

Military

Year	FMFa	MAPa	IMETa	Total Military	PKOa	ESFa
1970	70	350	-	420	-	395
1975	872	475	-	1 347	-	1 200
1980	2 235	110	25	2 370	22	1 946
1985	4940	805	56	5 801	44	6 084
1986	5 190	798	54	6 042	34	3 800
1987	4 053	950	56	5 059	32	3 600
1988	4 017	701	47	4 765	32	3 201
1989	4 273	467	47	4 787	42	3 259
1990	4828	b	47	4 875	33	3 917
1991	4 664	b	47	4 711	33	3 175
1992	4 610	b	53	4 663	28	3 240

Source: United States of America, Congressional Presentation for Security Assistance Programs, Fiscal Year 1992,Jointly prepared by the Department of State and the Defense Security Assistance Agency, pp. 10 and 60–68.

Note: Figures represent appropriations.
a For the acronyms, see the text.
b Included in FMF.

TABLE 2. US military assistance, fiscal year 1992

Recipient region	Number of countries	Military assistance in US $m a
Africa	42	33.6
Central & South America	30	280.2
East Asia & Pacific	11	210.1
Europe	9	1,108.4
Near East & South Asia	14	3,303.0
Non-Regional	-	41.4
Total Programme	**106**	**4,976.6**

Source: United States of America, Congressional Presentation for Security Assistance Programs, Fiscal Year 1992, Jointly prepared by the Department of State and the Defense Security Assistance Agency, pp. 8–10.

a Includes FMF and IMET.

TABLE 3. A comparison of major clients of Soviet arms and major Soviet debtors, 1986–90

Major Soviet Debtors	Debt (in b. roubles)	% share of total Soviet arms exp. 86-90	Rank as importer of Soviet arms
Cuba	15.5	1	16
Mongolia	9.5	–	–
Vietnam	9.1	1	21
India	8.9	21	1
Syria	6.7	7	7
Poland	5.0	8	5
Iraq	3.8	11	2
Afghanistan	3.1	9	3
Ethiopia	2.9	1	20
Algeria	2.5	1	15
North Korea	2.2	7	6
Angola	2.0	6	8
South Yemen	1.8	1	18
Libya	1.7	3	10
Egypt	1.7	–	–
North Yemen	1.0	0	31
Nicaragua	0.9	1	17
Mozambique	0.8	0	36
Laos	0.8	0	27
Cambodia	0.7	0	26

Leading 20 debtors	80.6	77	
Total debt to the U.S.S.R.	**85.8**		

Sources: SIPRI data base; Izvestia, 1 Mar. 1990 for statistics on debt.

Note: 0 = below 0.5%, – = Nil ;
figures for percentage share of Soviet arms exports do not add up due to rounding.

TABLE 4. Military and military-related personnel in Germany, 1990 and 1994

	1990	**1994**
Germany		
- troops - civil employees - arms industry employees TOTAL	635,000a 230,000 300,000 1,165,000	370,000 150,000 150,000? 670,000
USA		
- troops - civil US employees - civil German employees TOTAL	237,000 41,000 65,000 343,000	100,000 20,000 30,000 150,000
USSR		
- troops - civil Soviet employees - civil German employees TOTAL	380,000 ? 4,000 384,000	- - - -
United Kingdom		
- troops - civil British employees - civil German employees TOTAL	65,000 4,000 17,000 86,000	32,000 2,000 6,000 40,000
France		
- troops - civil French employees - civil German employees TOTAL	52,000 2,500 6,000 60,500	25,000b 1,000? 3,000 29,000
Belgium		
- troops	26,000	3,000

- civil German employees TOTAL	1,200 27,200	800? 3,800
The Netherlands		
- troops	7,400	3,000b
Canada		
- troops - civil German employees TOTAL	26,000 1,200 27,200	3,000 800? 3,800
TOTAL	**2,082,100**	**903,000**
- troops **- civil employees** **- arms industry employees**	1,410,400 371,700 300,000	539,400 213,600 150,000

Source: SIPRI data base, author's archive.

Note: ? = no definite information.
a In 1989 the FRG Bundeswehr consisted of 495 000 troops, and the GDR NVA of 170 000 troops.
b Might be totally withdrawn.

TABLE 5. High, Medium and Low Priority Aid Recipients

	A	B	C	D	E	F	G
Rank Country	military exp.	military exp. as % of GDP	weapon imports as % of total imports	education exp. as % of GNP	Health exp. as % of GNP	D+E-B	Rank sum of A+C+F
High Priority							
1 Barbados	10	0.7	0.00	6.0	4	9.3	258
2 Swaziland	9	1.7	0.00	6.2	2.3	6.8	253
3 Guyana	20	7	0.00	9.6	4.4	7	249
4 Costa Rica	20	0.4	0.03	4.5	5	9.1	246
5 Jamaica	25	0.8	0.00	5.2	2.8	7.2	245.5
6 Gambia	1	0.7	0.00	3.3	1.6	4.2	245
7 Fiji	6	0.7	0.18	6.4	2.4	8.1	244
8 Madagascar	23	1.3	0.00	2.9	2	3.6	224

9 Mauritius	5	0.3	0.39	3.5	1.7	4.9	221.5
10 Cent. African Rep.	18	1.7	0.51	5	1.2	4.5	213.5
11 Panama	92	2.7	0.16	5.4	5.7	8.4	213
12 Papua New Guinea	49	1.5	0.25	5	3	6.5	212
13 Niger	18	0.8	0.23	3.2	0.7	3.1	210
14 Trinidad&Tobago	144	2.7	0.00	5.7	3.2	6.2	209
15 Haiti	31	1.4	0.00	1.9	1.3	1.8	201
16 Congo	78	3.6	0.07	5.4	2.1	3.9	198
17 Zambia	49	3.2	0.00	3.5	2	2.3	197
18 Burundi	28	2.6	0.00	3.1	0.8	1.3	195
19 Botswana	48	1.9	1.47	9.2	3.8	11.1	194.5
20 Mauritania	50	5.7	0.00	5.8	2	2.1	193
21 Ghana	32	0.6	0.68	3.4	1.2	4	191.5
22 Dominican Rep.	42	0.8	0.09	1.4	1.7	2.3	191.5
23 Benin	32	1.9	0.63	5	0.8	3.9	191
24 Zaire	39	1.2	0.29	2.7	0.9	2.4	187.5
25 Liberia	25	2.2	0.71	4	1.8	3.6	186.5
26 Cote d'Ivoire	124	1.2	0.66	6	1.7	6.5	183
27 Malawi	24	1.6	1.12	3.2	1.9	3.5	182
28 Rwanda	39	1.7	0.38	3.4	0.6	2.3	179.5
29 Sierra Leone	5	0.5	1.15	1.3	0.6	1.4	171.5
30 Burkina Faso	54	2.8	0.13	3	1	1.2	169.5
	A	B	C	D	E	F	G
Rank Country	military exp.	military exp. as % of GDP	weapon imports as % of total imports	educ-ation exp. as % of GNP	Health exp. as % of GNP	D+E-B	Rank sum of A+C+F
Medium Priority							
31 Senegal	100	2	0.52	4.5	1.1	3.6	169
32 Nepal	58	2.2	0.29	2.8	0.8	1.4	164.5
33 Togo	43	3.2	3.60	6.5	1.7	5	163
34 Guatemala	140	2.6	0.00	2.2	1.2	0.8	160.5
35 Kenya	220	2.6	1.86	7.1	2	6.5	156
36 Mexico	587	0.5	0.35	2.1	2.3	3.9	155
37 Guinea	27	1.2	3.63	3	1	2.8	153

38 Cameroon	191	2.1	0.23	2.8	0.8	1.5	152
39 Cyprus	60	1.4	3.97	3.6	2	4.2	149.5
40 Gabon	122	4.5	2.87	7.1	1.6	4.2	149
41 Venezuela	1,200	1.4	0.69	5.4	2	6	149
42 Tunisia	361	4.9	0.38	5.4	2.2	2.7	147.5
43 Tanzania	175	5.2	0.00	3.6	1.1	-0.5	144.5
44 Uganda	40	0.8	1.27	1.5	0.3	1	140
45 Ecuador	160	1.5	3.10	3.5	1.9	3.9	136.5
46 Uruguay	167	2.1	1.19	3	1	1.9	133.5
47 Sri Lanka	173	2.9	2.09	3.7	1.7	2.5	131.5
48 Malaysia	1,884	4.6	0.63	6.9	1.5	3.8	130.5
49 Zimbabwe	350	7.9	4.29	10.6	3.7	6.4	129.5
50 Mali	67	3.3	1.01	3.3	0.7	0.7	129
51 El Salvador	141	3.5	0.37	2.1	0.9	-0.5	126.5
52 Paraguay	84	1.3	0.82	1.3	0.3	0.3	125.5
53 Somalia	20	3	2.43	0.6	0.2	-2.2	122.5
54 Philippines	676	1.7	0.32	2	0.7	1	120
55 Sudan	216	2	3.10	4.2	0.2	2.4	116
56 Mozambique	94	10.4	0.54	4	1.8	-4.6	114
57 Singapore	1,433	5.1	0.49	5	1.3	1.2	112.5
58 Brazil	3,000	1.2	2.04	3.4	1.7	3.9	110
59 South Africa	3,407	4.2	0.25	4.8	0.6	1.2	110
60 Morocco	1,032	4.3	2.12	5.6	1	2.3	105.5
	A	B	C	D	E	F	G
Rank Country	military exp.	military exp. as % of GDP	weapon imports as % of total imports	education exp. as % of GNP	Health exp. as % of GNP	D+E-B	Rank sum of A+C+F
Low Priority							
61 Libya	1,780	7.4	7.04	9.5	3.2	5.3	102
62 Nigeria	310	1.1	1.37	1.5	0.2	0.6	101
63 Kuwait	1,518	6.5	1.82	5.3	2.8	1.6	98
64 Bangladesh	303	1.6	2.56	2	0.6	1	95
65 China	21,270	3.9	0.15	2.7	1.4	0.2	95
66 Bolivia	181	3.9	1.91	2.9	0.4	-0.6	94

67 Indonesia	1,700	2	2.22	3.4	0.5	1.9	92.5
68 Yemen	390	7.2	0.96	5.5	1	-0.7	92
69 Honduras	279	8.4	2.04	4.9	3.3	-0.2	91.5
70 Colombia	1,164	2.6	1.47	2.7	0.7	0.8	90
71 Chad	60	3.8	5.46	2	0.6	-1.2	86.5
72 Thailand	2,392	3.2	2.60	3.6	1.1	1.5	81.5
73 Peru	500	3	7.42	3.4	0.8	1.2	71.5
74 Myanmar	330	3.1	5.20	2	0.7	-0.4	69
75 Egypt	3,652	4.5	8.76	5.9	1.1	2.5	67.5
76 Chile	1,511	6.5	2.88	4.7	2.1	0.3	66.5
77 Bahrain	200	10.7	7.17	4.5	2.6	-3.6	58
78 Iran, Islamic Rep.	5,133	3	6.16	2.9	1.5	1.4	57
79 Argentina	3,000	3	3.28	1.9	1.5	0.4	56.5
80 Jordan	522	11	6.23	4.9	2.7	-3.4	50
81 United Arab Em.	1,439	5.4	4.27	2.2	1	-2.2	49.5
82 Oman	1,352	15.8	4.99	5.3	2.2	-8.3	42
83 Nicaragua	350	28.3	12.87	6.2	5	-17.1	38.5
84 India	9,550	3.3	15.10	3.5	0.9	1.1	38
85 Ethiopia	786	13.6	11.45	4.2	1.3	-8.1	35
86 Turkey	3,418	3.9	6.10	1.6	1.5	-0.8	35
87 Pakistan	2,906	6.7	7.16	2.2	0.2	-4.3	28
88 Syrian Arab Rep.	2,070	9.2	37.71	4.7	0.4	-4.1	22
89 Saudi Arabia	15,213	19.8	10.59	7.4	3.6	-8.8	11
90 Iraq	9,268	23	20.09	4.6	0.8	-17.6	7

TABLE 6. Major armed conflicts in 1990, by type and region

Region	**International**	**State-formation**	**Internal**	**Total**
Africa	-	3	7	10
Asia	1	5	4	10
Central&South America	-	-	5	5
Europe	-	1	-	1

Middle East	-	4	1	5
Total	1	13	17	31

Source: Lindgren, K., Heldt, B., Nordquist, K-_. and Wallensteen, P., 'Major armed conflicts in 1990', in SIPRI Yearbook 1991: World Armaments and Disarmament (Oxford University Press, 1991), chapter 10.