

The impact of rising military expenditure

Nan Tian, PhD

(Stockholm International Peace Research Institute)

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SIPRI and Military Expenditure

- Military expenditure - core topic at SIPRI since 1966
- Provision of impartial data – disarmament and negotiations
- SIPRI flagship publication – First SIPRI Yearbook 1968/69
- Aim: “to produce a factual and balanced account of a controversial subject—the arms race and attempts to stop it”
- Initially:
 - long and short-term **trends** in military expenditure, individual countries, regions and world (LC, current and constant US\$)
- Subsequent:
 - Presented in **opportunity cost** terms and **budget priorities** terms. (% of GDP and % of gvt)
- Now: most authoritative international source of military spending



SIPRI and Military Expenditure

- What is military expenditure?
 - Military related activities - current and capital
 - No civil defence and non-military related activities
- Data and source
 - 7 variables - 168 countries; 1949-2023
 - Military spending % of Gvt spending and military spending per capita – 1988-2023
 - Primary sources - publicly available, official government documents, some secondary sources
 - +- 98% of all country data are official government documents
- Annual data Launch and global audience
 - Last week of April every year data launch: Data, Factsheet, Press Release and Infographics



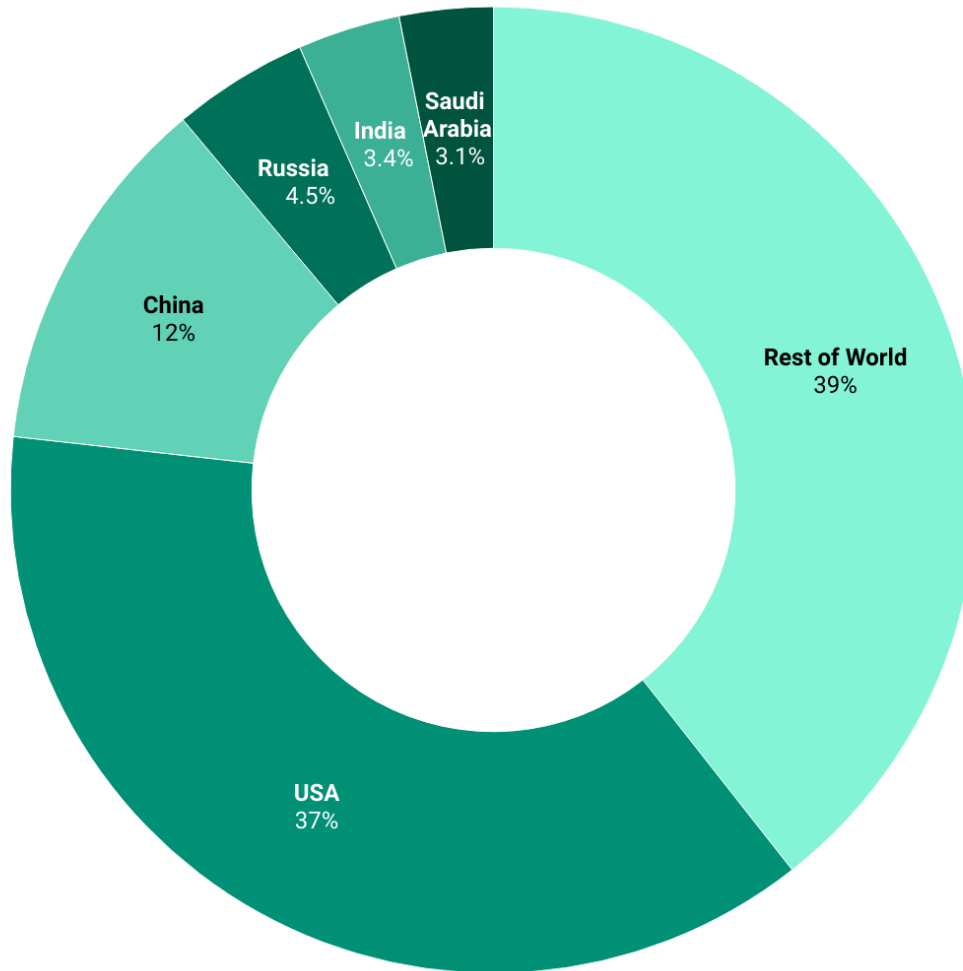
Current State of World Military Expenditure

- In 2023 ...
 - World spending **\$2.4 trillion**, highest level ever recorded.
 - **6.8% increase** (real increase, accounting for inflation) from 2022, highest year on year increase since 2009.
 - **9 years of consecutive increases**
 - Spending **increased** for the 1st time since 2009 in all **5 geographical continents**.
 - Top 5 military spenders: USA, China, Russia, India, Saudi Arabia - **\$1.5 trillion or 61% of world spending**.
 - World military spending as % of world GDP (**military burden**) was **2.3%** in 2023.
 - Link between violent events around the world and higher military spending.



Share of world military spending of the 5 countries with the highest spending in 2023

Rest of World USA China Russia India Saudi Arabia

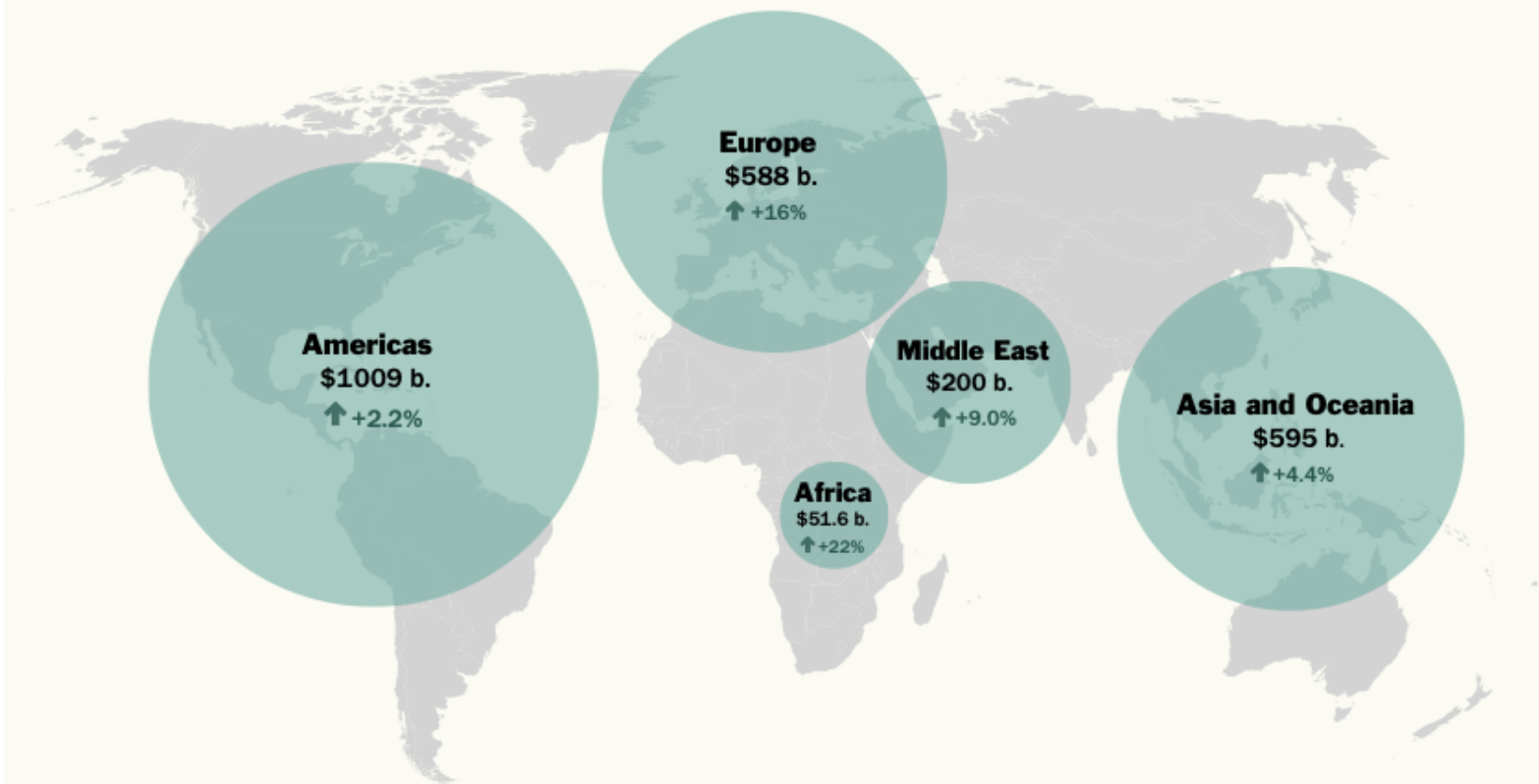


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World military expenditure reaches record high

Spending totalled \$2443 billion in 2023 and increased in all regions for the first time since 2009.



● Spending (\$ b.), 2023 ↑ Change in spending, 2022-23

Note: Spending figures are in billions of US dollars, at current (2023) prices and exchange rates.

Changes in spending are in real terms, based on constant (2022) US dollars.

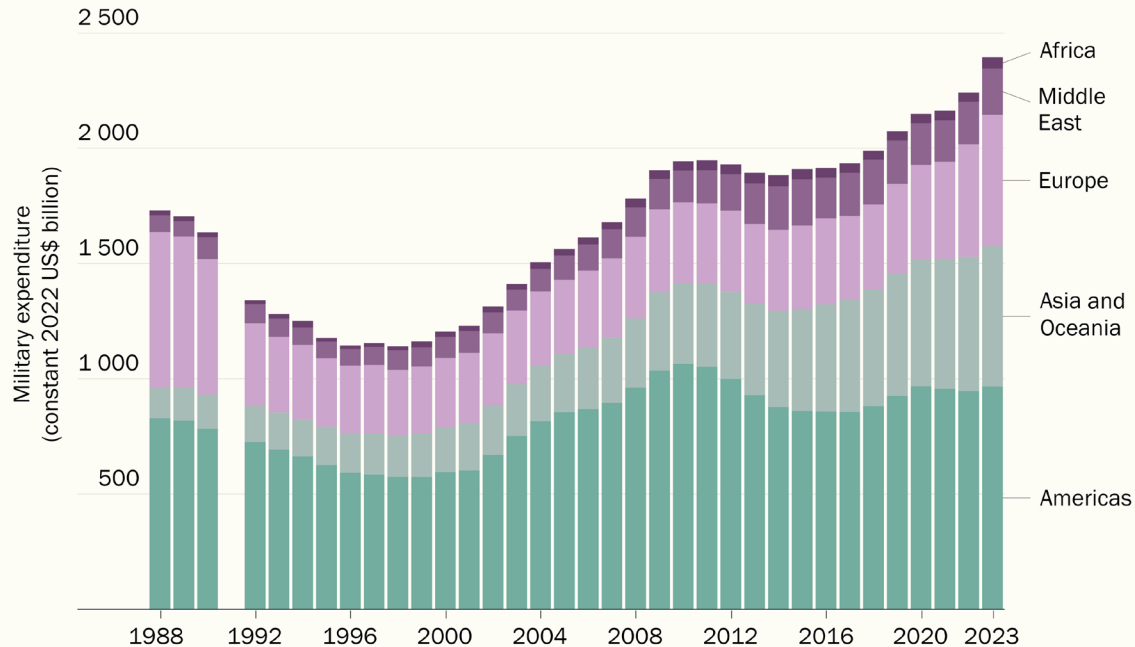
Source: SIPRI Military Expenditure Database, Apr. 2024.

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World military expenditure grows for the ninth consecutive year to reach all-time high

Spending increased by 6.8 per cent in real terms in 2023, which was the steepest year-on-year rise since 2009.



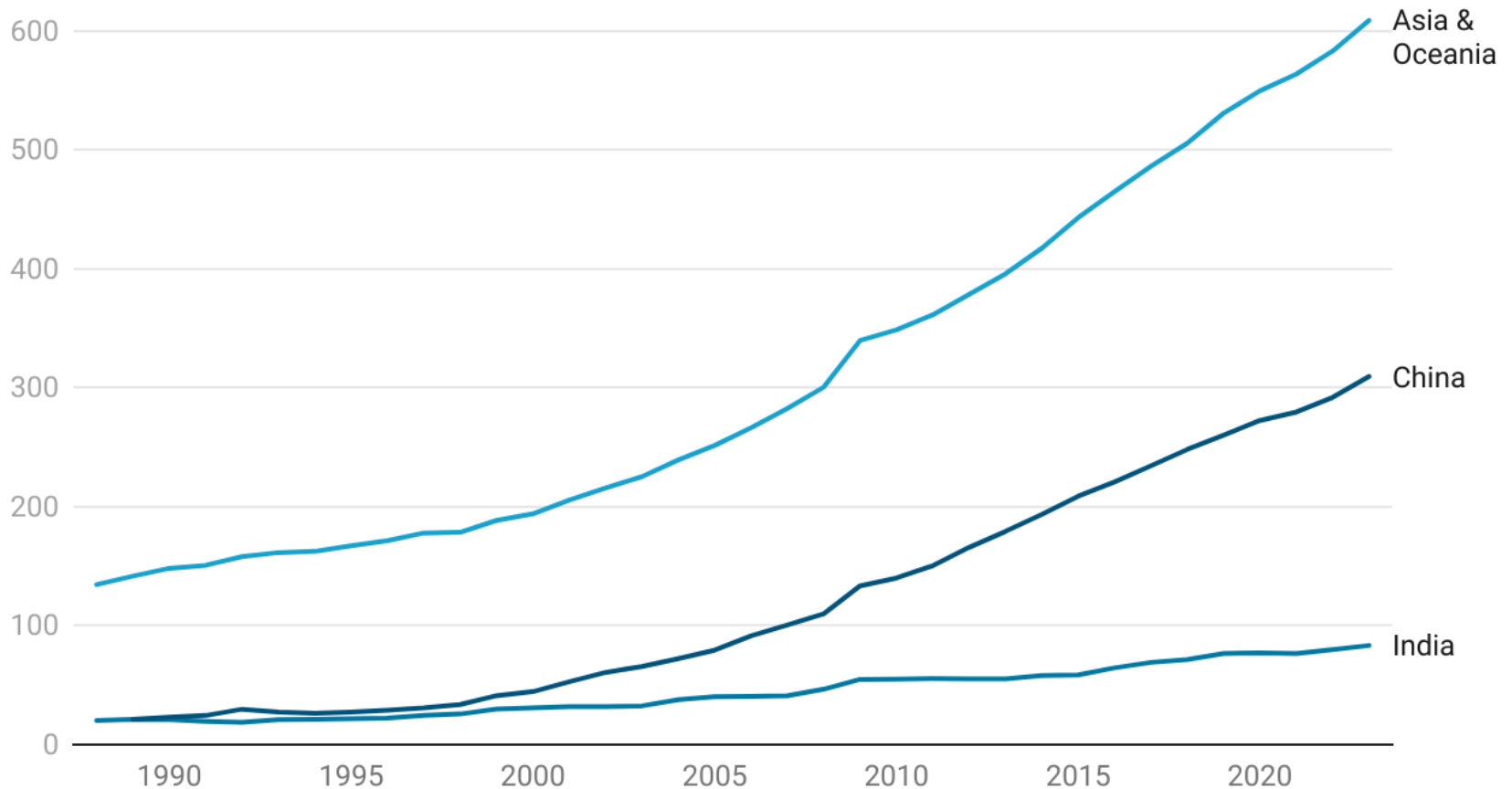
Note: The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.
Source: SIPRI Military Expenditure Database, Apr. 2024.

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Military Spending in Asia and Oceania, China and India - 1988-2023

Billions (2022 constant US\$)

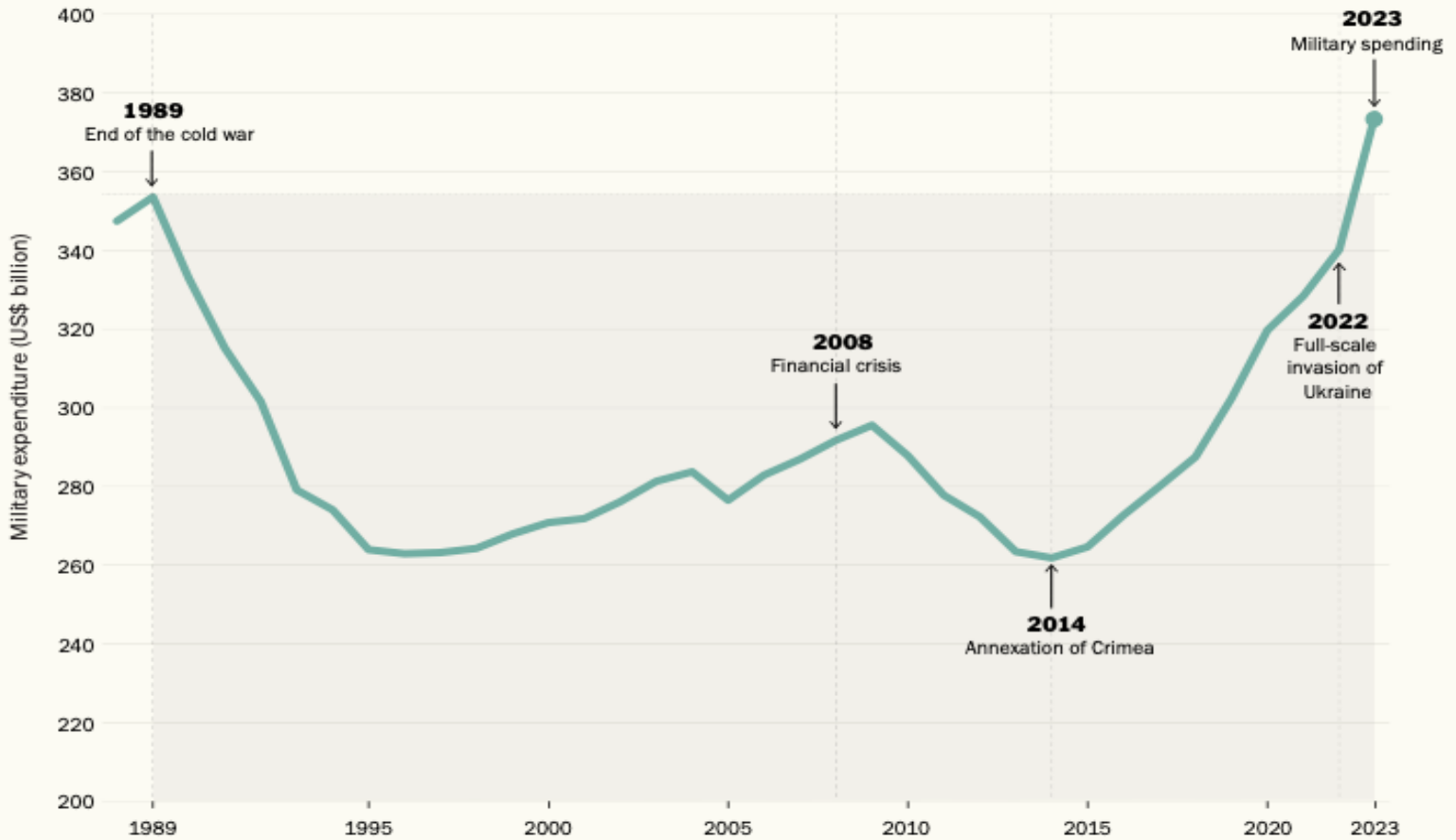


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Military spending in Central and Western Europe surges

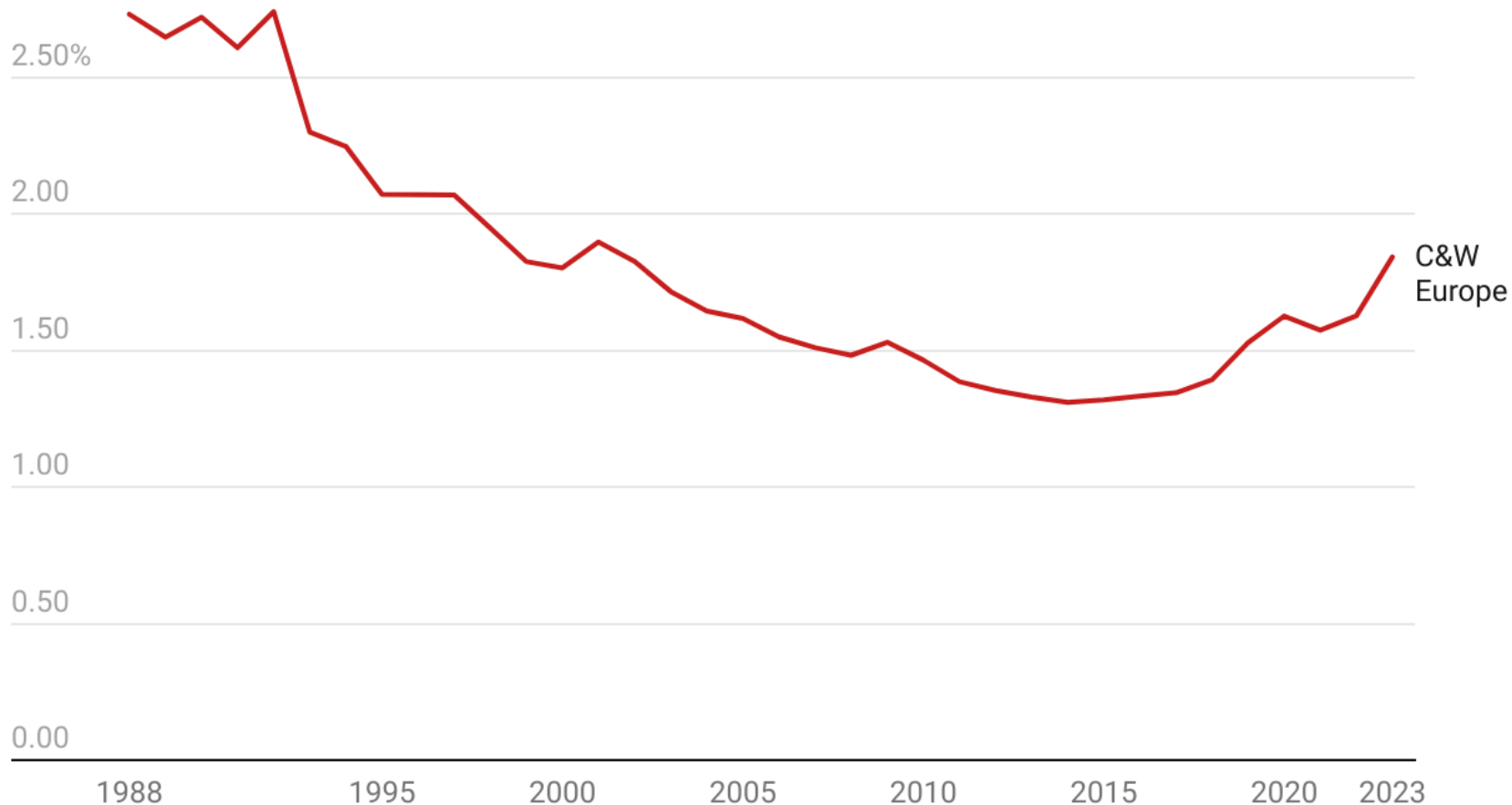
In real terms, spending by states in Central and Western Europe was higher in 2023 than at the end of the cold war.



Note: The graph shows spending in real terms, based on constant (2022) US dollars.
Source: SIPRI Military Expenditure Database, Apr. 2024.



Military Spending as % of GDP in Central and Western Europe

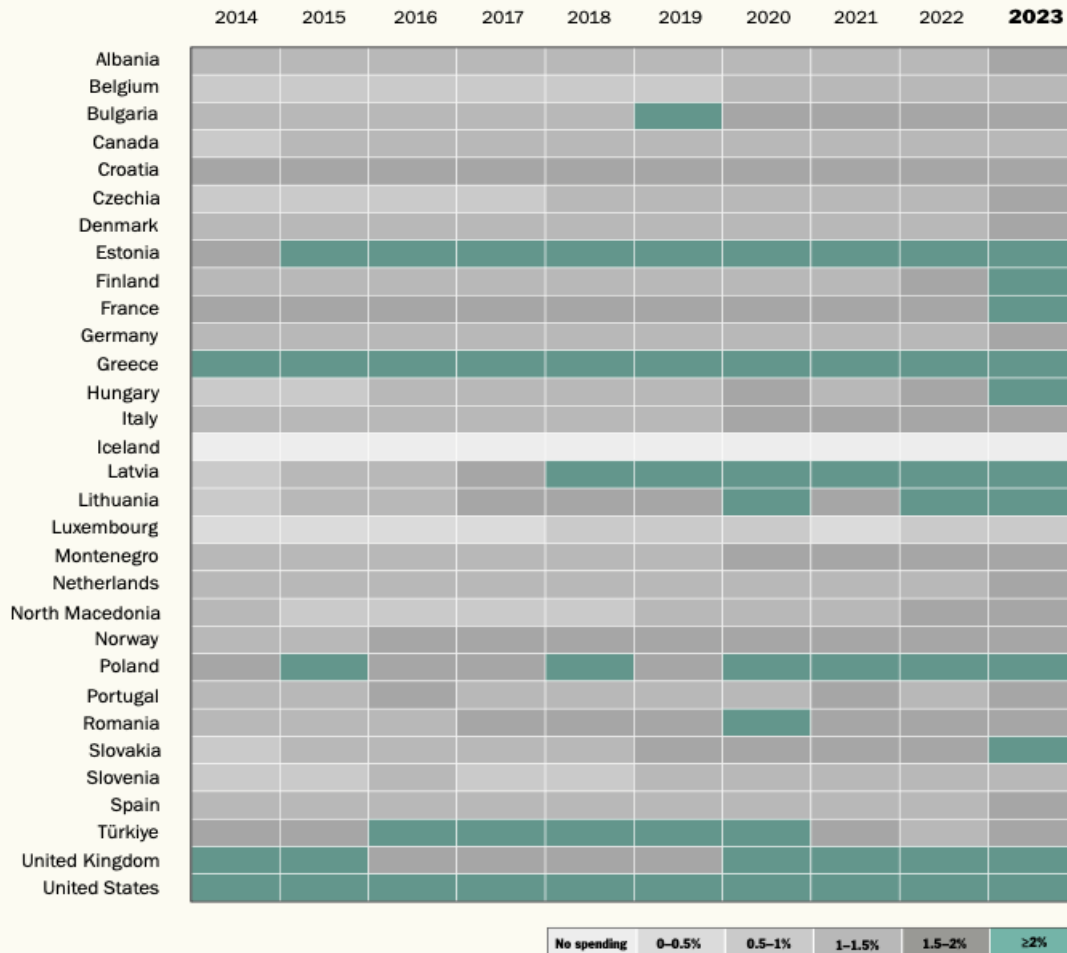


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More than a third of NATO members meet spending target

In 2023, a decade after NATO members formally committed to a target of spending 2% of GDP on the military, 11 out of 31 met or exceeded that level.



GDP = gross domestic product

Notes: Iceland has no military spending. Montenegro joined NATO in 2017, North Macedonia joined in 2020 and Finland joined in 2023.

Source: SIPRI Military Expenditure Database, Apr. 2024.

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Military aid to Ukraine narrows spending gap with Russia in 2023



Note: Spending figures are in billions of US dollars, at current (2023) prices and exchange rates.
Source: SIPRI Military Expenditure Database, Apr. 2024.

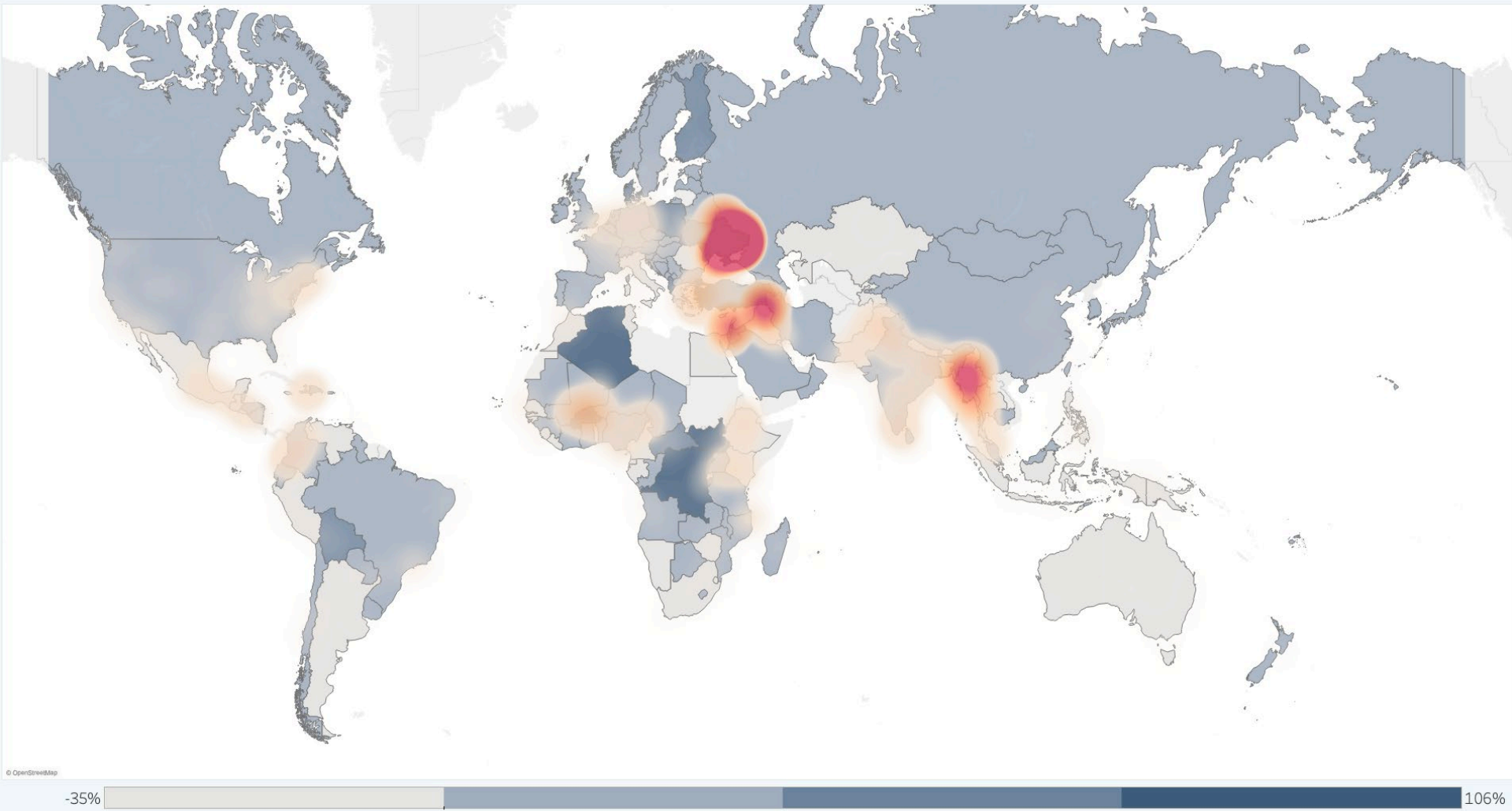
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Trends in global military expenditure, 2023



Changes in military spending and violent events around the world



© OpenStreetMap



Beyond the numbers – impact of rising military spending

- Focus on numbers of military spending overlooks the breadth of the impact
- Traditional
 - GDP – opportunity costs of military spending on economic growth
 - Debt – using debt to financing military expenditure
 - Trade-off between military and other public sectors (health, education, infrastructure) – E.g. Sweden: defence and contingency +31% for 2025, **cuts** in international cooperation, climate and nature, **unchanged** migration; Culture, the media, religious communities and leisure activities
 - Inequality – how military spending is financed, type of taxation matters. Long-term impact income inequality.
 - Governance – Strong military linked to deterioration in rule of law, public deliberation, competitive elections and political accountability, reallocation of resources to benefit military

Beyond the numbers – impact of rising military spending

- New concerns
 - Environment
 - Carbon emissions and fuel consumption from military activities and arms production. Concern but lack evidence – Report on US DoD 20 year war in Afghanistan, 2018 emissions by US DoD 56 million of metric tons (underestimate), Sweden 2018, 44 million metric tons. Gap in knowledge.
 - Gender Inequality
 - Resource distribution from trade-offs negatively affect women more
 - Job distribution in the arms industry, the share in the largest arms producers is at best 60-40 but often 70-30 in share between men and women.
 - Oversight and accountability
 - Off-budget funding mechanisms, outside the control and oversight of Parliament (e.g. Poland, Germany)



Beyond the numbers – impact of rising military spending

- New concerns
 - Impact on the arms industry
 - since end of the cold war, the sector is seeing the highest amount of investment. Strong national support, support at EU level through funding mechanisms (e.g. European Defence Fund).
 - Blurring of lines between traditional military companies and emerging tech companies. Civil companies producing or developing applications for military use.
 - Effectiveness of rising military spending
 - Urgency to increase allocations to the military, but is spending linked to security priorities or filling capability gaps? Ineffective spending and wasteful spending.
 - Changing perspective on peace and security
 - Security through armaments and deterrence. Negative vs. Positive peace (CSBM, transparency, rebuilding the international systems)

