

Defence and Development

Canada is one of the 15 top military spending nations in the world, and the sixth largest military spender among the 28 members of NATO. Our military spending is now higher than it has been in more than 60 years — higher even than it was during the Cold War.

According to the federal government's latest budget estimates, Canada will spend \$21.185 billion on its military forces in fiscal year 2009–10,¹ 9.6% more than it did last year and about 15% more than it did in its peak spending year during the Cold War (1952–53).

The current build-up in spending began in 1999, well before the 9/11 terrorist attack on the United States. But Canadian participation in the U.S.-led “global war on terrorism” that followed 9/11 has been the primary driving force behind the increases. Indeed, Canada's participation in the Afghanistan mission alone probably accounts for about half of the \$23.1 billion in extra spending² that has taken place since 9/11.

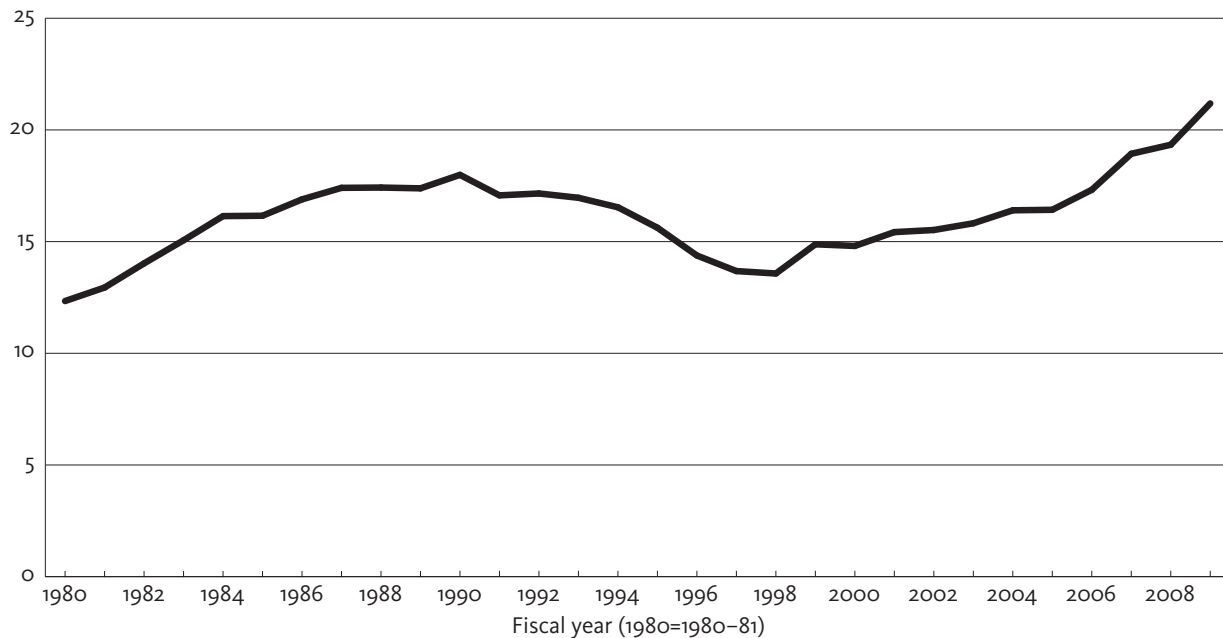
Afghanistan mission costs

The Department of National Defence's annual *Report on Plans and Priorities* indicates that

the incremental cost of Canada's military operations in Afghanistan during the nine years from FY2001–02 to FY2009–10 has been about \$6.3 billion.³ However, Parliamentary Budget Officer Kevin Page's report last year on the cost of the Afghanistan mission concluded that the actual incremental costs of the mission were higher — between \$5.9 billion and \$7.4 billion for the seven years from FY2001–02 to FY2007–08⁴ (the *Report on Plans and Priorities* figures show incremental costs of just \$3.6 billion during this period). If the figures for FYs 2008–09 and 2009–10 were similarly underestimated, the incremental costs for the Afghanistan mission are probably closer to \$12–15 billion to date, equivalent to about half of the \$23.1 billion extra spent during the FY2001–02 to FY2009–10 period.

Even that figure arguably underestimates the cost of the Afghanistan mission. Canada's presence in Afghanistan ties up not just the troops actually deployed in the country, but also many thousands of personnel preparing for deployment, recovering from deployment, or directly or indirectly supporting the operation from Canada. If Canada had chosen not to participate in the Afghanistan mission, we could have main-

CHART 9 Canadian military spending, 1980–81 to 2009–10 (\$billions 2009)



tained a somewhat smaller armed forces while continuing to participate in other missions, such as peacekeeping. Depending on the actual personnel level maintained, additional savings, potentially as much as several billion dollars, might have been realized over that period.

Continued budget growth projected

The extent to which Canada's military role in Afghanistan will be wound down after the scheduled end of the current mission in 2011 remains to be seen. Nonetheless, the *Canada First Defence Strategy*, unveiled by the Harper government in 2008, promises that Canada's military spending will continue to grow by an average of 0.6% in real terms (adjusted for inflation) and an average of 2.7% in nominal terms (not adjusted for inflation) per year from FY2007–08 to 2027–28.⁵ Total spending over the 20-year life of this plan would likely be in the \$415–440 billion range (2009 dollars),⁶ or about \$13,000 per Canadian.

Global comparisons

Actual level of spending

Worldwide military spending is estimated to have been \$1.46 trillion in 2008 (U.S. dollars), the latest year for which reliable figures are available.⁷ Like Canadian military spending, global military spending is now higher than it was during the Cold War.

Another way to assess Canada's military spending is to compare it to that of its allies in NATO. The 28 members of NATO collectively account for about 64% of world military spending, or nearly two-thirds of the total. Canada is the sixth largest military spender among those 28 countries, trailing only the United States, the United Kingdom, France, Germany, and Italy, all of which have much larger populations and economies.⁹

Failing at peacekeeping

Even most supporters of Canadian participation in the Afghanistan war would agree that Canada has borne an excessively high share of the burden of that war. Beyond the cost of the Afghanistan mission in killed and injured soldiers, the costs in money, personnel available to deploy, and other military resources together comprise a large part of the explanation for Canada's currently dismal contribution to UN peacekeeping operations. Even before the Afghanistan war, however, Canada had essentially abandoned any effort to shoulder a reasonable share of the burden of UN peacekeeping operations around the world.

During the Cold War, Canada provided about 10% of all UN peacekeeping troops. The huge growth in the number, size, and scope of UN operations after the end of the Cold War made this level of support no longer possible, but Canada continued to provide about 1,000 peacekeepers (sometimes more than 3,000) well into the 1990s.

In 1997, however, Canada began to dramatically reduce its contribution to UN operations. The initial reduction can be explained in large part by the extensive Canadian contribution to the NATO-led Stabilization Force (SFOR) in Bosnia and Herzegovina. SFOR was then followed by the 1999 Kosovo war, participation in the NATO-led Kosovo Force (KFOR), and then the post-9/11 Afghanistan mission.

By 2005, just 83 Canadian military personnel were assigned to UN peacekeeping missions. The Canadian government promised that year that the Canadian Forces would “maintain their contributions to international organizations such as the United Nations”¹⁰ but the decline continued unchecked. In 2008, Canada and other governments voted to shut down the UN's Multinational Standby High Readiness Brigade (SHIRBRIG), an innovative rapid-reaction peacekeeping unit that had once been championed by Canada.¹¹ The shutdown took effect in June 2009.

TABLE 15 Top 15 military spenders 2008⁸ (\$US billions)

United States	607.0
China	84.9
France	65.7
United Kingdom	65.3
Russia	58.6
Germany	46.8
Japan	46.3
Italy	40.6
Saudi Arabia	38.2
India	30.0
South Korea	24.2
Brazil	23.3
Canada	19.3
Spain	19.2
Australia	18.4

Canada's switch from major supporter of UN peacekeeping to an almost exclusive focus on U.S.-led or NATO-led “coalitions of the willing” was not a result of the disappearance of UN missions. Notwithstanding the claim often heard in Canada that UN peacekeeping is dead, the demand for peacekeepers has actually grown in recent years. As of September 2009, there were 83,853 UN peacekeeping troops (plus 12,222 police) — a record number — participating in a total of 15 operations around the world.¹²

Canada contributes just 55 military personnel to these operations, or 0.07% of the total, making Canada 63rd on the list of 105 military contributors (down from 58th last year). These personnel are divided among seven operations, for an average Canadian contribution of 8 military personnel per operation.¹³

Our personnel contribution ranks between that of Cambodia (58 soldiers) and that of Romania (52). Even Albania, with an annual military budget of just \$US235 million, provides more military peacekeepers (63) than we do. Rwanda contributes 64 times as many military personnel (3,502) as Canada does.

Our contribution in spending terms is equally tiny. The incremental cost of Canada's military contributions to UN missions between FY2001–02 and FY2008–09 was just \$73.9 million, an average of \$9.2 million a year. This year's amount is expected to be only half that, a paltry \$4.5 million.¹⁴

The only Canadian contribution that remains substantial is a non-military one: our cash contribution to the UN peacekeeping budget, currently \$190 million a year. This payment, a legal obligation of our membership in the United Nations, comes out of the budget of the Department of Foreign Affairs and International Trade, not the Department of National Defence.¹⁵

The sheer size of Rwanda's contribution highlights an uncomfortable fact about contemporary peacekeeping: the overwhelming burden of current UN peacekeeping operations has been transferred to the poorer countries of the world, whose soldiers are normally much less well equipped and in some cases are also less well trained. "Middle powers" such as Canada are not bearing their share of the burden of these operations, and the resulting equipment and training shortfalls threaten to undermine the effectiveness of the operations currently underway.

Canada could make a significant contribution to global security by renewing its commitment to peacekeeping. But there is little likelihood of that happening any time soon. The collapse in Canadian government support for peacekeeping happened even while Canada's military budget was undergoing greater than 50% growth. The problem, in short, is more fundamental than just money. There are not enough Canadian soldiers to both participate in Afghanistan-style missions and make a significant, ongoing contribution to peacekeeping. Despite the growing military budget, not enough Canadians want to join the military, and demographics suggest that these recruitment difficulties will only grow in the future.¹⁶

An even greater problem may be the strong institutional bias in the Department of National Defence and the broader Canadian "defence lobby" against UN peacekeeping and in favour of US/NATO "coalition of the willing" operations. This bias may begin to change as the cost in blood and treasure of such operations is weighed against their results. But insofar as peacekeeping is seen (and in some circles feared) as a possible alternative that might displace coalition combat operations as the primary international role of the Canadian Forces, that antipathy is likely to persist.

The AFB will refocus the Canadian military on the areas that Canadians are proud of, especially peacekeeping. In so doing, it is important to scale back the recent Canadian focus on combat operations. Over the coming five years, the AFB will reduce Defence to its pre-9/11 levels of funding. Prior to the 2001 ramp up in spending, the Department of National Defence spent just under \$15 billion a year. In 2009–10 the figure has topped \$21 billion. In order to return to the pre-2001 level, the AFB will shrink the defence budget by \$6 billion over 5 years.

Humanitarian opportunity cost

Although the Afghanistan mission is often defended in part on humanitarian grounds, the money that is spent on such missions could be used far more effectively in development assistance and other humanitarian aid in other parts of the world.

At \$4.08 billion in 2007, Canada's current level of Official Development Assistance (ODA) is the ninth largest in the world.¹⁷

This absolute dollar figure makes Canada a relatively large player in the aid field, but the worldwide total of ODA flows (and other forms of assistance) falls far short of internationally recognized requirements. For this reason, Canada and most other high-income countries have long promised to move towards providing 0.7% of

Gross National Income (GNI) as ODA.¹⁸ A small number of countries have managed to reach or surpass this target, but the great majority of countries remain a long way from achieving it.

Canada's performance in this respect has not been impressive. The average ODA share among the members of the OECD Development Assistance Committee is only 0.45% of GNI, far short of the long-promised target level. But Canadian ODA, at a mere 0.29% of GNI, is even farther from the target, lagging at a dismal two-thirds of the international average.

A great deal of progress has been made in recent decades in development and humanitarian assistance. One clear example of this progress is the fact that the number of children under the age of five dying every year from hunger, disease, and deprivation has fallen by 3.6 million since 1990, even as the world's population has continued to climb.

But the long-standing shortfall in ODA resources has left much vital work undone: 24,000 people, including 17,000 children, die of hunger every day; 4,000 more children die daily from a lack of clean water and sanitation; 13% of children in developing countries are deprived of an education. All told, 9 million children under the age of 5 die of preventable causes every year, along with additional millions of older children and adults. During the time Canada has been fighting in Afghanistan, there have been some 70 million preventable child deaths around the world.

Worse still, the steady progress that has been made to date is coming increasingly under threat from the effects of climate change. The aid organization OXFAM recently called on the international community to "make a new commitment to fund adaptation to climate change," using funds separate from and additional to the 0.7% of GNI promised for aid.¹⁹

Addressing these problems will require a real commitment to provide greater resources on the part of Canada and other wealthy countries. If the extra \$130-to-\$155 billion that Canada will

spend over the next 18 years as a result of its post-Cold War military budget build-up were spent instead on aid, it would be enough to nearly triple Canadian development assistance over that period, enabling us to meet and even exceed the 0.7% target and to provide additional resources for climate change aid.

Canada's contributions need not boil down to an either/or choice between military and non-military activities. In some parts of the world, conflict and chaos make it next to impossible to deliver significant development assistance or humanitarian aid. This is certainly the case in much of Afghanistan. Sometimes military help may be needed to provide a secure environment for aid delivery.

But if assistance to people in need is the primary goal, our first priority must be to deliver that assistance where it can do the most good. Just as it makes no humanitarian sense for a doctor to save one badly injured person if it means allowing three other injured people to die, it makes no sense to focus our humanitarian efforts in areas where aid can only be delivered with great effort, expense, and danger, and with limited success if it means leaving other parts of the world where aid could be delivered far more effectively without assistance.

In order to fulfill the Canada's commitment to development, the AFB will double current development spending to reach the 0.7% of GNI target over the next 10 years. This will mean increases of 14% a year on the present overseas development budget to reach that goal and keep up with the growth in the Canadian economy.

Conclusion

Canada is currently spending more on the military than it has at any time since the end of the Second World War. We are the 13th largest military spender in the world.

Canada's mission in Afghanistan has absorbed a significant part of the recent increases

in Canadian military spending. This has come at the cost of Canada's ability to contribute to UN peacekeeping operations and its ability to fund non-military contributions to global security and humanitarian action. Canada could make a much greater contribution to global security and humanitarian action by shifting resources to non-military security efforts and to peacekeeping operations.

Notes

1 Total includes \$416 million in spendable revenue. National Defence 2009–2010 Report on Plans and Priorities, Department of National Defence, 2009.

2 Calculated by comparing actual spending to what would have been spent if Canada's military budget had remained unchanged at its FY2000–01 level. All figures converted to 2009 dollars.

3 National Defence 2009–2010 Report on Plans and Priorities and earlier editions. "Incremental cost" as defined by DND is the cost incurred by DND over and above what would have been spent on personnel and equipment if they had not been deployed.

4 Ramnarayanan Mathilakath, Ashutosh Rajekar & Sahir Khan, Fiscal Impact of the Canadian Mission in Afghanistan, Office of the Parliamentary Budget Officer, 9 October 2008. The Parliamentary Budget Office figures are larger because they include the estimated cost of capital depreciation due to the war. Certain other costs, such as "accelerated procurement of capital and danger pay", were not counted due to a lack of reliable data. The report notes, therefore, that "the estimates provided may understate the costs of Canada's mission in Afghanistan." In addition to DND costs, the report looked at the costs to Canada of veterans' benefits and of foreign aid to Afghanistan. However, as those costs do not fall under the military budget, they are not cited here.

5 Canada First Defence Strategy, Department of National Defence, 2008.

6 Actual spending would depend on the type and intensity of operations undertaken over that period. The Canada First Defence Strategy puts the number at \$490 billion, excluding operations costs, but this figure is not adjusted for inflation.

7 SIPRI Yearbook 2008: Armaments, Disarmament and International Security, Oxford University Press, 2008, Appendix 5A.

8 SIPRI Yearbook 2008: Armaments, Disarmament and International Security, Appendix 5A.

9 "Financial and Economic Data Relating to NATO Defence," NATO Communiqué PR/CP(2009)009, North Atlantic Treaty Organization, 19 February 2009.

10 A Role of Pride and Influence in the World: Defence, Government of Canada, 2005, p. 24.

11 Walter Dorn & Peter Langille, "Where have all the Canadian peacekeepers gone?", straight.com, 7 August 2009.

12 Contributors to United Nations Peacekeeping Operations, United Nations, 30 September 2009.

13 The combined Canadian military and police contribution is only a little bit better: 178 personnel, or 0.19% of the total, making Canada 56th out of 116 contributors overall (compared to 54th last year).

14 National Defence 2009–2010 Report on Plans and Priorities and earlier editions.

15 Foreign Affairs and International Trade 2009–2010 Report on Plans and Priorities, Department of Foreign Affairs and International Trade, 2009.

16 See, for example, "Chapter 2—National Defence—Military Recruiting and Retention," 2006 May Status Report of the Auditor General of Canada, Auditor General of Canada, May 2006.

17 Aid Targets Slipping Out of Reach? OECD Development Assistance Committee, 2008.

18 ODA is normally measured as a percentage of GNI rather than GDP. GNI is similar to GDP but takes into account cross-border income flows.

19 Beyond aid: ensuring adaptation to climate change works for the poor, Oxfam Briefing Paper No. 132, Oxfam International, 2009.