

Trends in Resource Availability and Security Sector Spending

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Resource availability and security spending

- Resource availability: GDP – monetary value of goods and services produced by a country in a given year -> total government revenue (tax, grants, transfers, aid, sale of goods, services and property)
- Total government expenditure: function or administration -> security expenditure

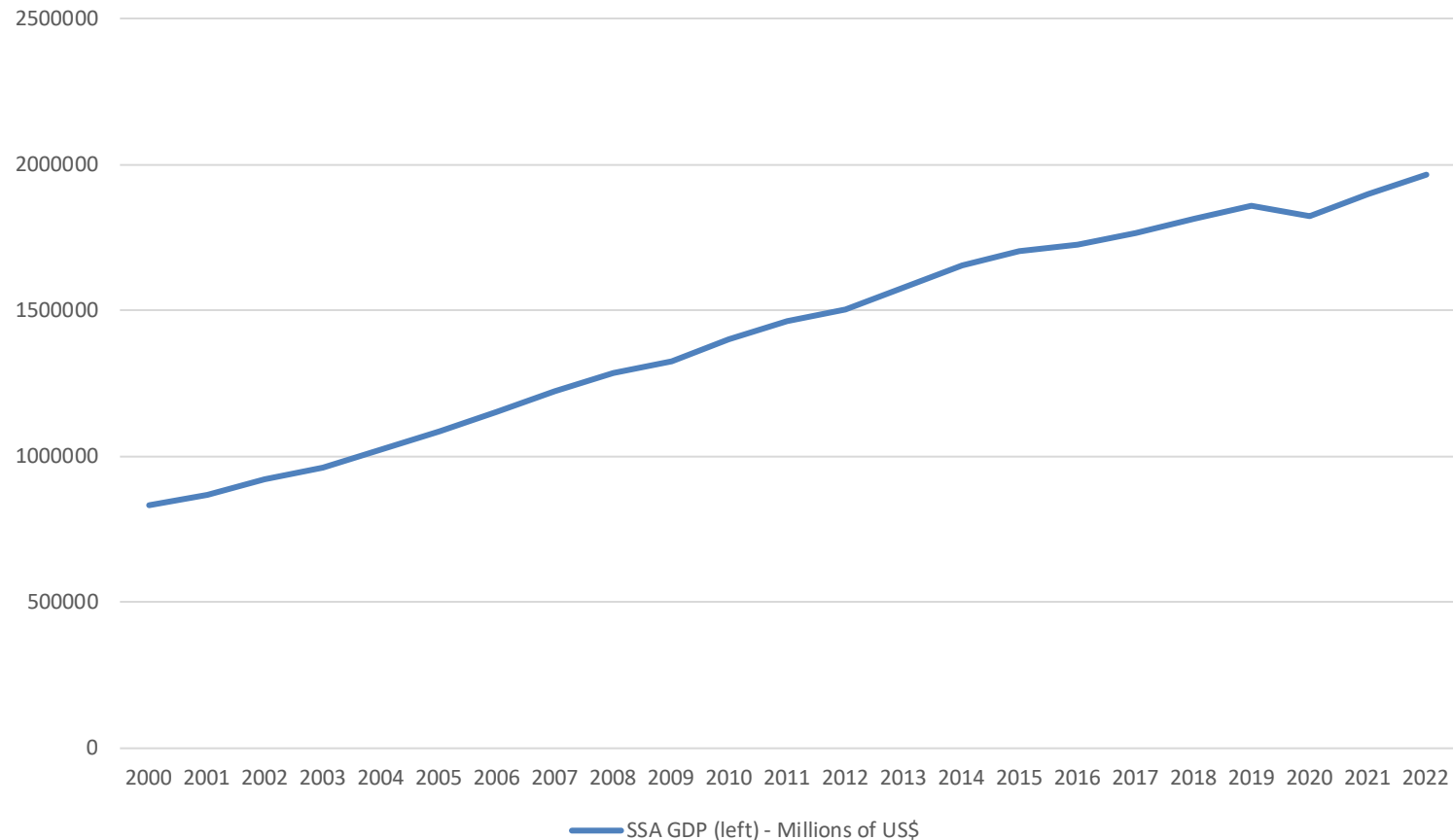
Summary of All Funds in Dalasi '000 s

	2022		2023	
	Budget	%Nom GDP	Budget	%Nom GDP
Total Revenue & Grants	26,595,392	23.09%	33,217,452	25.37%
Expenditure & Net Lending	31,184,882	27.07%	37,150,621	28.37%
Gross Surplus/Deficit(-)	-4,589,489	-3.98%	-3,933,170	-3.00%
Financing	4,589,489	3.98%	3,933,170	3.00%

- Total government expenditure > total government revenue = deficit and financed through debt (national or international)
- “balancing the needs of the country (i.e. priorities) with resource availability”
- Trade-offs, competing needs and sometimes a zero-sum game

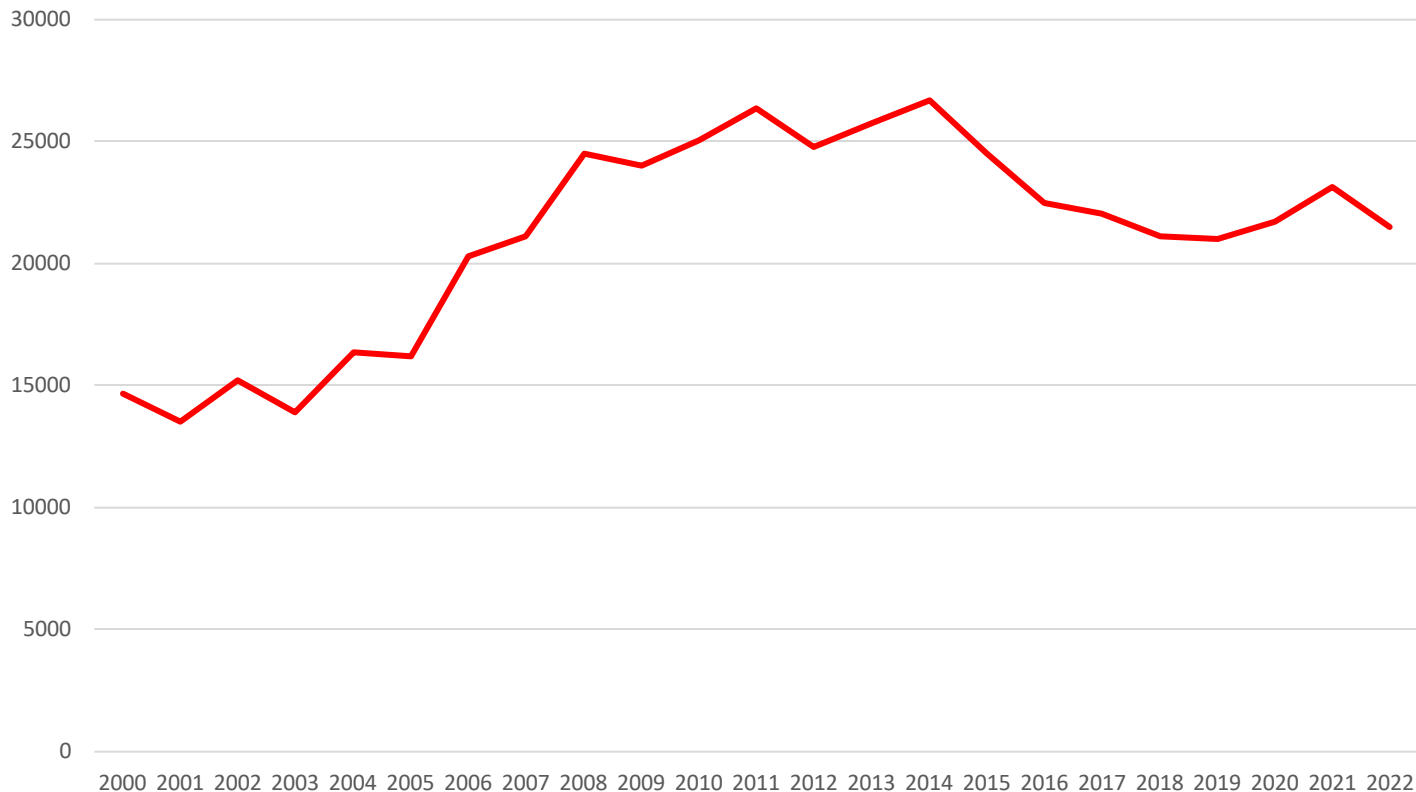
Trends in resource availability and military spending

Gross Domestic Product - sub-Saharan Africa 2000-2022

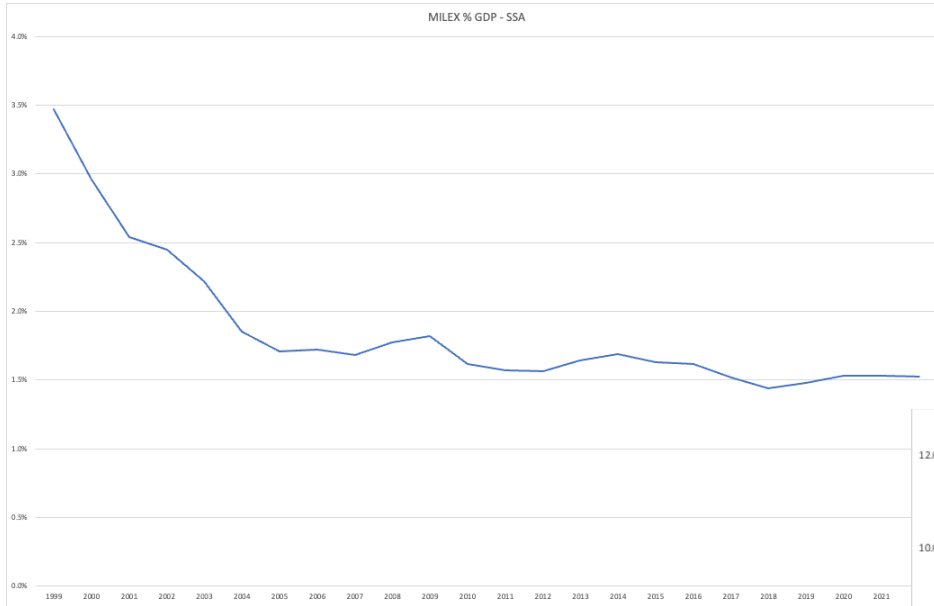


Trends in resource availability and military spending

Military Expenditure - sub-Saharan Africa 2000-2022

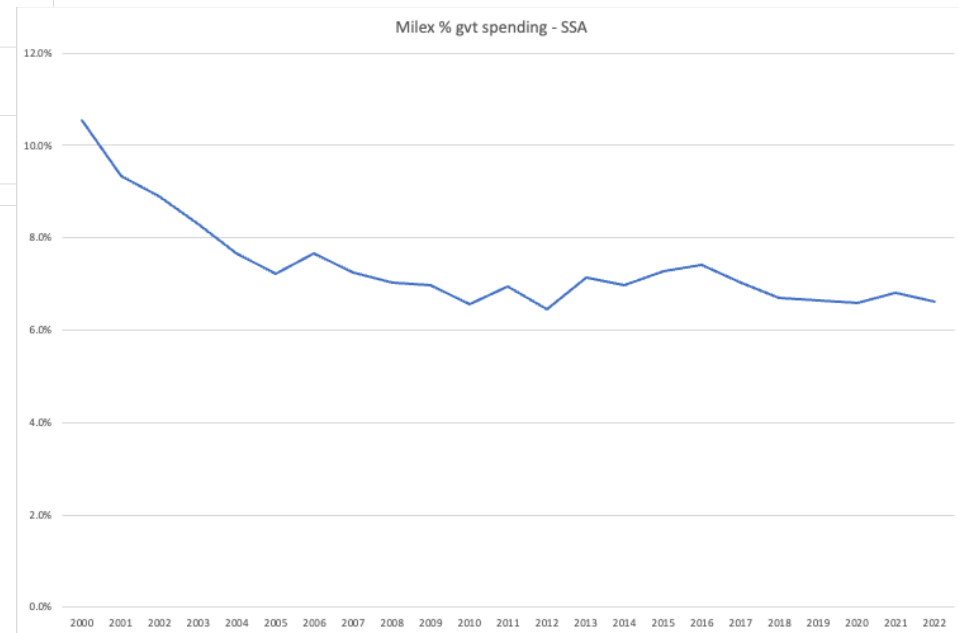


Trends in resource availability and military spending



- Military expenditure % government spending
 - Priorities of a country
 - Downward trend from 2000, flattened out recent years.

- Military expenditure % GDP
 - Burden of the military on the economy
 - Downward trend from 2000, flattened out recent years.



Trends in military expenditure in Africa

- Spending trends in the region linked to largest spenders
 - sub-Saharan Africa: South Africa, Nigeria, Angola, Kenya, Uganda
 - North Africa: Algeria and Morocco
- Military spending in the region is highly volatile
 - Countries that increase spending one year often decrease spending in the following year
 - 2019: Of the 19 countries that increased military spending, 8 had decreased spending 2018
 - 2019: 13 of the 23 countries that lowered spending had raised spending in 2018
 - Overall: 21 of the 42 countries in sub-Saharan Africa for which data is available, the trend in changes reversed between 2018 and 2019.
- Unique to Africa - Why?
 - Economic fluctuation (resource availability), political instability and armed conflict (persistent and new)



Drivers of military expenditure

- Defence policy and military expenditure driven by:
- Political factors: role of government
 - Perception of threat, choice of allies, range of defence commitments and willingness to pay for defence – reflected in political determinants of military spending.
 - Conservative governments favoured increase in spending
 - Left-leaning governments favoured arms control, disarmament and more social welfare spending.
 - Generalisations of political factors are complicated by other influences
 - E.g. coinciding with economic shocks, e.g. South Africa – ANC, center-left party, cut military spending – due to economic crisis and reductions in spending in favour of more vital civil government areas.



Drivers of military expenditure

■ Economic factors

- Performance and prosperity of economy determine the resources available to pay for defence (i.e. ability to pay).
- **Critics:** defence “crowds out” civil investment, lower spending on social welfare and is an opportunity cost such that too strong a defence weakens the economy it protecting.
- **Supporters:** defence gives security, stability, protection that help investor confidence, economic performance, jobs, infrastructure and have technology and labour spinoffs.

■ Strategic factors: armed conflict

- Genuine threat to the country – interstate or intrastate conflict
- The anticipation of conflict, drive spending upwards, higher spending during the conflict and military spending remaining high post-conflict.



Drivers of military expenditure

- Strategic factors: technology
 - Defence policy, defence posture, security through deterrence, active/forward defence, force structure etc.
 - Technical progress affects strategic factors – drive military spending
 - Technology affects equipment, force structure, capabilities, prices of military equipment and more.
 - Increase capability and costs, quality over quantity, shift in the dynamics of armed forces, less need for manpower, change in defence policy.
 - Technical progress of allies and rivals (arms race) – demand for multi-role capability systems that can be operational for 20–30 years. High costs that drive up procurement costs and military spending



Effective resource management of security sector in Africa

- National security strategy, military spending and resource availability - hand in hand.
 - Identify necessary security needs -> assess resource availability (ability to fund) -> allocate needed resources to the military.
 - Defence as an output is needed to address security challenges, military spending is an input to build defence capability.
 - **But – questions arise: do traditional budgeting give enough information on outputs and objectives of defence planners and policymakers?**
 - Military budgeting offer no information on output, only input

	GoU	External Fin.	Total
211 Wages and Salaries	618,241,306	199,066,843	817,308,149
212 Social Contributions	13,935,048	11,913,608	25,848,656
221 General Use of goods and services	148,230,883	13,411,985	161,642,868



Effective resource management of security sector in Africa

- Three problems arise with general defence budgeting
 - 1: Does not show output, 2: cannot relate input to output, 3: defence decisions only relate to one fiscal year

312 Acquisition of Produced Assets	1,962,825,866	69,298,553	2,032,124,419
342 Acquisition of Non - Produced Assets	17,660,890	0	17,660,890

- How can decision makers relate expenditure to objectives set out in national security strategy?
- Programme budgeting linked to output
 - Move towards multi-year budgeting and planning and in programme form

Subvote 1007 LAND FORCES COMMAND (LFC)

21113	Personnel Allowances - (Non-Discretionary)	125,657,460	149,756,100	149,756,100
21121	Personal Allowances - In-Kind	2,664,750	2,664,750	2,664,750
22001	Office And General Supplies And Services	36,503,400	36,503,400	36,503,400
22002	Utilities Supplies And Services	610,640,250	610,640,250	610,640,250
22003	Fuel, Oils, Lubricants	717,309,400	1,100,571,840	1,100,571,840
22023	Routine Maintenance and Repair of Machinery, Equipment and Plant	6,863,790	259,250,400	259,250,400
22025	Maintenance of Military Land Operations including Border control	307,292,360	540,304,958	540,304,958



Effective resource management of security sector in Africa

- Programme budgeting linked to output
 - Link the programme spending to national security strategy output or needs
 - Matching input to output

Project 0023 Defence Equipment Project			
<i>Budget Output 460136 Combat readiness</i>			
312211 Heavy Vehicles - Acquisition	4,177,020	0	4,177,020
312231 Office Equipment - Acquisition	798,087	0	798,087
312233 Medical, Laboratory and Research & appliances - Acquisition	769,708	0	769,708
312311 Classified Assets - Acquisition	1,928,780,654	0	1,928,780,654
342111 Land - Acquisition	17,660,890	0	17,660,890
<i>Total Cost of Budget Output 460136</i>	1,980,826,446	0	1,980,826,446
Total Cost for Project 0023	1,980,826,446	0	1,980,826,446

- Assess the programme spending with national security needs over time – determine of resources are allocated in a responsible, efficient manner that matches policy goals.
- Role of national security strategy in effective resource management - **Aims, Costs, Performance** or armed forces

