

AFRICAN MILITARIES—ON A SPENDING SPREE?

By George F. Ward

Two recent articles on the role of African militaries are worth noting. In its November 22, 2014 issue, *The Economist* asserted that African militaries are embarking on "a spending spree." Military expenditures in Africa are reported to have risen 8.3 percent from 2012 to 2013, reaching an estimated total of \$44.9 billion. The periodical pointed out that some African countries have used their increased defense budgets to acquire relatively sophisticated and expensive military systems. In an essay titled "The Return of Africa's Strongmen," published on December 6, 2014, in *The Wall Street Journal*, Drew Hinshaw and Patrick McGroarty noted the increased financial resources that are available to African



A Nigerian tank is hidden in a small thicket of trees in Marte, Nigeria, on Wednesday, June 5, 2013. Nigeria's military took journalists on a tour Wednesday of one of the areas where it fought Islamic extremists as part of a new offensive targeting radicals. (Source: AP PhotolyJon Gambrell.)

defense establishments, contending that "militaries are resurgent." Even allowing for the uncertain validity of African statistics, there is little doubt that African military spending is increasing. It is important, however, to look carefully at the numbers and also to look behind them, considering whether African military spending is excessive in comparison to the security challenges on the continent. more...

Ambassador (ret.) George F. Ward is editor of Africa Watch and a Research Staff Member at IDA. He is a former U.S. ambassador to the Republic of Namibia.

POLITICAL PERKS IN AFRICA: ENTITLED CLASSES, IMPOVERISHED MASSES

By Dr. Stephanie M. Burchard

Politicians in Africa tend to be very well compensated—some might say overly so—especially in relation to the average income of their constituents. Nigerian legislators, for example, are the highest paid in the world, with an average salary of \$189,500. In contrast, the annual GDP per capita in Nigeria is \$2,689, or less than 1/70 the average legislative salary. Nigeria is not alone in its generous compensation of politicians. Legislators in Kenya, South Africa, Uganda, and Zimbabwe are also among the highest paid in the world. What accounts for such high salaries and what effects might these high levels of remuneration have on development across the continent? *more...*



Kenyan demonstrators protest against salary demands made by members of parliament outside the parliament building in Nairobi, Kenya, June 11, 2013. (Source: AP Photo/Sayyid Azim.)

Dr. Stephanie M. Burchard is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.

About IDA

The Institute for Defense Analyses is a non-profit corporation operating in the public interest.

IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.

AFRICAN MILITARIES—ON A SPENDING SPREE?

By George F. Ward

Two recent articles on the role of African militaries are worth noting. In its November 22, 2014 issue, *The Economist* asserted that African militaries are embarking on "a spending spree." Military expenditures in Africa are reported to have risen 8.3 percent from 2012 to 2013, reaching an estimated total of \$44.9 billion. The periodical pointed out that some African countries have used their increased defense budgets to acquire relatively sophisticated and expensive military systems. In an essay titled "The Return of Africa's Strongmen," published on December 6, 2014, in *The Wall Street Journal*, Drew Hinshaw and Patrick McGroarty noted the increased financial resources that are available to African defense establishments, contending that "militaries are resurgent." Even allowing



A Nigerian tank is hidden in a small thicket of trees in Marte, Nigeria, on Wednesday, June 5, 2013. Nigeria's military took journalists on a tour Wednesday of one of the areas where it fought Islamic extremists as part of a new offensive targeting radicals. (Source: AP Photo/Jon Gambrell.)

for the uncertain validity of African statistics, there is little doubt that African military spending is increasing. It is important, however, to look carefully at the numbers and also to look behind them, considering whether African military spending is excessive in comparison to the security challenges on the continent.

African Defense by the Numbers

The Military Expenditure Database maintained by the Stockholm International Peace Research Institute (SIPRI) is authoritative in this field. In its analysis, *The Economist* cited data <u>published by SIPRI</u> in April 2014. At that time, SIPRI noted that the year-to-year rise in military spending in all of Africa from 2012 to 2013 had been the largest of any world region. Restricting the field to the countries of sub-Saharan Africa, the increase was somewhat less imposing. Total military expenditures in 2013 in sub-Saharan Africa were \$26.2 billion, or 58 percent of the continent's total, an increase of 7.3 percent from the previous year. SIPRI also reported some particularly striking examples of increased military spending: Ghana more than doubled its expenditures in 2013, and Angola became the largest military spender in sub-Saharan Africa, surpassing South Africa.

A deeper look into SIPRI's database helps put the single-year rise reported by *The Economist* into context. Data on annual military spending for all of the six years from 2008 through 2013 were available to SIPRI for only 24 sub-Saharan countries. Looking at military expenditures as a percentage of gross domestic product (GDP), the mean for those 24 countries for the 2008–2013 period was 1.6 percent. Compared with other regions, military spending as percentage of GDP in sub-Saharan Africa was in line with that of South America, lower than in North Africa and the Middle East, and higher than in Central America and the Caribbean.

Looking Behind the Numbers

Interpreting African military spending numbers inevitably involves the question, "How much is enough?" The answer to that question is, of course, "It depends." Defense budgets in Africa, as elsewhere, are driven by a multitude of factors, including perceived threats; the size of the military force; the extent of corruption; and the availability of outside resources, such as from donor countries or the United Nations. What is enough for a country at peace with itself and its neighbors will be manifestly too little for a country at war or facing a serious internal threat. There has been no accepted international standard for defense spending since Robert McNamara, president of the World Bank from 1968 to 1981, posited the idea of a ceiling of 2 percent of GDP for security.

Even recognizing the absence of a standard, it is interesting to look at the six-year numbers from 2008 to 2013. As stated above, the arithmetic mean is 1.6 percent. The median, however, is even lower, at 1.35 percent, because the mean is skewed higher by spending in only six countries. Surprisingly, five of these six are located in Southern Africa—Angola,

Botswana, Lesotho, Namibia, and Swaziland. All five of these countries spent an average of at least 2.4 percent of GDP on their defense forces from 2008 to 2013. Angola was in the lead with 4.0 percent. The only other country that spent 2 percent or more of GDP on the military was Uganda, at 2.9 percent. The concentration of high military spending in Southern Africa is particularly striking given the absence of a threat. Southern Africa is generally recognized as the most peaceful subregion on the continent. Additional research would be necessary to determine whether these countries are simply attempting to keep up with each other or whether other factors are at play.

What Does the Money Buy?

In some cases, increased military expenditures do seem to be related to force readiness and operational tempo. Kenya, for example, has maintained a moderate level of defense spending, amounting to an average of 1.9 percent of GDP in the 2008–2013 period. Military spending increases in Kenya in 2013 were required to procure helicopters and other equipment needed in the fight against al-Shabaab in Somalia and in Kenya itself. In other cases, spending increases seem less clearly related to urgent military requirements. For example, Angola's defense budget reached \$6.8 billion in 2014 and is expected to increase to \$13 billion by 2019, a compound annual growth rate of almost 12 percent. Among other things, Angola's increased defense budget will be used to pay a \$1 billion bill for 12 advanced fighter aircraft and other equipment ordered from Russia. Angola faces no apparent military threat that would require the employment of such aircraft. In Nigeria, President Goodluck Jonathan won parliamentary support for a loan of \$1 billion to support operations against Boko Haram. Shortly afterward, reports surfaced that the Nigerian air force had recommended the purchase of 25–40 advanced jet fighters from Pakistan. In a situation in which Nigerian army forces sometimes find themselves outgunned and short of ammunition in encounters with Boko Haram forces, such an expenditure would seem unwise.

Misplaced Priorities

Perhaps even more telling than the waste of military expenditures on questionable equipment are instances in which modest financial resources are diverted to purposes that contribute little to military capabilities. South Africa, arguably the key element in the African security equation, spent only 1.2 percent of GDP on its defense in 2008—2013. Around 52 percent of its military budget is spent on personnel costs, even though wide publicity has been given to the operational plight of the army, navy, and air force. Some of the strains on the budget are related to the costs of maintaining on active duty a significant number of aging veterans of the liberation struggle. In parliament, the opposition party accused the government of allowing the South African National Defense Force to become "an armed welfare service." Even though President Zuma has endorsed the need for additional resources, the finance ministry has failed to follow through.

Conclusion

In summary, reports of a generalized military spending spree in sub-Saharan Africa are somewhat overdrawn. The real problem is the combination of wasteful spending on unnecessary equipment and underspending on purposes more directly related to military readiness and needed capabilities. For more than a decade, the African Union has pursued the goal of a regional standby force that could be deployed rapidly to address security problems on the continent. That force was to reach <u>full operational capacity</u> by 2015. Although that deadline is approaching, it will not be met in a meaningful fashion. The failure of African countries to spend their increasingly large defense budgets more wisely is one of the reasons it will not be met.

Ambassador (ret.) George F. Ward is editor of Africa Watch and a Research Staff Member at IDA. He is a former U.S. ambassador to the Republic of Namibia.

POLITICAL PERKS IN AFRICA: ENTITLED CLASSES, IMPOVERISHED MASSES

By Dr. Stephanie M. Burchard

Politicians in Africa tend to be very well compensated—some might say overly so—especially in relation to the average income of their constituents. Nigerian legislators, for example, are the highest paid in the world, with an average salary of \$189,500. In contrast, the annual GDP per capita in Nigeria is \$2,689, or less than 1/70 the average legislative salary. Nigeria is not alone in its generous compensation of politicians. Legislators in Kenya, South Africa, Uganda, and Zimbabwe are also among the highest paid in the world. What accounts for such high salaries and what effects might these high levels of remuneration have on development across the continent?



Kenyan demonstrators protest against salary demands made by members of parliament outside the parliament building in Nairobi, Kenya, June 11, 2013. (Source: AP Photo/Sayyid Azim.)

Continent-Wide Trend?

In Kenya, salaries for elected officials have increased significantly in recent years. According to a United Nations Development Program Report, in 2009 Kenyan parliamentarians earned 20 times what they made in 2002 as a result of three consecutive raises. While a parliamentarian's base salary is currently \$70,000, each also receives various allowances and sitting fees. Taken as a whole, Kenya parliamentarians receive the second-highest rate of compensation in the world when compared to their constituents' average yearly incomes—ranked only below Nigeria. GDP per capita in Kenya is \$1,136.

National-level parliamentarians are not the only elected officials who have demanded, and received, higher salaries in Kenya. As the result of a new constitution passed in 2010 that devolved power to 47 municipal county assemblies, demands for increased political pay have emerged from the local level. County-level politicians have demanded perks on par with those that parliamentarians receive. These demands began <u>roughly a month after general elections</u> in March 2013—the first election for the newly created assembly positions.

When Ugandan parliamentarians demanded a raise in April, it came to light that they make around \$70,000 per year. Their monthly stipend is approximately 60 times the salary of the average civil servant in Uganda. Malawi approved a raise in early December for its politicians. It was a much more modest raise than the 600 percent pay hike cabinet ministers requested in August. Cabinet ministers received a 168 percent pay raise while the president and vice president received an 80 percent pay raise. After pressure from the public and civil society, however, the president announced that he and his vice president would be deferring their raises for 2015.

South African politicians also receive compensation beyond their salaries alone. The 400 members of the National Assembly earn approximately \$80,000 per year, but Cabinet members, who earn a base salary of \$181,000, receive a stipend for two cars for public use, accommodation, domestic workers, a travel stipend worth 30 single business-class flights per year for the minister and his or her spouse, among other benefits. Despite recommendations to the contrary from the remunerations commission, President Jacob Zuma gave parliamentarians and ministers a 5 percent raise in 2014.

Not all countries in Africa pay their politicians such high salaries. For example, legislators in Benin, Liberia, Angola, and Mozambique all earn salaries well below their high-earning continental counterparts. But because of the lack of systematic data on politician salaries across Africa, it is difficult to ascertain what the norm is and in what direction the trend may be moving. Many countries have no disclosure or reporting requirements for elected official salaries.

Causes and Effects

Part of the reason why many politicians in African countries receive such high salaries, especially compared with what their constituents earn, has to do with how countries decide politician compensation. A 2013 <u>study from REPOA</u>, a nonprofit research organization from Tanzania, found that salaries and remuneration decisions in Africa are generally made with little input from the public and sometimes with little awareness by the public about these decisions. In Kenya and Ghana, for example, parliamentarians essentially set their own salaries. In South Africa, the president determines legislator salaries, and the National Assembly sets the president's salary. Although there is an independent body that makes recommendations regarding salaries, these recommendations are not binding. In Nigeria, legislators have gotten around formal <u>disclosure rules</u> by accumulating different perks and benefits to supplement their salaries.

Disproportionately high salaries, combined with limited economic options, contribute to a <u>do-or-die</u> approach to elections in many of these countries. Campaign financing in <u>Kenya</u> and <u>Nigeria</u>, where there are few limits on spending, has exponentially increased in recent years. Election violence seems to be a persistent problem in developing countries in which both the costs of political campaigns and the benefits of office are high. The relationship between high compensation, campaign spending, and election violence seems to be self-perpetuating.

Excessive politician salaries also amount to a significant budgetary expenditure, often to the detriment of spending in other areas. In September 2013, the government of Zimbabwe reportedly splurged on new luxury vehicles for some 39 ministers and 24 deputies, estimated to cost the government roughly \$20 million. In November, just two months later, the Zimbabwean treasury forecasted it would end the year with a \$100 million budget deficit. Spending decisions such as these reflect a political class that is out of touch with public needs and priorities.

Dr. Stephanie M. Burchard is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.