Canadians could be forgiven for thinking that they
spend a mere pittance on their military: politicians
and pundits constantly bombard us with the claim
that Canada is a military miser. Most Canadians would
probably be stunned to learn that Canada is actually
among the top 15 military spenders in the world,
and the 6th largest spender among the 28 members
of NATO. They might also be surprised to learn that
Canadian military spending is now higher than it has
been in more than 60 years — higher than it was
during the Cold War, or indeed at any time since the
end of the Second World War.

Largest military budget since Second World War

According to the latest budget estimates, Canada will
spend $21.185 billion on its military forces in fiscal
year (FY) 2009–10, 9.6% more than it did last year (FY
2008–09) and about 15% more than it did in its peak
spending year during the Cold War (FY 1952–53). Our
military spending will be 22% higher than it was in the
year the Berlin Wall came down, FY 1989–90, and 56%
higher than it was in FY 1998–99, the year Canadian
spending reached its post–Cold War minimum (all
figures adjusted for inflation). It is twenty times the
size of federal Environment Department spending
($1.064 billion).

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
spending 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 FY 2001–02 to FY 2009–10
has been about $6.3 billion. 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. Page
reported that DND’s actual incremental costs were
between $5.9 billion and $7.4 billion for the seven
years from FY 2001–02 to FY 2007–08 (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
FY 2001–02 to FY 2009–10 period.

And 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
While this level is only slightly higher than the present level of spending, the incremental costs of operations such as the Afghanistan war, currently more than $1.5 billion per year, would be added on top of this baseline budget, meaning that final spending could be significantly higher.

Total spending over the 20-year life of this plan would likely be in the $415–440 billion range (2009 dollars), or about $13,000 per Canadian, surely enough to cause many Canadians to rethink the notion that their military spending is negligible. The total that would be spent over this period, if Canadian military spending instead remained at its post–Cold War minimum level, is $271 billion (2009 dollars), a difference of $145–170 billion, of which $130–155 billion remains yet to be spent. The last figure can be seen as the projected cost of the post–Cold War budget build-up over the next 18 years.

This plan would see Canadian military spending increase to about $21.3 billion in 2009 dollars, or about $31.3 billion in 2027 dollars, by FY 2027–28.

maintained a somewhat smaller armed forces (closer to the FY 1999–2000 number of personnel) 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 FY 2011–12 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 FY 2007–08 to 2027–28.⁵

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In the Canadian debate, GDP comparisons are usually made with the explicit or implied claim that Canada should undertake roughly the same level of burden as the countries it is being compared to. Canada spends 1.3% of GDP on its military, the U.S. spends 4.0%, the NATO average is 2.6%\textsuperscript{12}; thus, Canadians are said to be military misers who are not living up to their burden-sharing responsibilities.

But different countries undertake widely varying military burdens for a wide variety of reasons:

- The United States spends 4% of its GDP on its military in order to fund what is by far the largest military budget in the world and thus maintain its position as the world’s “hyperpower,” the \textit{de facto} leader of NATO, most influential member of the UN Security Council, operator of a network of military bases and facilities spread over some 130 countries, and the only country that can intervene militarily on its own virtually anywhere on the planet\textsuperscript{13}. Canada could spend 4% — or even 20% — of its GDP on its military and it would still reap none of these benefits.

- The other four permanent members of the Security Council — China, France, Russia, and the United Kingdom — spend relatively large percentages of their GDPs on their militaries in order to preserve or secure their status as global powers, operating their own nuclear arsenals, aircraft carriers, and other

### Table 1. Top 15 military spenders 2008\textsuperscript{9}

<table>
<thead>
<tr>
<th>Country</th>
<th>($US billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>607</td>
</tr>
<tr>
<td>China</td>
<td>84.9</td>
</tr>
<tr>
<td>France</td>
<td>65.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>65.3</td>
</tr>
<tr>
<td>Russia</td>
<td>58.6</td>
</tr>
<tr>
<td>Germany</td>
<td>46.8</td>
</tr>
<tr>
<td>Japan</td>
<td>46.3</td>
</tr>
<tr>
<td>Italy</td>
<td>40.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>38.2</td>
</tr>
<tr>
<td>India</td>
<td>30.0</td>
</tr>
<tr>
<td>South Korea</td>
<td>24.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>23.3</td>
</tr>
<tr>
<td>Canada</td>
<td>19.3</td>
</tr>
<tr>
<td>Spain</td>
<td>19.2</td>
</tr>
<tr>
<td>Australia</td>
<td>18.4</td>
</tr>
</tbody>
</table>

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### 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.\textsuperscript{8} Like Canadian military spending, global military spending is now higher than it was during the Cold War.

The largest spender by far is the United States, which is in a league of its own, accounting for an estimated 41.5% of all military spending. No other country — none of the other permanent members of the UN Security Council, none of the other members of the G8 — even comes close to the U.S. in terms of actual dollars spent.

The other countries in the top 15 are still significant spenders, however. Collectively, they spend nearly as much as the U.S. does, accounting for 39.5% of world military spending. Canada is a member of this group, the 13th largest military spender in the world in terms of actual dollars spent. The remaining 180 or so countries together account for less than half that amount, just 19% of world military spending.

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 6th 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.\textsuperscript{10}

### GDP comparisons

An alternative way to assess a country’s military spending is to look at the percentage that spending represents of the country’s Gross Domestic Product (GDP). Percentage of GDP figures tell us nothing about the military \textit{requirements} of a country or the level of \textit{capabilities} that its spending provides. At 11.4% of GDP, Oman’s military spending is among the largest in the world in GDP terms, but the $253 million annual budget that percentage represents hardly makes Oman a candidate for superpower status.\textsuperscript{11} What GDP figures do say something about is the relative level of \textit{economic burden} imposed by military spending.
excluding Security Council members and South Korea, is 1.28%.

- The average percentage of GDP spent by the 15 “high-income,” non-Security Council members of NATO is 1.27%.  

As these comparisons demonstrate, Canada is currently imposing a level of military burden on its economy typical of — or even slightly higher than that of — comparable states. This is true despite the fact that Canada is located in a very benign region of the world, facing essentially no military threat to its own territory. While the armed forces of most countries are dedicated at least in part to territorial defence, Canada’s armed forces can focus almost entirely on assistance in essentially civilian functions (sovereignty protection, search and rescue, disaster relief, assistance to anti-terrorism efforts, etc.) and overseas contributions to global security.

**Historical comparisons**

It is also interesting to look at military spending trends over time.

Chart 2 compares Canadian military spending since the end of the Cold War to the world’s military spending, excluding the United States, during that period. Both Canadian military spending and world military spending dropped significantly in the years immediately following the end of the Cold War, Canadian spending by 22% and world spending by 29%. World military spending began rising again after 1996, growing by 36% between 1996 and 2008; as of 2008, it was just 3% lower than it was in 1989, the year the Berlin Wall came down. Canadian military spending began rising again after 1998, growing by 42% between 1998 and 2008; as of 2008, it was 11% higher than it was in 1989. (This year it is 22% higher.)

Chart 3 compares the changes in U.S. and Canadian military spending all the way back to 1947, just after the end of the Second World War. Unlike the GDP comparisons in the preceding section, this comparison is made not because Canada and the U.S. have similar-sized militaries or similar military roles in the world, but to highlight the extent to which the two countries’ budgets have moved in parallel despite these important differences.
Chart 2. World and Canadian Military Spending

The degree of synchronization between the two budgets could be seen as evidence of the degree to which the two countries have had shared perceptions of their common interests, the military threats they face, and the way they respond to those threats. Alternatively, it could be seen as evidence of the degree to which Canada is susceptible to U.S. pressure to undertake greater military commitments and increase its military spending whenever U.S. military commitments/expenditures also increase. It may well reflect both factors.

The chart illustrates several significant aspects of the historical trend:

- There has been only one major exception to the rule that the changes in Canadian and U.S. spending have moved in close synchronization: the Vietnam War period, when Canada chose not to join the U.S. in the fighting in southeast Asia.
- Parallel spending peaks occurred in the early 1950s during the Korean War and during the post-detente build-up of the early 1980s.
- Significant reductions followed the end of the Cold War, although Canada’s cuts were slower in coming and less deep (falling only to about the post-war average level of Canadian spending).
- Both countries then increased military spending significantly, beginning in 1999. This process accelerated after 9/11, with U.S. increases being somewhat larger (mainly due to the Iraq war), thus leaving the two countries’ relative positions almost identical.
- Both countries are now spending more than they did at any time during the Cold War.
- Had Canada chosen not to participate in the Afghanistan war, we might have seen a pattern of divergence in spending more like that seen during the Vietnam War.

The pattern of close synchronization between Canadian and U.S. military spending holds despite the vast difference in scale between the two budgets, both in absolute terms and in terms of economic burden (% of GDP). While the absolute dollar gap between the budgets has been growing (although not in percentage terms), the GDP gap has been shrinking. This pattern, too, has remained consistent throughout the post-Second World War period, including the entire Cold War period — a total of more than 60 years.

**Failing at peacekeeping burden-sharing**

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.”18 Nevertheless, 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.19 The shutdown took effect in June 2009.

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
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 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.

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.

### 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 (U.S.) in 2007, Canada’s current level of Official Development Assistance (ODA) is the 9th largest in the world.

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. 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 contribution 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.

Our contribution looks somewhat better when compared to the contributions of the G-8 members used in the military spending comparisons, but it still looks nearly as dismal when compared to the wider group of OECD states used in those comparisons: while the average percentage of GNI spent on ODA by the non-Security Council members of the G-8 is 0.26%, slightly lower than Canada’s 0.29%, the average percentage of GNI spent by the 23 “high-income” members of the OECD, excluding Security Council members and South Korea, is 0.42%.27

These comparisons demonstrate that, if there is a sector in which Canada is not currently pulling its weight in terms of economic burden-sharing, it is not our military spending, but rather our non-military contribution to global security and humanitarian action.

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:

- Some 13% of children in developing countries have never attended school. In sub-Saharan Africa, the rate is 27% among boys and 32% among girls.
- There are an estimated 1 billion malnourished people in the world; 24,000 (including 17,000 children) die of hunger every day.
- Unsafe water and sanitation cause another 4,000 child deaths every day.

All told, 9 million children under age five still die every year, along with additional millions of older children and adults.28 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.29

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 billion to $155 billion that Canada will spend over the next 18 years as a result of its post–Cold War military budget buildup 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.

Despite its comparatively large military budget and the skill and dedication (and sacrifices) of its soldiers, Canada will never be more than a minor player in the military field. We have the potential to make an important and valuable contribution to the success of peacekeeping and similar operations, even at a lower level of military spending, but we will never be a major military power. An increase in ODA funding equivalent to our post-Cold War increase in military funding, on the other hand, would make Canada truly a great power in the development assistance/humanitarian aid world, rivalling Germany for the position of second largest provider of international aid. This is an arena in which Canada really could “punch above its weight” on an issue crucial to human welfare and global security.

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 ignoring other parts of the world where aid could be delivered far more effectively, and helping many more people.

If the Canadian government could find the money both to maintain expeditionary combat capabilities for humanitarian intervention and to dramatically increase ODA and climate change assistance, then perhaps no trade-off would exist between the two kinds of activity. But there is little sign that this government, or any Canadian government, will realize that it has sufficient resources for both purposes. In practice, therefore, there is a trade-off being made, and the choice that the Canadian government has made to date has the perverse effect of assisting many fewer people than we otherwise might help.

**Conclusion**

Canadian military spending is not low, whether measured in terms of absolute spending, economic burden, or historical trend. 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.

**Bill Robinson** Bill Robinson is a defence analyst and senior adviser of the Rideau Institute. He has been writing about Canadian defence and security policy issues since 1983. From 1986 to 2001, he was on the staff of Project Ploughshares, an ecumenical peace centre of the Canadian Council of Churches. Since 2001, he has done research and writing for Project Ploughshares, the Canadian Centre for Policy Alternatives, the Canadian Network to Abolish Nuclear Weapons, the Polaris Institute, the Rideau Institute and other organizations.

**Notes**


3 Calculated by comparing actual spending to what would have been spent if Canada’s military budget had remained unchanged at its FY 2000–01 level. All figures converted to 2009 dollars.

4 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.

5 Ramnarayan 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 underestimate 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.


7 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.


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


12 As reported by NATO in NATO Communiqué PR/CP(2009)009. NATO’s figure was produced by dividing the combined NATO economies by combined NATO military spending. The average of the 28 individual percentage of GDP figures of NATO’s current members is 1.6%. Figures for new NATO members Albania and Croatia from “List of countries by military expenditures” (Wikipedia).

13 It also spends at this level to satisfy an extremely powerful and deeply entrenched domestic constituency for military spending.
14 All percentages calculated using NATO data (“Financial and Economic Data Relating to NATO Defence”) where available and Wikipedia data otherwise (“List of countries by military expenditures”). “High-income” countries are those designated as such by the World Bank.


16 U.S. spending is so large—over 40% of the global total—and diverges so dramatically from the rest of the world’s spending trend that it is worth examining separately.

17 Note that Canadian spending is shown as a percentage of the post-Second World War average level of Canadian spending and U.S. spending is shown as a percentage of the post-war average level of U.S. spending; the chart compares the relative evolution, not the absolute levels, of the two countries’ military spending. Canadian data from annual Report on Plans and Priorities, earlier Estimates documents, and Statistics Canada. U.S. data from Travis Sharp, Current U.S. Defense Spending vs. Spending Since 1948, Center for Arms Control and Non-Proliferation, 26 February 2009.


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


21 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).


26 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.

27 Percentages calculated from data in Aid Targets Slipping Out of Reach?


30 A question would remain in many people’s minds, however, as to whether Canadian military intervention capabilities would be reserved for truly humanitarian or self-defence roles or would end up too often drafted into Great Power interventions with decidedly less altruistic motivations.