Security Assistance and Internal Stability:

The Emerging Challenge to USCENTCOM

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The Region Faces Critical Economic and Demographic Problems That Will Not Go Away

- The Middle East and Gulf have had very poor economic track records and will continue to have them.
- Oil wealth is gone in per capita income terms.
- The region’s demographics threaten its future.
- A “youth explosion” is coming.
- States promise reform, but so far deliver words.
Dismal Growth in GDP: 1971-1993
(Economic Growth in Percent: Average Annual Percentage Change in GDP)

OECD/IEA/IMF/World Bank GDP Growth Estimate Indicates the Middle East will Lag During 1993-2010
(Economic Growth in Percent: Average Annual Percentage Change in GDP, assumes high oil prices)

The Population Time Bomb: Growth in the Total Population of the Largest MENA Countries: 1990-2010:
(World Bank Estimate Made in 1997 in Millions)


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(Growth in Percent with High Oil Price Case: Average Annual Percentage Change)

A “Youth Explosion” is Coming

- Nearly 40% of the population is 14 years of age or younger.
- Oil exporting economies have failed to educate their young for real jobs.
- Welfare, subsidies, and disguised unemployment create a life without purpose.
- Over-dependence on foreign labor is a massive social threat.
These Pressures Combined With Political Factors to Create a Backlash Effect

• The US is the “Tool of Zionism.”

• Arms sales dominate the region’s economic problems.

• The US has a massive regional military presence for its own purposes.

• The US is conspiring to make Middle Eastern states dependent on US military forces.

• Regional forces are not effective, and the US either encourages waste or deliberately keeps them ineffective.

• The US props up corrupt and illegitimate regimes.
Perceptions of Security Assistance Are Often Hostile

- The US only cares about sales, not sustainability or effectiveness.
- The US is conspiring to make Middle Eastern states dependent on US arms sales.
- The US dominates all regional arms sales and pressures states to buy.
- Regional forces are not effective, and the US either encourages waste or deliberately keeps them ineffective.
- Nothing we can do really matters.
- The Americans are over-priced mercenaries.
The Realities Are Different: Military Spending and Arms Transfers are not a Critical Regional Economic Problem

• The Middle East does spend nearly twice as much of its GNP on military forces as other regions, and its arms imports are four times the percentage of total imports.

• However, the Gulf War surge in arms imports has been followed by major cuts.

• Egypt and Israel have high arms imports, but these are financed through US aid.

• Saudi Arabia is one of the few countries where military spending has a major impact on total government expenditures, and where arms imports are a major cost.

• Kuwait, Oman, and Yemen also have a significant military and/or arms import spending burden.

• Arms imports have a limited impact on balances of trade.
Military Expenditures and Arms Imports Are an Economic Burden in the Middle East Relative to Other Regions


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However, Military Expenditures and Arms Imports are a Minor Aspect of “Statism” in Most Key Security Assistance Countries

(Military Spending as a Percent of Central Government Expenditures and GNP in 1994; Arms Imports as a Percent of Total)

Arms Imports Have a Minor Impact on GNP, CGE, and Military Expenditures:
(The Middle East Total in $US Constant Billions)

Adapted by Anthony H. Cordesman from ACDA, World Military Expenditures and Arms Transfers, various editions. Middle East does not include North African states other than Egypt.
Middle Eastern Military Expenditures and Arms Imports Dropped Sharply Relative to Economic Growth and Total Government Spending During 1984-1994

(1984=100, and all following years are percentages of 1984 as base year. All expenditure totals are measured in constant 1984 US dollars.)

Adapted by Anthony H. Cordesman form ACDA, WORLD MILITARY EXPENDITURES AND ARMS TRANSFERS, various editions. Middle East does not include North African states other than Egypt.
Middle Eastern Military Efforts also Dropped Sharply as a Percent of GNP, Government Expenditures, Total Population, and Arms Imports: 1984-1994
(All percentages are measured in absolute manpower and constant 1984 US dollars.)

Adapted by Anthony H. Cordesman from ACDA, WORLD MILITARY EXPENDITURES AND ARMS TRANSFERS, various editions. Middle East does not include North African states other than Egypt.
Arms Imports are A Problem Largely Because of Low Oil Prices and the Failure to Develop:
(The Middle East Total Trade Relative to Arms Imports in $US Current Billions)

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Arms Transfers Are an Exaggerated Issue

- Arms Sales are a small portion of total military expenditures, particularly for most friendly security-assistance states
- Trend in real cost of arms sales is steadily down while GDPs and other CGEs rise.
- Arms sales are shrinking steadily relative to total exports and imports.
Total Middle East Arms Deliveries Have Declined Sharply Along with Total World Sales
(Arms Exports in Constant $94 Billions)
Although the Middle East is a Key Part of the World Market
(Arms Exports in Constant $94 Billions)
Statism is the Key Factor: Arms Imports Versus GNP, CGE, and Military Expenditures:
(The Middle East Total in $US Constant Billions)

Adapted by Anthony H. Cordesman from ACDA, WORLD MILITARY EXPENDITURES AND ARMS TRANSFERS, various editions. Middle East does not include North African states other than Egypt.
Arms Imports Scarcely Dominate Military Expenditures
(The Middle East Total in $US Constant Billions)

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The US is Not The Region’s “Merchant of Death”

• The break up of the FSU, sanctions on Iran, Iraq, and Libya skew current figures.

• Even so, the US does not dominate regional arms sales.

• The surge in US sales following the Gulf War is over. Other nations are recovering market share.

• Nearly 35% of US arms transfers are aid, not profit to the US.

• The US is not a significant supplier to any aggressor/rogue state: Iran, Iran, Libya, Sudan, Syria, etc.

• The US is the only supplier nation emphasizing sustainability, O&M, and systems integration.
(In Constant $94)

Source: Adapted by Anthony H. Cordesman from Arms Control and Disarmament Agency, "World Military Expenditures and

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Arms Transfers, 1995," Washington, GPO, 1996, Table II.
Trends in Iranian Arms Deliveries: 1984-1994
($94 Constant Millions)


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Trends in Iraqi Arms Deliveries: 1984-1994
($94 Constant Millions)


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(In Constant $94)


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(Constant Millions 1994 $US)

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(Constant Millions 1994 $US)

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Even So, US Arms Sales Do Not Dominate Deliveries to the Region

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US Security Assistance Transfers Virtually Equal US Arms Sales in the Region
(Value of Middle East Total Measured as Percentage Share: 1992-1994)

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The US Does Not Dominate Arms Sales by Country

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Half the Countries Receiving Security Assistance Now Have Aid-Dominated Arms Transfers


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The Military Future, However, Is Uncertain

- Total regional arms sales are likely to rise in the future.
- Near break down in Arab-Israeli peace process affects some of most heavily armed states in world.
- The Gulf War and Iran-Iraq War have left the Gulf an unstable region where Iran and Iraq retain major war fighting capabilities.
- The share of non-US suppliers will rise as the FSU and PRC increase exports.
- Proliferation is a major “wild card.”
- Limited, focused purchases can be highly destabilizing: E.g. Iran
And, Maintaining US Forces and Security Assistance Programs in the Region Means Waging a Battle of Perceptions

• Make the real economic problems clear.
• Communicate the real trends in arms sales.
• Explain what security assistance really does.
• Push FMS sales: Integrity of sales.
• Demonstrate Interest in effectiveness.
  • Sustainability
  • Training
  • Tech Transfer
  • Mission Capability
• Communicate true size of US military presence.
• Reach the media and the young.