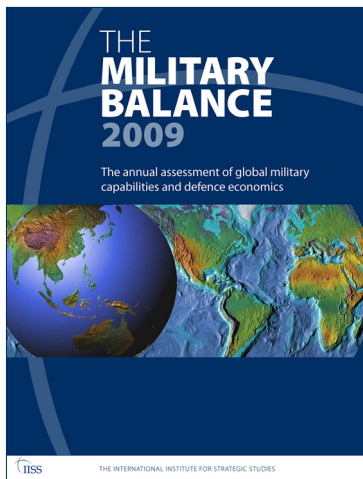


THE MILITARY BALANCE 2009



Executive Summary

The Military Balance 2009 is a comprehensive and independent assessment of the military capabilities and defence economics of 170 states; it also functions as a reference work on developments in global military and security affairs. In addition to textual analysis of defence and security developments, key features of *The Military Balance* include:

- **Military capabilities:** force structures and military equipment holdings by service, role and equipment type
- **Defence economics:** analysis of national and international developments affecting defence budgets and procurement, with selected supporting data and tables
- **Comprehensive tables:** comparisons of international defence expenditure and military manpower; selected military operations and training activity; UN and non-UN deployments
- **Wallchart:** the detailed Chart of Conflict, showing current conflicts around the world, with selected supporting tables, updated for 2009 with new detail on drug-related conflicts.

Iraq and Afghanistan

As in recent editions there is focus on remaining operations in Iraq, notably the impact of the 'surge' of US troops and the Status of Forces Agreement signed by the US and Iraq in November 2008. The surge did lead to a reduction in violence in the country, and its impact was magnified by the formation of 'awakening councils' and Moqtada al-Sadr's order that the *Jaish al-Mahdi* should not seek direct confrontation with US troops. But violence persists, and insurgents retain the ability to penetrate security screens and launch attacks. The Iraqi Ministry of Defence and its security forces remain at the centre of US transition plans in the country, and these forces expanded recruitment during 2008. The provincial elections that have been deferred until 31 January 2009 will be a key test of the Iraqi security forces' ability to secure urban areas, a task that will assume greater importance at the end of July 2009 when US forces are due to pull back from urban areas. This latter move forms part of the Status of Forces Agreement that was signed between the US and Iraq in November 2008. The agreement further stipulates that US forces will have to complete their final withdrawal from Iraq by 31 December 2011.

As 2008 drew to a close, the Coalition was shrinking and a number of nations had either departed Iraq or had announced their intention to do so. Foreign military involvement, other than that by the US, was due to carry on in certain areas through the employment of training staff working with the Iraqi security forces.

Across the wider Middle East, the global financial turmoil had by the end of 2008 had relatively little impact. Following a growing budget surplus over several years, regional defence spending has been slowly increasing, although as a proportion of national income total defence spending in 2007 only measured 4.9% of regional GDP, compared to 6.5% of GDP in 2001. But for 2007, this expenditure (as a percentage of GDP) remains the highest of the regions detailed in *The Military Balance*.

The Military Balance discusses counter-insurgency efforts in Afghanistan and the drive to improve the capacity of that country's security forces. The activities of the NATO-led International Security Assistance Force (ISAF) have expanded in the year, and ISAF troops are now tasked with interdicting drug traffickers and destroying opium factories. After defeats in open

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combat, insurgents established bases in areas where there was a smaller international presence and have continued to target perceived areas of weakness, such as the Afghan National Police. With a presidential election scheduled to take place in 2009, delivering the security necessary to enable a credible election process will be of importance for the international forces. The capacity of Afghanistan's security forces remained limited, in spite of some improvement, and the force's manpower level of around 60,000 in mid 2008 remained below the desired total of 80,000, which is now due to be reached in 2010. Growing pressure from the United States caused its allies to increase contributions to ISAF, but only slightly. France sent a battalion to eastern Afghanistan and Georgia, Poland, the Czech Republic and Azerbaijan pledged further troops; the UK pledged a further 200 (bringing the total to around 8,000) and Germany amended its upper limit on deployments, raising it by 1,000 to 4,500.

Other regional analysis

As NATO marks its 60th anniversary in 2009, tensions remain over burden-sharing in Afghanistan. While there were increased commitments from NATO members during 2008, there is a growing need for Allies to collectively improve their efforts to define mission objectives and criteria for success. 2008 also saw the Alliance examine its expansion programme, and the ambitions for this, in light of the conflict between Russia and aspirant-member Georgia. At the Bucharest Summit, NATO Allies acknowledged that the planned European-based US missile-defence assets would significantly contribute to the protection of European Allies from long-range ballistic missiles; on 14 August the US and Poland signed a preliminary agreement allowing for the interceptor site to be stationed by the Baltic Sea. France's Defence White Paper of June 2008 sought to set integrated goals for both foreign intervention and national defence, stressing that the same flexibility, deployability and interoperability were needed in both cases. The 'operational contract' – how many ground troops the forces were expected to be able to contribute to operations – was adjusted to 30,000. Though this was a reduction of some 20,000 from the previous level of 50,000 (set in 1994) it was intended to mark an increase in operational capabilities. **Europe's** Strategic Airlift Capability initiative took a step forward when 12 nations signed a memorandum of understanding; the C-17s due

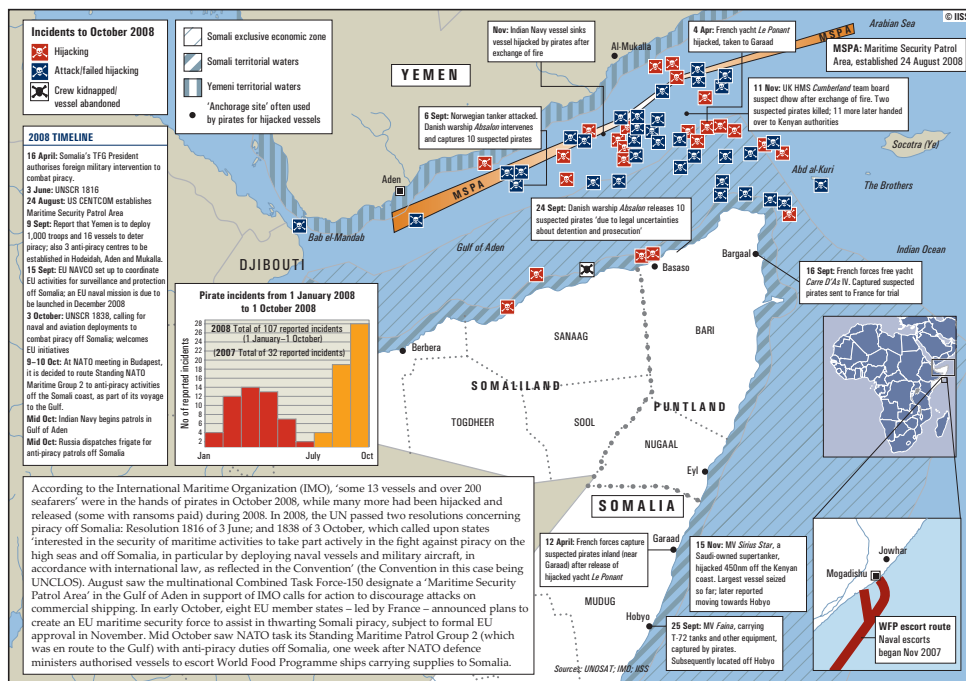
to be acquired will be based in Hungary. Meanwhile, Europe's other major airlift programme, the A-400M, has slipped further behind schedule. Even before the financial crisis, the outlook for defence spending in most European countries was constrained. It is likely that the cost of the various rescue packages, together with recession in many countries, will have a negative impact on government finances. Meanwhile, only Bulgaria, France, Greece, Turkey, the UK and the US spend over the 2% of GDP on defence that constitutes the informal NATO guideline.

The conflict between Georgia and **Russia** highlighted a number of capability gaps among the Russian forces deployed to Georgia, as well as obvious strengths. Russia miscalculated Georgia's air-defence capabilities and failed to initially suppress its air-defence systems; Georgian forces were able to operate at night to a greater degree than Russian forces. Meanwhile, Russia's forces were well prepared for the operation, with sufficient logistical support and firepower; and the Russian ability to coordinate forces from different Military Districts and arms of service at short notice showed that the command and control at the operational and strategic levels was well prepared. The modernisation of the strategic forces remains a priority, as in previous years, with aerospace modernisation also proceeding.

In East Asia, **China's** military focus during 2008 was on dealing with natural disasters, safeguarding the Beijing Summer Olympic Games and assisting in containing internal unrest. The responses to the January storms and May earthquake in Sichuan province demonstrated that the PLA's efforts to transform itself into a force capable of mobility and rapid response had some way to go. The PLA's reputation was enhanced by positive and extensive media and Internet coverage of its role in these crises; the PLA introduced a media spokesperson for the first time during the earthquake-recovery operations. However, there continued to be concern, especially in the United States, about a general lack of transparency and the consequent difficulty in assessing PLA developments.

During the current decade, **Singapore** has stood out in Southeast Asia in terms of its efforts to develop its armed forces, and evidence of Singapore's steady investment in defence has included continuing major procurement programmes. In contrast, other regional nations' modernisation efforts and procurement

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programmes have often seemed improvised rather than systematic, and much less geared towards developing significant new military capabilities based on integrated combined-arms and joint-service operations.

In **Pakistan**, September 2008 saw a democratically elected government take power, ending nine years of military rule. President Zardari's top priority is to fight terrorism and Islamist militancy in the Federally Administered Tribal Areas (FATA) bordering Afghanistan. Pakistani security forces remained unable to effectively counter the resurgent Afghan and Tehrik-e-Taliban Pakistan (TTP) militants in the FATA and an increase in cross-border attacks into Afghanistan was noted. In a major shift of strategy, the US began to attack 'safe havens' in the tribal areas, utilising unmanned aerial vehicles and, on at least one occasion, ground troops. Zardari's major challenge will be to gain the trust of the army and build a consensus among the political establishment against terrorism and Islamist extremism. A sharp rise in terror attacks took place between August and October 2008, including in September a truck-bomb attack against Islamabad's Marriot Hotel. To effectively pursue the campaign against terrorism, Zardari needs to balance growing US pressure for military strikes in the tribal areas with the Pakistan army's decreasing tolerance for such attacks. **India** was also the victim of terrorist attacks in 2008, with the worst being the coordinated attacks in Mumbai in November, which saw 180 killed. There had been other attacks, conducted by a variety of groups, earlier

in the year. Also in 2008, the five-year-old India-Pakistan ceasefire agreement on the Line of Control dividing Kashmir came under pressure for the first time, with allegations of violations by both sides; both governments remained keen to maintain the ceasefire. India was also preparing to boost its military capabilities through a focused arms-acquisition programme incorporating both foreign programmes and the expansion of its domestic arms-manufacturing capacity.

In the **Caribbean and Latin America**, the Mexican government has continued its efforts to combat organised crime and illicit narcotics. In May 2008, the US Congress approved The Mérida Initiative, a \$1.4bn programme designed to help combat illicit narcotics and reduce organised crime in the US, Mexico and Central America. Colombian forces scored significant successes against FARC rebels during 2008, and the 1 March cross-border raid into Ecuador – which led to the death of FARC's second-in-command Raúl Reyes – resulted in a significant haul of information. However, the raid sparked a significant diplomatic conflict; the crisis was ended on 18 March when the Organisation of American States issued a compromise resolution 'rejecting' but not 'condemning' Colombia's violation of Ecuadorian sovereignty. Expansion of Colombia's armed forces has continued, and in August 2008 the MOD reported that force strength had reached 400,000.

Meanwhile, a number of cooperation initiatives are also underway and governments are keen to promote

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defence and security cooperation. Some were highlighted at the Eighth Conference of the Defence Ministers of the Americas in September 2008, while a month earlier defence ministers met in Buenos Aires to enact the Latin American Association of Peacekeeping Training Centres. June saw Honduras, El Salvador, Guatemala and Nicaragua announce the Peacekeeping Operations Unit, a battalion-sized force that is intended for use in peacekeeping and humanitarian relief missions. Discussions on a broader South American defence identity were spurred by the crisis over Colombia's raid into Ecuador. Venezuela proposed a NATO-style organisation, though it seems that a Brazilian proposal for a defence council as part of the Union of South American Nations gained most traction.

Conflict continues to dominate the defence and security debate in **Africa**, though the continent generally remains a low strategic priority for Western powers. Violence in the Democratic Republic of Congo has led to the displacement of over 250,000 civilians and there were calls for an enhanced international presence to supplement the existing UN force. Meanwhile, the UN-African Union Hybrid Mission in the Darfur Region of Sudan continued to be under strength, as did the African Union peacekeeping force (AMISOM) further east in Somalia. Piracy has dominated international perceptions of Somalia in the last year. While a number of warships have been despatched to the region to try to ensure free passage for shipping, either as part of coalitions or as individual national deployments, the coordination of such deployments, their rules of engagement and the legal environment governing actions against pirates remained uncertain. But it is difficult for military efforts alone to address the symptoms of piracy within Somalia and the lack of security and governance within the country.

Finally, in the **United States**, the new Obama administration faces a raft of defence issues. While Afghanistan and Iraq will undoubtedly preoccupy the administration, other matters will be pressing, such as decisions on equipment programmes and the strain on personnel of eight years of combat. Furthermore, it will be up to the new administration to set the Pentagon's long-term priorities, such as whether counter-insurgency and other missions contributing to the 'long war' on

terror will be at the centre of planning. Developing interagency cooperation in a bid to leverage non-military instruments of power has been a well reported theme, though Defense Secretary Robert Gates emphasised in 2008 the centrality of the 'long war against violent extremism'. However, he has also spoken of 'the shifts required for the US defense establishment – in priorities, procurement and institutional culture – as we assess and balance future risk'. But, in common with many other countries' defence establishments, the Pentagon will have to consider such issues within the context of an economic crisis that will inevitably call into question the level of defence spending.

Essays

The Military Balance 2009 includes a short essay detailing trends in non-state activity, which complements the table of non-state groups. This argues that despite the increasingly global nature of non-state activity, separatist and nationalist groups continue to operate against state governments. Meanwhile, organised crime and trafficking have become increasingly tied to worldwide patterns of violence – it is estimated that 95% of global illicit 'hard' drug production takes place in conflict zones. The book also includes a review of developments in Asia-Pacific defence industries. While the value of military manufacturing in the region is still quite small, the region has seen considerable growth in arms manufacturing, in terms of value, system type and sophistication and particularly in national ambitions for such manufacturing. Regional armaments producers will remain – relative to the US and Europe – smaller producers, manufacturing military equipment mainly for domestic consumption or for specialised niches in the global arms market. The final essay is a review of UN peacekeeping in light of the 60th anniversary of UN peacekeeping operations. The qualitative and quantitative changes to UN peacekeeping have placed strains on the organisation's capacity to sustain and manage operations. While resources and managerial capacity are important, securing clear and credible mandates is also of key importance. That said, politics within the Security Council and the wider UN can also shape the fortunes of UN peacekeeping.