

THE MILITARY BALANCE 2021

# Editor's introduction to *The Military Balance 2021*

The coronavirus pandemic had a significant effect on defence establishments in 2020 and its effects will continue to be felt for some time. In *The Military Balance 2021*, however, we also see that great-power competition continued to drive some countries' defence planning considerations and procurement decisions.

*The Military Balance 2021* is published at the end of a year defined by the coronavirus pandemic. While the pandemic affected nearly every country, tackling this common challenge did little to improve relations between states. Conflict and confrontation did not abate, and great-power competition continued to drive some countries' defence planning considerations and procurement decisions.

The unstable security environment was also manifest in continued strain in defence relations between states – even between allies when it came to NATO

ANALYSIS | 25th February 2021

over a year after it formally pulled out of the Intermediate-range Nuclear Forces Treaty, in this case similarly accusing Russia of breaching the treaty. Furthermore, the failure of the Trump administration's plan to include China in a successor to the Russia–US New START agreement left the incoming Biden administration little time to extend the treaty.

Meanwhile, wars continued in Libya, Syria and Yemen. Turkey sent military support to Libya in 2020, backing the recognised government in Tripoli, while opposition forces received support from Egypt, Russia and the UAE. While regional states' contributions were modest they were nonetheless able to sustain their presence, indicating their developing military capabilities. In Syria's Idlib province, Turkey's army clashed with government troops for the first time in February and in late 2020 was mounting joint patrols with Russia to monitor a ceasefire. In Yemen, the Iranian-backed Houthis displayed growing military competence through the use of weapons including uninhabited aerial vehicles (UAVs), long-range rockets and cruise missiles. Conflict continued in Ukraine, and also in Africa, including the long-running war in the Sahel. Fighting in Ethiopia threatened stability in East Africa, not only because of cross-border incidents, but also because Addis Ababa had been a significant contributor to regional peacekeeping efforts. In Nagorno-Karabakh, an old conflict re-ignited, with Azerbaijan regaining a swathe of territory.

---

## The coronavirus effect

Although primarily a public-health issue, the coronavirus pandemic had a significant effect on defence establishments. In many countries, troops were deployed to support civil authorities in tasks including planning and logistics support; armed forces also provided medical personnel and infrastructure. Some defence procurements were delayed. The pandemic had other implications, with fear of infection leading training and exercises to be scaled down or cancelled, while some deployments were postponed and others extended. Elsewhere, outbreaks challenged readiness, such as when sailors from ships of the US 7th Fleet fell ill. In short order, however, armed forces adapted. By June, the US Navy was able to send three carrier strike groups to sea in the Asia-Pacific for the first time since 2017.

---

## Defence spending

The pandemic will also have an effect on defence spending, though not immediately. Although several countries in Asia and the Middle East quickly adjusted public spending, it will likely take until 2022–23 for the full effect of

accelerated spending to support local suppliers to the defence sector. As of November, most of the countries that had announced their 2021 budgets had maintained their defence allocations.

Global defence spending increased in 2020 to reach US\$1.83 trillion, growing by 3.9% in real terms. This growth was only slightly lower than in 2019, notwithstanding the pandemic and subsequent 4.4% contraction in global economic output. Strengthened or stable growth in Latin America, North America and sub-Saharan Africa offset regional slowdowns in Europe and, to a lesser extent, Asia. Real growth in China's defence budget slowed to 5.2% in 2020, down from 5.9% in 2019, while wider spending growth in Asia also slowed, from 3.8% to 3.6%, as countries funded pandemic-relief efforts. That said, China's 2020 increase, amounting to a nominal US\$12 billion, was still greater than the combined defence budget increases in all other Asian states. Indeed, increases in the US and Chinese defence budgets accounted for almost two-thirds of the total increase in global defence spending in 2020.

Sharpened threat perceptions in Europe have helped boost European defence spending, after Russia's 2014 seizure of Crimea and involvement in the conflict in Ukraine's east. European NATO members have increased their defence expenditure as a proportion of GDP. This trend continued in 2020, with their spending reaching 1.64% of GDP, up from 1.25% of GDP in 2014. However, despite the coronavirus pandemic causing a 7% average economic contraction among members in 2020, only nine European NATO members met NATO's recommendation that they spend 2.0% of GDP on defence.

---

## European defence

European and NATO cohesion has been tested by continued transatlantic disagreement on issues including defence spending, escalating tensions between NATO members Greece and Turkey, and the still-unfolding effects of the UK's decision to leave the European Union. Although the EU aspired to a more active geopolitical role, the outcome of discussions in July 2020 on its multi-year budget saw funding for the European Defence Fund, for military mobility projects and for the European Peace Facility lowered by almost 40%, 75% and just over 45% respectively when compared to the figures that were circulated at the start of the budget process.

As the EU's membership contracted with the UK's departure, NATO's expanded when North Macedonia joined in March. NATO maintained focus on the NATO Readiness Initiative, intended to improve the operational readiness of existing forces. Meanwhile, the US again exhorted NATO members to spend more, with then-President Donald Trump labelling Germany 'delinquent' on this issue. It is unlikely that Washington's aim will

ANALYSIS | 25th February 2021

NATO's project to define a vision for 2030 had China as a clear focus. China's rise would, according to the NATO Secretary-General, 'fundamentally' change the global balance of power.

---

## China and Russia

China's military modernisation continues to drive procurement and R&D efforts in the US and is also shaping defence policies in the Asia-Pacific. An example of this was Australia's mid-2020 Defence Strategic Update with its emphasis on conventional deterrence and more capable strike systems, even if the document made few direct references to China.

Beijing is apparently intent on achieving primacy in its littoral areas. The People's Liberation Army Navy (PLAN) maintained an 'over-the-horizon' presence, with China's maritime paramilitary forces taking the lead and using facilities on Chinese-occupied features in the Spratly Islands as forward operating bases in the South China Sea. Naval shipbuilding continued at pace, with the second of the new Type-075 amphibious ships launched, as well as the eighth Type-055 cruiser and 25th Type-052D destroyer. Meanwhile, the PLAN's second aircraft carrier began sea trials; a third, larger, carrier is under construction.

China's air force also continues to integrate more advanced systems. In October, a modified H-6 bomber was observed carrying what appeared to be a very large air-launched ballistic missile. China is likely developing a replacement bomber, assumed to have a low-observable design. At the same time, the air force is fielding more J-10C *Firebird*, J-16 and J-20 combat aircraft while increased numbers of Y-20 heavy transports mean that the air force has effectively doubled its heavy transport fleet in the last four years.

Russia is also integrating more modern systems into its inventory, though on a more modest scale. With continuing problems in fielding new-generation equipment, such as the *Armata* family of armoured vehicles and the Su-57 *Felon* combat aircraft, there is emphasis on modernising existing platforms and integrating new weapons. One example is the Kh-69 medium-range cruise missile. While it may be carried on the Su-34 *Fullback* initially, the weapon's configuration seems driven by the requirement for internal carriage, likely on the Su-57.

---

## Further and faster

## ANALYSIS | 25th February 2021

missiles have been observed on MiG-31 *Foxhounds*, while Russia has already fielded the *Avangard* (SS-19 mod 4 *Stiletto*) hypersonic glide vehicle (HGV). China also continues to develop its hypersonic systems, though it remains unclear whether its DF-17 HGV has reached initial operating capability. Similar developments continue in the US, including the Long-range Hypersonic Weapon intended to form part of the US Army's artillery-modernisation programme.

Hypersonic weapons are, along with greater numbers of cruise missiles and the threat from UAVs, prompting Western armed forces to take greater interest in air and missile defence. Like long-range artillery, this capability was comparatively neglected during counter-insurgency campaigns in relatively permissive operating environments. Finland and Sweden are looking to improve such capabilities, while Australia's Defence Strategic Update indicated increased investment in integrated air and missile defence and 'very high-speed and ballistic missile defence'. Meanwhile, Azerbaijan's use of loitering munitions and UAVs in the short Nagorno-Karabakh war highlighted, for armour, the importance of defence against top-attack and, for armed forces more broadly, the value of effective mobile, and layered, air and missile defence.

That said, it is increasingly clear that military capabilities like these form only part of the toolkit of the West's potential adversaries. Strategies and capabilities will also be required to effectively tackle the activities of paramilitary forces, such as China's Coast Guard and maritime militia, and also address the employment of state power through non-state actors, such as the use – ostensibly by Russia's Wagner Group – of MiG-29 *Fulcrum* and Su-24 *Fencer* combat aircraft. There is also the challenge from other, more insidious activities below the threshold of military force, such as information and influence operations conducted through cyberspace. Along with worries about more capable weapons, this is perhaps one reason why states as diverse as Australia and Finland are now asserting that there is reduced warning time of a crisis.

These threats pose problems that are best addressed collectively, or at least not by individual countries alone, and could bolster cooperation among 'like-minded' states. However, the coronavirus pandemic showed that a common challenge does not always lead to collective action. That said, the pandemic could, perhaps paradoxically, help states in developing the capabilities required to tackle 'grey zone' challenges, not least as it highlighted the need to boost societal resilience, and even to broaden conceptions of defence and security. This does not negate the requirement for modernised and new military capabilities, but it could mean that some armed forces will need to make clearer arguments for new equipment. However, effectively tackling the pandemic required the close integration of military, government and civil-sector capabilities, as well as sharper focus on resilience. If states were

ANALYSIS | 25th February 2021

as during peace and war.



MILITARY BALANCE  
The Military Balance 2021

UNLOCKED

25th February 2021

## Military Balance+ database

Harnessing pioneering technology, Military Balance+ allows users to customise, view, compare and download data instantly, anywhere, anytime.



LEARN MORE ABOUT THE MILITARY BALANCE PLUS [▶](#)

**CAREERS**

**CONTACT US**

**PRESS**

Bahrain

London

Singapore

Washington

[Accessibility](#) | [Cookie Policy](#) | [Privacy Policy](#) | [Terms and Conditions](#)

**FOLLOW US**

Company 615259. Registered Charity 206504. | © IISS 2021