

---

# 1. Introduction

---

*Ravinder Pal Singh*

## I. Background

The analysis of decisions taken by national leaders and officials is a difficult undertaking. It is an even more difficult task to analyse the effects of such decisions on national, regional or global security, particularly in the light of such factors as the escalating pace of change in technology and politico-security uncertainties. Any study of national security decision-making processes tends to arouse both apprehension and suspicion among the officials involved. Official sensitivities tend to be further heightened when arms procurement decision-making processes are scrutinized.

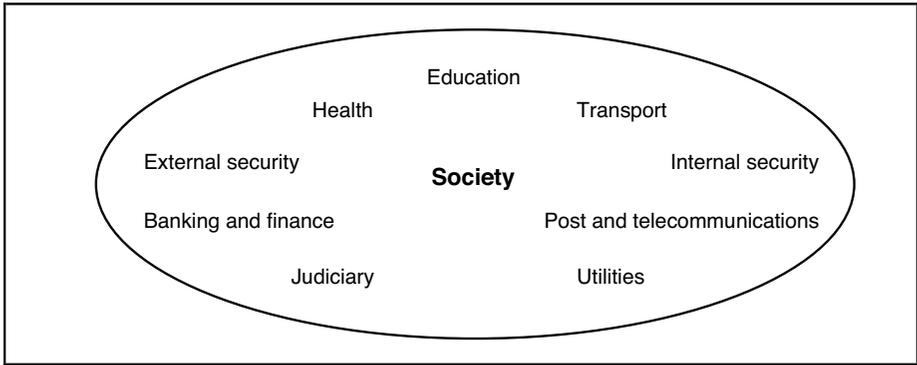
Among the primary factors limiting the flow of information on security and arms procurement is the assumption in many countries that the military should be the final arbiter of what should be public knowledge. The role played by the military must be viewed in the wider context of all public services, as depicted in figure 1.1. Because the degree of autonomy of the military largely depends on the quality of civilian control, professionalism in national security debates must be developed in order to promote choices and decisions which are in the public interest and the interests of national security in the broadest sense.

The global information age not only allows a greater degree of intrusion but also encourages the development of liberalizing trends which question the established political culture. An increased flow of information makes for an informed public debate and broader participation in security opinion making. While the opportunities generated by globalization may erode the autonomy of national élites in implementing security decisions, this can have the beneficial effect of reducing the monopoly of entrenched interests over information about security decision making. The critical task is to harness the opportunities and use increasing access to information to address the organizational and intellectual barriers to building accountability in public policy making.

## II. The rationale for this study

Most of the studies of arms procurement decision making focus on the processes operating in the USA and in a few West European countries.<sup>1</sup> Although

<sup>1</sup> The following are among the major studies of US and West European arms procurement: Hébert, J.-P., *Stratégie française et industrie d'armement* [French strategy and the arms industry] (Fondation pour les études de défense nationale: Paris, 1991); British House of Commons, Select Committee on Defence, *Defence Procurement: (1) Acquisition of Support Vehicles; (2) Appointment of the new Chief of Defence Procurement* (Her Majesty's Stationery Office: London, 1996); US General Accounting Office, *Defense*



**Figure 1.1.** A sample of the essential public services required by society

Source: Prepared by the author.

some reports describe arms procurement decision making in the major recipient countries, a comprehensive analysis is needed to understand how and why countries buy major weapon systems. Most of the studies in this area have been done by Western analysts, who may not be best suited to present an adequate account of the perspective of the recipients. In recognition of the need to examine the demand-side factors which influence arms procurement, the SIPRI Project on Arms Procurement Decision Making was initiated in 1993.

The SIPRI project builds up its data and information through an interdisciplinary network of experts in the individual countries concerned. This can promote an understanding of diverse and often competing perspectives and thus facilitate the attempts of the research community to offer innovative concepts for developing arms procurement restraints.

The primary rationale for this study is the attempt to understand the barriers to the promotion of accountability in the decision-making processes. The project examines the ways in which national arms procurement processes, even though they involve sensitive security issues and complex weapon systems, can become more responsive to the broader objectives of security and public accountability. An underlying assumption is that advancing the debate on the need for public accountability will contribute to the objectives of arms procurement restraint and, indirectly, to the broader aims of promoting a stable and

*Acquisition Infrastructure: Changes in RDT&E Laboratories and Centers* (US Government Printing Office: Washington, DC, 1996); Kirkpatrick, D., *Choose Your Weapon: Combine Operational Effectiveness and Investment Appraisal (COIEA) and its Role in UK Defence* (Royal United Services Institute for Defence Studies: London, 1996); US General Accounting Office, *Weapons Acquisition: Better Use of Limited DOD Acquisition Funding Would Reduce Costs* (US Government Printing Office: Washington, DC, 1997); Markowski, S. et al., *The Economics of Offsets: Defence Procurement and Countertrade* (Harwood: Amsterdam, 1996); Gregory, W. H., *The Defense Procurement Mess*, A Twentieth Century Fund Essay (Lexington Books: Lexington, Mass., 1989); McNaugher, T. L., *New Weapons, Old Politics: America's Military Procurement Muddle* (Brookings Institution: Washington, DC, 1989); *Defence Procurement: Trends and Developments*, Whitehall Paper Series (Royal United Services Institute for Defence Studies: London, 1993); and Collins, J. M., *US Defense Planning: A Critique* (Westview: Boulder, Colo., 1982).

durable peace. Furthermore, it is assumed that an examination of the tension between the public's 'right to know' and the military's interpretation of confidentiality based on an exclusive 'need to know' will provide lessons for other areas of public policy making in which the ruling élite controls and manipulates public information.

The content of information on arms procurement varies according to the political culture, the level of democratization and the relative influence of the military in the national decision-making processes in each country. Arms procurement decisions which depend on the relatively narrow focus of military security considerations tend to neglect the public interest and society's priorities. The lack of legislative or independent oversight allows security concerns to be presented in terms of personal and/or constituency interests. Professionalization of oversight is therefore necessary to address problems associated with arms procurement or other public-interest decisions. It is hoped that this study will contribute to an understanding of the range and diversity of interests that influence the demand-side factors in arms procurement decisions. Arms procurement policies and processes could better reflect national priorities by encouraging institutional accountability and embodying checks, balances and restraints.

Waste, fraud and abuse of power in the policy-making process reinforce secrecy. Professional security assessments and the implementation of decisions need to be made accountable to the public, and diverse and dissenting considerations should be integrated into a review process.

In order to maintain military confidentiality where it is genuinely needed, it is possible to control the flow of information in accordance with different requirements. Operationally sensitive information on military functions provided to the political leadership and the military and civilian bureaucracies can be supplemented by appropriately structured information to facilitate oversight by parliamentary committees on defence affairs. The amount of information available to the public can be adjusted on the basis of the need to enhance public scrutiny of security decision-making procedures.

There is a noticeable tendency in the international security literature to use the terms 'transparency' and 'accountability' interchangeably. Accountability is here taken to mean the obligation of decision makers to answer to the public for their decisions. The objective of accountability in defence policy making and arms procurement is to allow an assessment to be made in the domestic debate of whether the government is competently considering the broader interests of security of society. For this, public understanding of the decision-making processes is needed. However, the requirements of public accountability are quite different from the requirements of transparency as understood in the international arms control literature and in such forums as the Conference on Transparency in Conventional Arms Transfers of the Conference on Disarmament (CD).

While some major powers may believe that transparency in arms procurement decision making would provide the solutions to certain arms control problems,

## 4 ARMS PROCUREMENT DECISION MAKING

in the major arms-recipient countries it is a common assumption that transparency facilitates intrusiveness, which can in turn increase vulnerability. These countries often voice strong objections against the promotion of transparency, even though their silent majorities believe that accountability will serve the public interest.

### III. The scope, method and conduct of the study

The scope of this study is limited to the decision-making processes relating to arms procurement by the state through both domestic production and the international arms trade, focusing on the procurement of major conventional weapon systems.<sup>2</sup>

The study sets out to build up knowledge about the dynamics of arms procurement processes in countries where these issues are under-investigated and where publicly available information on the subject is inadequate. Contributions were sought from national experts in diverse disciplines since they are assumed to be better able to identify strengths, weaknesses and opportunities, and to add value to the debate on the problems in their regions.

The contributors were asked to address specific questions in assigned topics. Some were not able to discuss certain aspects either because the skills and capacities to address such issues publicly have not been fully developed in their countries or because there was insufficient information or expertise.

The contributors based their work primarily on information in open sources but were also encouraged to draw from their own experience. They were also invited to address other areas or aspects that they considered important.

#### **Method**

This study examines arms procurement decision-making processes in six major arms-recipient countries: China, India, Israel, Japan, the Republic of Korea (South Korea) and Thailand. The criteria for selecting these countries included such considerations as: (a) their significance in their respective regions, based on their relative economic potential, size and population; (b) their significance as recipients of conventional arms in the past decade and significant changes made or being made in their arms procurement policies; and (c) the inadequacy of published research on their arms procurement decision-making processes.<sup>3</sup>

<sup>2</sup> Major conventional weapon systems are defined as: aircraft; armoured vehicles; artillery; guidance and radar systems; missiles; and warships. For further detail, see Wezeman, P. D. and Wezeman, S. T., 'Transfers of major conventional weapons', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 369–70.

<sup>3</sup> Many other countries could have been included in this study using these criteria. Among the principal candidates were Argentina, Brazil, Chile, Egypt, Greece, Indonesia, Iran, Iraq, Malaysia, Pakistan, Poland, the Democratic People's Republic of Korea (North Korea), Romania, Saudi Arabia, South Africa, Taiwan, Turkey and Ukraine. In the second phase of the project, studies are being conducted on Argentina, Chile, Greece, Malaysia, Poland, South Africa and Taiwan.

**Table 1.1.** Four major themes of this study*Military and politico-security issues*

- Effects of threat perceptions, security concepts and operational doctrines on force planning
- Influence of foreign and security policies on arms procurement
- Relationships between national security, military security and military capability objectives
- Determinants of recipient dependence on a single source or a predominant arms supplier and the effects on political autonomy and foreign and domestic policy

*Budget, financial planning and audit issues*

- Arms procurement budget planning processes, methods for costing, pricing and tendering, and offset policies
- Balancing arms procurement with national socio-economic imperatives
- Methodologies for military audit in terms of the performance, operability and serviceability of the selected system

*Techno-industrial issues*

- Influence of equipment modernization, building a national defence industry, and the perspective of defence industry organizations
- Procedures for technology assessment (TA)
- Emerging trends in weapon system research and development
- Range and level of participation of national and international private-sector industry in the national defence industrial base

*Organizational behaviour and public-interest issues*

- Influence of domestic considerations and élite motivations on choice of equipment or sources
- Institutionalization of decision-making processes based on principles of good governance, accountability and legislative oversight
- Characteristics of procurement procedures in terms of the organizational behaviour of the structures at the top levels
- Sociology of national decision-making behaviour, including the predominant attitudes or cultural codes that shape decisions

---

*Source:* Compiled by the author.

In order to understand the rationale of different interest groups and constituencies that have or should play a role in arms procurement decision making, the country studies examined four themes representing different kinds of security that can either cooperate or compete for influence in decision making: (a) military and politico-security; (b) budget and financial; (c) techno-industrial; and (d) organizational and public interest (see table 1.1).<sup>4</sup> These four areas of interest were then broken down into 15 topics using an interdisciplinary approach. Diverse perspectives were essential to show the complexity and dissenting viewpoints characterizing decision-making behaviour. The topics were then presented as sets of questions to be addressed.<sup>5</sup>

The first phase of the project defined the purpose of this study and preliminary hypotheses. Because little information was available in the major recipient countries, the project developed a combination of approaches. By its

<sup>4</sup> The term 'security policy' is used in this book in the broadest sense, to include defence policy, economic security, aspects of foreign policy, etc.

<sup>5</sup> For a presentation of the questions guiding the preparation of the workshop papers, see annexe A.

## 6 ARMS PROCUREMENT DECISION MAKING

nature, the subject required a broad, in-depth analysis of many political, military, economic, technical, industrial, organizational and cultural variables. While the resulting country studies are uneven as regards detail, the lack of detail in some areas also constitutes a finding: namely, that the standard of research on security issues that is available to the public and its elected representatives and consequently the quality of the public debate are also uneven. These are the aspects that need to be further developed in these countries.

### **The research**

The research was conducted in tiers: topics were selected and research questionnaires were prepared; primary papers were written by national experts and discussed at workshops; researchers drew on these papers and wrote country studies; these studies were reviewed; and the final chapters were scrutinized by the volume editor.

Experts on the topics specified in the research questionnaire were identified with the help of local research institutes, researchers and national experts in different disciplines and specializations both within and outside government. These experts were invited to participate in the study as contributors of working papers, which they presented at workshops in their countries. They included political leaders; serving or retired officials in the military and ministries of defence, finance and foreign affairs; functionaries in the military R&D and production organizations from government or industry; government auditors; and representatives of national procurement agencies.<sup>6</sup> Other important actors in the decision-making processes also participated. These included legislators in the oversight bodies, representatives of the media, and constitutional and international legal experts.

To gain an even broader understanding, papers were commissioned from economists and sociologists. The 60 workshop papers, deposited in the SIPRI Library, are the primary source of data for the country chapters, supplemented by published material and government reports.<sup>7</sup> In the absence of adequate published material, interviews were also conducted in order to benefit from the personal insight and experience of individuals in these countries.

The workshop papers analysed the role and functions of the different agencies and organizations in three sections. The first section of each paper provided a general description of the national arms procurement policy-making processes and the procedure as seen from the point of view of the participant or the organization he or she represents. While highlighting declared government policies and statements, the participants were also asked to describe the specific role and function of their organization in the arms procurement process, the role of other participating organizations, their relative influence and the relevance of other external factors or actors. The second section was an account of the

<sup>6</sup> For a list of the contributors to this study, see annexe C.

<sup>7</sup> Abstracts of the workshop papers commissioned for this book are included in annexe B.

contributor's own perspective and a prescription for an 'ideal type' of decision-making structure and process for that country. Any political or national characteristics which have a particular bearing on the way arms procurement decisions are made were identified. In the third section contributors analysed the differences between the actual process and the ideal type. They were invited to elaborate on the reasons for the differences, review the barriers and recommend measures for building public accountability in arms procurement decision-making processes.

The research was complemented by input from a wider group of experts during the workshops and interviews.

A researcher selected for each country was invited to write a country study on the basis of submissions of other workshop participants as well as his or her own commissioned research. The country researcher evaluated the general descriptions of the decision-making structures given in the first section and analysed the different interests involved. The country studies in chapters 2–7 were developed from the workshop papers and other secondary research materials.

To guide the project and to facilitate access to the appropriate levels of the government agencies and to specialists, a country adviser in each country was asked to provide a broader judgement and balance in the selection of paper contributors and to review the country study. The country adviser was a senior person who also facilitated the organization of the workshop and coordinated the in-country reviews.

The review process for each country study included the soliciting of two or three reviews in the country, internal reviews by the Project Leader and SIPRI researchers, and external reviews by one or two experts who independently and anonymously provided comments.

The entire pool of experts consulted forms a substantial network for providing professional resources to national publics, legislatures and opinion makers. The network is also of great potential use to the international research community specializing in one or more of the themes under study in this project. One added benefit of the project that was not envisaged at the early stages is the horizontal networking which developed between participants from different countries.

Despite changes during 1998 in some of the organizations, and other changes following the economic crisis in Asia, the cut-off date for new information was 31 December 1997.

\* \* \*

This study is by no means exhaustive. The possibilities for procurement restraint in individual countries must be continuously monitored and explored in ever greater depth, in spite of the sensitive nature of the subject in many of them. In this regard, the significant base of expertise identified by the project could be engaged as a resource and could test established assumptions for the development of confidence-building initiatives.