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Hari Bucur-Marcu (Ed.)

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Foreword

The launch of the Partnership Action Plan on Defence Institution Building (PAP-DIB) at the Istanbul Summit in June 2004 set the goal to help interested partners in regions such as the Caucasus and Central Asia to reform their defence institutions to meet their own needs as well as international commitments. PAP-DIB serves interested governments in the Caucasus, Moldova and Central Asia to exchange experiences with NATO members and partners and to provide their citizens and governments with the possibility to draw a closer bond to the Euro-Atlantic community.

This publication provides a focused view on the ten PAP-DIB objectives of which many reflect on the principles of transparency and public accountability. I am pleased to see that another valuable work has been produced which emphasises on the interest of the public in the realm of defence institutionalisation.

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) and the Landesverteidigungsakademie (LVAK) have maintained their very successful cooperation on a wide range of empowerment programmes in the Partnership for Peace. This publication is yet another positive result of this fruitful cooperation.

General Raimund Schittenhelm, Commandant
National Defence Academy, Vienna

Introduction

By the summer of 2004, my personal relationship with the North-Atlantic Treaty Organisation, or NATO, was already a decade old with work experience evenly distributed between working with NATO and working in NATO. In the last week of June that year, the Alliance was having its Summit in Istanbul, Turkey, and I must confess that not all items on its agenda were of equal interest to me. That was the Summit when Romania had its seat at the round table of the Allies for the first time, and I took a secret pride in my personal contribution to this strategic achievement.

One special initiative endorsed at that Summit failed to capture properly my professional attention – the Partnership Action Plan on Defence Institution Building (PAP-DIB). Not being a representative of a partnercountry any longer, I did not grasp the full significance of this new development of the vast and complex domain of Partnership for Peace. Only one year later, when my NATO Studies Centre in Bucharest joined the Geneva Centre for the Democratic Control of Armed Forces (DCAF) in a project related to the implementation of PAP-DIB, my understanding of the content and significance of this initiative started deepening. And for the last three years, PAP-DIB occupied a fair portion of my professional interests in various themes – from the subject of training to methodologies for analysing and evaluating national achievements in defence institution building.

The theoretical cornerstone of the Euro-Atlantic community's actions in support of the development and implementation of PAP-DIB is, without a doubt, the 2006 Source Book published jointly by the National Defence Academy, Bureau for Security Policy at the Austrian Ministry of Defence and DCAF with the support of the Centre for International Security Policy, Swiss Federal Department of Foreign Affairs.¹ This Source Book gathers authoritative names in the domain of democratic control of armed forces, civil-military relations, defence management and other related areas. It is no wonder that I was thrilled by the proposal to write a short version of that Source Book for easier use.

Since my mandate was to base my version on the original Source Book, the reader will find many references to it across this text. However, the result is not just an abridged version, nor a compilation of the main ideas laid down in the original text of more than 500 pages, for the very reason that I believe that the Source Book is still valid as it is, and it will remain so in the years to come.

¹ Van Eekelen, Willem F., and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006.

Even the structure is changed in this book, in the sense that I chose to follow the ten PAP-DIB objectives, instead of the 16 articles of the Source Book. I should emphasize here that these changes do not imply that the classification of the articles in the Source Book is less relevant.

The philosophy behind my text is that it should reflect more the interest of the public in the realm of defence institutionalisation than in the theory of good governance of defence, as laid down in codes of conduct and guides of best practices, even if the latter are of paramount importance in achieving effectiveness and efficiency by security and defence sectors.

The public is important for many reasons, and it was not only my choice to orient the text towards the public interest, but also of the authors of the PAP-DIB document and, by extension, of the heads of state and government that endorsed it at the Istanbul Summit. Many of the PAP-DIB objectives refer to the principles of transparency and public accountability, which provide the very conditions for informed and active public opinion.

Apart from the Source Book, the sources of knowledge for this book are diverse. From a rather scattered bibliography I selected sources that provide the necessary theoretical underpinnings. My experience and personal involvement in various areas of defence at both national and international level also served as a reliable source of knowledge, just as the experience of people contributing to discussions on various aspects of defence institutionalisation over the last three years. In my structural approach to different PAP-DIB objectives, I also relied on the feedback from members of the NATO International Staff and from partners in Caucasus and the Black Sea area, the Western Balkans included. One may recognise many similarities between this book and the text of the PAP-DIB course available on-line from the Swiss e-learning at www.pap-dib.ethz.ch. One reason is that the authors of these two texts are the same. In addition, the structure of the course mirrored by this book was validated throughout the course design process.

My intention was to offer the reader a synthetic text of the main directions an informed member of the public believes that the defence institution² building should be channelled, the rationale behind some of the options suggested by international security organisations or theoreticians in the field of security and defence, as well as to provide a fair and candid explanation of some of the wording in public documents related to PAP-DIB. If the reader is

² Fred Schreier examines various entities as security and defence institutions in his article “The Division of Labour in the Defence and Security Sphere,” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 29–87.

interested in in-depth treatment of some of these aspects, she or he may simply refer to the more elaborate Source Book.

CHAPTER I

DEMOCRATIC CONTROL OF DEFENCE ACTIVITIES

Democratic control of the defence sector, as well as of the security sector at large, is still a topic of actuality in many nations, and it is emphasised as first objective in the Partnership Action Plan on Defence Institution Building (PAP-DIB). This NATO-EAPC document calls for the development of “effective and transparent arrangements for the democratic control of defence activities, including appropriate legislation and co-ordination arrangements setting out the legal and operational role and responsibilities of key state institutions in the Legislative and Executive branches of Government.”

It is possible to debate if this emphasis in planning NATO actions was due to the recurrence of the government vs. public debate in Europe,¹ or if it was due to the primordial importance of the principle of democratic control over defence that should govern over any defence reform or transformation, or, in our case institutionalisation. Whatever the conclusion of such debate might be, the intrinsic significance of democratic control of defence activities cannot be ignored: in any democratic nation the people have a legitimate interest and a legal right to understand and verify how their government builds up and employs the defence power on their behalf.

Reconsidering the concept of democratic control of defence

In a rather philosophical approach, this interest, and especially the right of the people to control the defence sector, stems from the governing principle in a democracy that the people are the supreme holders of all kinds of power in their state. As they exercise their will and authority over the public affairs through freely elected representatives, they have to control how that power is built up and employed on their behalf. This should be true for all public domains in a state, with an ‘[emphasis on the defence sector as the actual expression of the military power of a nation.

In practice, or in a more concrete approach, the Parliament of a democratic nation should retain the control over the security and defence sectors.

¹ Hans Born, “Democratic Control of Defence Activities,” in Willem F. van Eekelen and Philipp H. Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 89–90.

Thus the Parliament ensures that the interests, aspirations and preferences of the people are reflected in full in the state's security and defence policies, and in the way the defence sector is organised and conducts business to implement such policies.

We may define the democratic control of defence as the complexity of constitutional and legal provisions, of responsibilities and of procedures for exercising the power of the people through their representatives over the defence establishment. Democratic control may be seen also as a guarantee that the military power generated by the state is completely justifiable to the people, it would never be turned against the people, and it would never be used against people's will.

When calling for effective and transparent arrangements for democratic control of defence activities, the action plan for defence institution building is not departing from the traditional definition of democratic control, but rather proposes a process of rethinking this concept with a more focused scope in mind. This scope of democratic control would be to ensure that people's interests, aspirations and preferences are fully reflected into defence policies and into an effective, efficient and affordable defence system by adopting or amending the legislation governing defence matters, and by establishing proper co-ordination arrangements setting out the legal and operational role and responsibilities of the Legislative and Executive branches of Government.

We may not know the cooking process of this action plan document, but we may imagine that every word was measured and weighted carefully. If this is true, then the key word in the first DIB objective is *activities*. In my reading, that means that the accent is moved from the democratic control of the entire defence sector² in the classic or traditional sense, which may be taken for granted and is usually achieved through constitutional provisions, to the narrower domain of defence activities, such as policy formulation or operation/mission engagement, which may need further attention in the context of defence institution building, and requires legislative and executive arrangements.³

² At least for this chapter, defence sector is that domain of public administration concerned with the production of military power. Usually it comprises the armed forces, the political leadership (commander-in-chief/president, ministries of defence), the executive controlling authorities (president, prime minister) and other state agencies permanently or occasionally involved in defence matters. In some cases, the defence sector also includes the defence industry.

³ In the context of institutions building, these arrangements are defined in the corpus of legislation (general laws and laws referring directly to defence) and executive regulations (decisions, decrees, executive orders, etc.), stating the remits and responsibilities of the legislative, the executive and the judicial powers, as well as the interaction among these state powers in the process of controlling the defence sector.

When this process of institutionalising democratic control of defence activities may be considered accomplished? This is an important question for both the authorities involved in implementing this PAP-DIB objective, and the people interested in these aspects. The short answer is – when the norms and criteria for such control are met. Of course, this answer raises the logical question of what are these norms and criteria. Here the dedicated literature is quite extensive.⁴

The concept of democratic control may be decomposed into three constituent topics. The norms related to each of these topics are summarized in the following paragraphs.

The first and primary topic is that democratic control of defence should ensure that the defence domain does not interfere with or threaten democracy. The main issue here is to prevent a situation when the military interfere with the political life of the nation, and make use of their specific power against the political establishment. Two levels of concern can be distinguished here. The first one is related to the fear that the military might take over the leadership of the nation, turning a democratic system into a military regime and, eventually, a dictatorship. This fear of military coups goes deep in the history of democracy, to the interdiction of Roman legions in the days of the Roman Republic to prevent them from entering the Eternal City with their weapons and forcing their will against the Roman citizens. It is obvious that modern democratic societies take appropriate measures to prevent such situations. However, the fear of military coups should still be considered when assessing institutional arrangements for democratic control of defence.

The second level of concern is related to the fear that some political leaders might use the military power to impose their will against other politicians and the people at large. Also from the Roman times comes the notion of praetorian involvement into state politics. The praetorians were the military within the city walls. They were powerful enough to impose their will or preference, or to take side with one of the conflicting political factions during the times of the Roman Empire, while not taking the ruling power for themselves. The democratic control recognises these concerns and finds institutional ways of addressing them.

There are some generally accepted principles and norms addressing these concerns. One of these principles implies that the people retain control over each of the state powers (legislative, executive and judicial) by appropriate systems of representation. There are democratic nations that let the people elect

⁴ Based on a study of this literature, Hans Born presents a list of international organizations establishing norms and standards of democratic governance of the security sector. See Born, *Democratic control*, 90–92.

directly each of the three branches of government, others are electing just the legislative and the executive (or only the head of the executive), and others are electing only the legislative. In all these situations, the people retain also the right to control the elected representatives. Another principle is to create a system that interlocks the state powers in the political and administrative decision making process, and lets each of them to endorse or revise the decisions of the others related to the use of military power in domestic issues. And yet another principle is to have the legislative bodies in control of key decisions on appointment of high-ranking officers, on the flow of defence resources, including the defence budgets, on defence policies and on the missions of military.

The second topic of democratic control is the engagement of military power as a tool or as leverage in the nation's foreign policy. In this respect, the people and their lawful representatives should ascertain that the use of military force in missions abroad is always consistent with the core values and with the self image of that nation, and that it reflects the people's interests, opinion and preferences on the international security architecture, from engaging in war to participating in peacekeeping or post-conflict reconstruction operations. This topic covers both the legal and the operational frameworks. The legal framework includes the national and international legislation regulating what the military may or may not be tasked or allowed to do when employed in fighting or peacekeeping missions abroad. The operational one covers the missions and actions of the military involved in operations outside national borders.

The democratic control should cover all legal and political aspects regulating this employment. According to accepted norms and principles, the parliaments are empowered to decide on legislation governing the remits of authorisation for deployment of forces in missions abroad (governmental authorities, levels of authorisation in terms of size of military force, duration of the mission, transfer of authority, rules of engagement, etc.). They are also empowered to pass legislation governing the enforcement of international law, including international humanitarian law regarding the deployment and engagement of the nation's military. Especially in respect to the DIB focus on democratic control, the legal aspects should address policies as to the rationale of engagement of military forces and their missions. Here we may discuss grand strategies establishing the strategic rationale for supporting foreign policy with military actions, as well as other security and defence policy documents, such as strategies, strategic political guidance, white papers, etc. It is also in the remit of parliaments to decide on the resources for each operational mission of military forces abroad. The basic principle is that the military should not establish by themselves any political goals for the use of force or strategic missions, but they would follow the political decisions of civilian authorities.

The democratic control should also cover the most significant operational aspects of the missions abroad. These aspects are approached differently by democracies. Some would assign the responsibilities of control to the parliament; others would delegate this responsibility to the executive branch. Basic requirements for these operational aspects should recognise that the transfer of authority usually allows for the transfer of command to an international organisation, but retains the national control over the forces deployed; that the memoranda of understanding and the agreements signed for a specific mission with other parties reflect the principles and norms of democratic control; and that national caveats, such as the interpretation of international law and humanitarian law are clearly stated in operational documents. Democratic control means that the missions, including the rules of engagement, are endorsed by the legislative and the executive bodies representing the people and that the people have access to relevant information about why and how the military force is used in their behalf.

Finally, the third topic of democratic control of defence is to ensure that the public resources are effectively and efficiently used, providing in particular that defence is not a burden larger than it should be for the people of a democratic nation. Democratic control involves adequate legislative and executive measures to have the people directly involved, alongside with their representatives, in formulating and supervising defence policies and their implementation.

It was rather straightforward to identify norms and principles applying to the previous two topics of democratic control of defence. The reasoning was simple: either they ensure the proper representation of the people's interests and opinion, or they are failing to do so. However, this third topic is not as direct as the other two. The effectiveness and efficiency of defence, especially in times of peace, are very difficult to measure. Of course, there are aspects such as corruption or other clearly identifiable breaches of law that can be brought into discussion, but the main subject is still not that obvious. It is an open field of discussion what would be the most appropriate methods to assess the level of effectiveness and efficiency in defence.

One theoretical approach is to introduce the concept of defence as a public good. Without entering the theoretical field of public goods, we mention here only that the value of this public good is measured not at the "production" phase, but at the phase of "consumption," where the "producer" of defence is the government through the military and the "consumer" is the public. Especially during times when the military are not fully engaged in operations testing their capabilities it is important to estimate the level of satisfaction of the "consumer," namely the public.

Of course, there is no scientific or practical tool to measure with precision that level of satisfaction. If we measure the public attitude towards defence, we may find the public satisfied with less than required, as long as they feel safe and protected and they perceive no direct threat that may persuade them to weigh the nation's responsiveness against that threat. In this case they may accept not only allocation of fewer resources than necessary, but also poor management of the defence sector. And the opposite may also be true – the public expectations may exceed the level of defence that is affordable, and then people are not satisfied even if no real threat endangers their security.

One of the ways of resolving the uncertainty in the public satisfaction with the public good called defence, is to bring that public into the process of *producing* defence, namely to enhance good governance of the defence sector, or to introduce a businesslike approach to defence, to apply results-oriented defence management or any other form of conducting defence activities that entails regular interaction between the government and the public.

Institutionalising the democratic control of defence

The democratic control can function effectively only when it is fully institutionalised. What institutionalisation means is still under debate. However, in a broader sense, the institution of democratic control of defence comprises the state agencies involved in the process of formulation, endorsement and implementation of defence policies and strategies, and in the decision-making loop on defence issues; the legislation governing the process; and the appropriate procedures for having these agencies working together and the legislation properly implemented.

The most common official agencies involved in democratic control of defence are those agencies of representatives directly elected by the people, namely the Parliament and, in some cases, the Head of State (President), or even the Executive; there are also agencies appointed by the Parliament on behalf of the people: the Head of State (President) and the Cabinet/ Council of Ministers/ Government when they are not elected directly by the people, as well as the relevant ministries, with an emphasis on the Ministry of Defence.

This corpus of legislation should regulate precisely which are the agencies involved in the process of democratic control, what their responsibilities are and how those responsibilities should be accomplished. More than that, the legislation should establish what would be the penalties of failing to enforce this democratic control. In any democracy, the constitutional and legal system comprises laws specifying mechanisms and responsibilities for the establishment of defence systems in times of peace and of war, and setting out levels of authorisation for the legislative and executive powers in instances such as de-

claring war, state of emergency or siege, in approving budgets or launching military missions. For example, in the nations of Armenia, Azerbaijan, Georgia and Moldova, there are similarities in the arrangements to exercise democratic control over the state bodies enabled to use military power, as well as on the arrangements to authorise the use of military power in given situations. The overall format for decision-making on the state of war, martial law, state of siege, or emergency is that the President would decide on each of these situations and then the Parliament would endorse, validate or reverse such presidential decisions.

The procedures of democratic control also comprise, in general terms, how the defence policy is formulated and how its implementation is controlled. In most nations, the executive branch of the Government, involving the Ministry of Defence and the head of the executive branch (the Prime Minister and/or the President) are responsible for the formulation of defence policies and strategies. Other relevant executive agencies are in a supporting role for this formulation, such as the intelligence agencies supporting the process of assessing security risk as part of defence policy formulation. In some cases, these procedures are complemented with a stand-alone agency at the level of the Head of State, called for example National Security Council or National Defence Council. Such councils usually have an advisory role.

Other procedures are used to validate or endorse defence policies and strategies. As a clearly democratic principle, such endorsement should be in the hands of parliaments. The Head of State may be also involved in the endorsement process, but it should not replace the power of the Parliament.

The control of implementation of defence policies and strategies should be also subject of appropriate procedures. The basic principle is that the agency endorsing such policies and strategies should also control their implementation by the means of authorisation (budgets, level of forces, missions, appointment of civilian and military leaders, acquisition of major equipment and so on), as well as through reviews, hearings, and inquires.

Parliamentarian arrangements

The parliaments are the supreme representative bodies and the main agencies to perform democratic control of defence. The powers and rights of parliaments on democratic control of defence are specific to each nation, but there are also many features that apply to all states. We may outline two sets of parliamentarian arrangements: employment of parliamentarian powers and rights applicable to every domain of government, and powers and rights specific to the defence domain.

In terms of general government, the parliaments are empowered to pass laws, usually proposed by the executive. In most countries, the members of the parliament also have the right to propose new laws or amendments in existing laws. As for any public domain, the parliaments pass laws governing over all aspects of defence. The most common corpus of legislation on defence comprises laws on national security, defence, martial law and state of emergency, mobilisation, compulsory or voluntary military service, and statutes of military and civilian personnel.

The parliaments have also the power to endorse executive policies.⁵ This power applies also to the defence sector, the parliaments being empowered to endorse security and defence policies and strategies proposed by the head of state and/or the government, such as the national security strategy, national defence strategy or concept, and results of a strategic defence review. They also have the power to decide on how public money should be spent. Accordingly, the parliaments are debating, amending and passing laws on defence budgets.

Very important is the right and the power of the parliaments to oversee how the legislation and parliamentary endorsements and decisions are implemented by the executive branch of government. That includes the rights to raise questions, summon members of the executive and their staff to testify, to access classified information, carry out parliamentary inquiries and hold hearings. In relation to the defence sector, these parliamentary rights and powers should extend also over the defence staff. The parliaments have the right to receive reports and reviews on defence issues subject to parliamentary endorsement and authorisation.

In the realm of defence proper, the parliaments have the power to endorse or to amend decisions on the use of military force. The parliaments have the power to take the ultimate decisions in the case of war, martial law or state of emergency. They also authorise individual defence spending, such as acquisition programmes, costs of missions abroad, or costs of opening or closing of military facilities. In many countries, the parliaments are deeply involved in decisions related to defence contracts.

Most if not all parliaments retain the right to decide on employment of troops in missions abroad. Usually such decisions include mission statement and political mandate, level of engagement (number of troops), rules of engagement, delegation or retention of command and control, duration of the mission, and other related issues. The parliaments have also the power to authorise levels of civilian and military personnel employed in defence organi-

⁵ See Born, *Democratic control*, 94–117.

sations, the total number of high-ranking military positions and, in some cases, to endorse or validate high-ranking appointments.

In terms of satisfying the people as “consumers” of the public good called defence, of highest interest is the process of defence acquisition. Not all parliaments are involved in this process in other way than approving budgetary programmes that include acquisition information. In many relevant publications, the authors advocate further involvement of parliaments in defence acquisition decision-making, approving or endorsing the acquisition or procurement policies, validating the need for new equipment, endorsing offset policies and specific compensation offers.

Executive arrangements

The executive bodies of the government are instrumental in institutionalising the democratic control of defence activities. In generally accepted terms, these executive bodies are the president or the head of state when entrusted with executive functions, and the Cabinet or the Council of Ministers.

The presidents/heads of state have two distinct roles in democratic control of defence. As commanders-in-chief of the national armed forces, they are under the control of the people, directly or through the parliaments, and as representatives of the people they exercise democratic control over the government and the military structures on defence aspects under their remit.

The function of commander-in-chief is performed by the head of state both in presidential or semi-presidential democracies, where the president is elected directly by the people and has more or less extensive executive powers, and in parliamentary democracies, where the president is appointed by the parliament and has some limited executive powers. We must remember that there is a conceptual difference between the function of democratic control and the function of command and control, specific to the system of governing the armed forces. The difference resides in the fact that the democratic control is not related to the degree of executive authority invested in the president, while the command and control is the actual reflection of such an executive authority, which is usually quite extensive.

Presidents have various positions among the state powers, ranging from representative to authoritative ones. In many nations, the President is the highest authority on defence matters, and exercises this authority through the executive branch of government. The powers of the president extend from declaration of war to formulation of security and defence policies to decisions related to their implementation.

Most presidents have responsibilities on formulation of defence policies at strategic level. Especially when presidents have significant executive pow-

ers, they are instrumental in decisions over defence resources at national level, as well as in co-ordination of various agencies involved in defence matters. They are the strategic decision-makers on defence issues and, in some instances, they are also involved in operational and tactical decisions. One matter of practical concern is that whatever influence the presidents have over ministries of defence, it should not surpass the prime ministers.

In many countries, the activity of the presidents on defence issues is supported by the security/defence councils and their staff. These councils act according to specific laws regulating their composition and responsibilities. They work with the ministries and departments for the security of the country, and key ministers are members of those councils. In several instances, members of parliament are also members of the security councils.

As for the cabinets, or the executive bodies proper, their powers also originate from the people, either directly, like in the case of general election of the head of the executive, or through the people's representatives – the parliaments, when they elect the head of the executive branch of government. The main effort to build efficient, effective, affordable and justifiable defence rests with the executive, usually with the Ministry of Defence in a lead role.

The executive branch of government is the primary initiator of legislation and has the right to propose how the defence sector should be institutionalised and governed. It has also the right to issue policy documents and programmes on specific aspects of defence. Democratic control implies that these rights of the executive are controlled by the parliament through its power to legislate, endorse and authorise.

The main responsibilities of the executive government on democratic control rest as much with controlling the implementation of defence policies and decisions as with reporting on the outcomes. The reporting phase of the democratic process takes place simultaneously at the level of parliament and the public.

The role of the ministries of defence in formulating, endorsing and implementing defence policy decisions is explicit in the laws on defence. The Ministry of Defence is the specialised central public authority responsible for the development of the armed forces; it organises, coordinates and conducts national defence activities. In terms of democratic control of defence, the ministries are both subjects and objects, as they are responsible to control the armed forces directly and at the same time are accountable to the higher executive offices (prime minister and/or the president) and to parliament.

In terms of policy formulation and implementation, a Ministry of Defence assesses the political-military environment; identifies risks and threats with a military dimension; processes requests from other public authorities for

use of military means; and contributes to drafting the security policy and the preparation of the main guidance for its implementation.

As part of the executive government, the ministry has legislative initiative; it may propose adequate legislation and regulations on defence matters and is involved in drafting budgetary proposals. It is also responsible for organising scientific research in the interest of defence and for implementation of research results in the national armed forces.

The ministers endorse defence documents issued by the chiefs of defence and the departments in the ministries of defence, according to legal provisions. Other political and managerial decisions taken by the ministers are enforced throughout the defence establishment under their authority. On the hand, the ministers of defence propose defence policy decisions that are submitted for approval by parliaments, directly or through the head of the executive or the head of state, often after the scrutiny of the national security councils. The ministries of defence are also primary executive agencies responsible for dissemination of information on defence matters. In all democratic nations, the defence ministries are rendering the defence framework transparent to the higher authorities and to the public.

The criterion of transparency in institutionalising democratic control

All democratic nations develop procedures for transparency of governmental actions, under the public information or similar legislation. The key principle is that the government should make public both the defence policies and strategies, and their outcomes.

This principle has a dual significance in providing for accountability and credibility, both being instrumental in enhancing the security of the nation. It is generally accepted that a democratic nation would not be a threat to the international peace and security and a nation accountable to its people is accountable to the international community as well. At the same time, a nation building up its defence in a transparent manner is also much more credible to the international community. Friends and foes alike would believe that the given nation can defend its people, values and interests against any identified threat.

In other words, the transparency of effective governmental actions is paramount for preserving and enhancing security. A key condition here is that the governmental action is effective indeed. In addition it should be credible, i.e. the policy stated by governmental bodies would eventually be fully implemented.

There are some general conditions a nation should meet in order to facilitate the involvement of the people and their representatives in a transparent democratic control of defence. One condition is that the entire legislation concerning defence and establishing the responsibilities of different state agencies, including responsibilities in terms of democratic control of defence, should be open to the public. All political documents referring to defence (political programmes, security and defence strategies, white papers, strategic reviews, doctrines, budgets, etc.) should be readily available to the public. A democratic nation should have a legal framework allowing the public to be informed on governance issues, including in defence. There should also be effective and legally protected rights of the people to express freely their opinion on government in general and on defence matters in particular.

The people should also have adequate legal means and ways to render their representatives accountable for their actions (and non-actions) in respect to their responsibilities on democratic control of defence. Of course, people's representatives should have, in turn, all legal means and ways to render other governmental agencies accountable for their deeds on defence issues.

Transparency should be granted not only for decisions and their implementation, but also for intended actions. The decisions on strategic issues such as defining or redefining defence missions, joining an alliance or a coalition, engaging forces in missions abroad, identifying new defence threats and risks should be prepared with people's participation at the maximum extent possible. Draft defence policy documents should be made public and open to public debate.

The criterion of effectiveness

The democratic control of defence is a process triggered by attitudes of people and their representatives, a process that is sustained in an institutional framework. The question is how effective is this process in a given nation.

Before answering this question, let us discuss a couple of observations. The first observation is that the democratic control of defence is nation specific. The specificity is grounded in the fact that defence is nation specific by default, and that the format and content of democratic control are influenced by the opinions and actions of the actors involved, namely the people and their representatives on one side, and the government, including the military, on the other. At the same time, no nation stands alone in the international security architecture, and any degree of security integration brings sets of norms and standards in defence governance that the nation should observe and/or implement.

The second observation is that certain driving forces should fuel democratic control, otherwise it would simply not happen. These forces are national and international. Among the national forces are the public opinion, activities of civil society organisations, attitudes of the people towards government in general, and towards defence in particular, competition among the political parties for better performance and increased public support, etc. And there are international driving forces, such as international security organisations proposing or agreeing on norms and best practices applicable to all member nations. These forces are not mutually exclusive and usually not competing; on the contrary, they are often complementary in the process of institutionalising democratic control of defence.

National and international norms and standards of defence governance invariably place effectiveness among the top requirements. Given these two observations, we may agree that the criterion of effectiveness has only an intermediated expression. In other words, effectiveness should be assessed in its relevance for the democratic control of defence activities.

There are two ways of assessing the effectiveness of the democratic control of defence: by measuring the level of satisfaction of the people with the performance and the outcome of democratic control over the defence sector, and by evaluating the compliance with internationally established norms and practices. Some theoretical frameworks are also based on comparative studies of best practice in democratic nations. However, given the national specificity of democratic systems and their defence institutions, this approach is less comprehensive than the first two and does not capture the driving forces behind democratic control.

In terms of institutionalisation, the main areas of democratic control subject to assessment in any given nation are the arrangements to establish people's representatives as supreme authority on defence matters, and to ensure that defence serves exclusively the people; the arrangements to ensure that people's interests, aspirations and opinions form the democratic basis for defence policy and actions; and the arrangements and procedures to ensure a balanced and effective distribution of defence responsibilities among state actors.

There are no generally agreed methods to measure the exact level of satisfaction of the public or the compliance with international principles, norms or practices on democratic control of defence. Nevertheless, there are some general guidelines that should be followed in attempts to assess satisfaction and compliance.

In terms of constitutional and legal provisions establishing people's representatives as supreme authority on defence matters, we may consider whether at least the following requirements are met.

First, no strategic decisions on defence—declaring war, martial law, status of emergency, joining alliances or coalitions and others—are taken without the consent, endorsement or approval of the Parliament. Of course, there are instances when the matter of urgency is envisaged and the remit for initial call on defence matters such as declaring war or military engagement is left with the executive. Even in such instances, the Parliament should retain the control by limiting the period when the executive bodies could exercise their discretion and especially by retaining the right to revise and amend such executive decisions.

Second, all defence policy documents establishing the strategic rationale for the type, size, composition, capabilities of the armed forces and the amount of resources for defence are endorsed by the legislative. Thus, all security and defence strategies or concepts, white papers or strategic reviews establishing such aspects should be subject to parliamentary endorsement. And deriving from this is the requirement for approval of the defence budget by the legislative at a level of detail revealing all major expenditures and their destination, and not leaving strategic decisions solely at the remit of the executive.

In terms of constitutional and legal provisions ensuring that defence serves exclusively the people, we believe that the missions of the armed forces should be endorsed by the legislative at all times. It is also essential for the sake of effectiveness that the armed forces are placed entirely under political control and civilian leadership. There should be sufficient provisions to ensure that the defence leadership, civilian and military alike, are accountable to people's representatives in all their actions and responsibilities. Moreover, there should be no military or paramilitary forces outside the defence sector, hence outside the legal political control of the people's representatives.

And finally, in terms of constitutional and legal provisions for sharing responsibilities on defence policy formulation and implementation at general government level between the head of state, the Parliament, the Cabinet, and the minister of defence, as well as within the defence sector between the political and the military sides, we should see that these provisions explicitly designate what documents contain defence policies (strategies, political programmes, white papers, concepts, reviews, doctrines and directives), who is the issuing authority and who is the endorsing authority, what is the period of time for validity and revision, and what are the reporting responsibilities. At minimum, the legislature should approve the initiating policy documents and should receive reports on policy implementation.

International norms of democratic control of defence activities

The international security organisations establish norms and practices agreed among their member states that are either advisable or compulsory. However, there are only few mechanisms enabling these organisations to assess the compliance of each member state with the agreed provisions, and practically none related to aspects of democratic control of armed forces. Most of the time, member states are politically bound to these norms and practices and would implement these provisions at their own pace. Nevertheless, the principles, norms and practices spelled out in such international documents are of great significance for the nations involved. Not only that they transform the notion of democratic control into clearly identified requirements, but they are important for the peoples in their endeavours to enhance democracy in their states.

The United Nations published the key principles of democratic governance of defence activities in the 2002 ‘Human Development Report.’ This document is short of legally binding member states to fully and unconditionally implement all these principles.

The participating states in the Organization for Security and Cooperation in Europe (OSCE) consider the democratic political control of defence as ‘indispensable element of stability and security’ and are committed to “further the integration of their armed forces with civil society as an important expression of democracy,” as stated in Sections VII and VIII of the 1994 OSCE Code of Conduct on Politico-Military Aspects of Security. At the same time, the signatories of the Code agreed that the “provisions adopted in this Code of Conduct are politically binding.” This means that the Code does not have the power of an international agreement or treaty, should not be registered under the provisions of Article 102 of Charter of the United Nation (this article states that only the registered documents may be invoked before any organ of UN), and it rests with each participating state to ensure that its “relevant internal documents and procedures or, where appropriate, legal instruments reflect the commitments made in this Code.”

However, the international legal commitment is not the only driving force in implementing these norms and standards, as we mentioned above. Hence, we decided to insert the OSCE norms in this chapter.

Table 1: Norms in the 1994 OSCE Code of Conduct on Politico-Military Aspects of Security.

Inter-state norms	Intra-state norms
Solidarity principle (if OSCE norms and principles are violated)	Democratic political control of military, paramilitary, internal security forces, intelligence services and police
	Integration of armed forces with civil society
	Effective guidance to and control of military, paramilitary and security forces by constitutionally established authorities vested with democratic legitimacy
Maintenance of military capabilities commensurate with individual or collective security needs	Legislative approval of defence expenditures
	Restraint in military expenditure
	Transparency and public access to information related to the armed forces
Determination of military capabilities on the basis of democratic procedures	Political neutrality of armed forces
	Measures to guard against accidental or unauthorised use of military means
	No toleration or support for forces that are not accountable to or controlled by their constitutionally established authorities
Non-imposition of military domination over other OSCE states	Paramilitary forces not to be permitted to acquire combat capabilities in excess of those for which they were established
	Recruitment or call-up to be consistent with human rights and fundamental freedoms
	Reflection in laws or other relevant documents of the rights and duties of armed forces personnel
Stationing of armed forces on the territory of another state in accord	Armed forces' compliance with the provisions of international humanitarian law

with freely negotiated agreements and international law	Armed forces personnel's individual accountability under national and international law
	Protection of the rights of personnel serving in the armed forces

CHAPTER II

CIVILIAN PARTICIPATION IN DEVELOPING AND IMPLEMENTING DEFENCE POLICY

Civilian involvement in formulating and implementing security and defence policies is a standard feature of democratic societies. Civilian presence in defence decision-making positions stems from the very political nature of these positions: these civilians are accountable to people directly, if they are elected, or through the people's representatives, if they are appointed. The work of civilians in defence establishments is necessary for both political and practical reasons. There is a need for highly specialised civilian personnel throughout the defence establishment, starting with the highest strategic agents, such as the head of state or the Parliament, and ending with military commands. It is essential to ensure civilian participation in the process of formulation and implementation of security and defence policies. In all cases, civilians add value to defence, and contribute to the tasks and work of the military.

The above statements derive from a rather recent reality among the Euro-Atlantic nations. And they fully justify the second objective of the NATO-EAPC Partnership Action Plan on Defence Institution Building, that calls for the development of "effective and transparent procedures to promote civilian participation in developing defence and security policy, including participation of civilians in governmental defence institutions, cooperation with non-governmental organisations and arrangements to ensure appropriate public access to information on defence and security issues."¹

Institutionalisation of defence policy development and implementation

Any democratic government has two constant challenges in the field of security and defence: how to build and maintain confidence among its citizens that their interests and expectations on national security and defence are well served by that government; and how to build and maintain confidence among international actors² that the nation is a contributor to international peace and security and does not pose a threat to the international community. Another constant

¹ Partnership Action Plan on Defence Institution Building (PAP-DIB). *NATO Basic Texts*. NATO Basic Texts, 7 June 2004 www.nato.int/docu/basicxt/b040607e.htm.

² International actors are considered all entities subject to international law, namely the states and international organisations such as United Nations, OSCE, NATO.

challenge, not necessarily specific to defence, is to convince the citizens that the public resources³ used by the government on their behalf are well channelled towards justifiable, affordable and clearly defined goals and objectives.

A sound and credible defence policy is usually the best answer to these challenges. The defence policy is an integral part of state's foreign and domestic policies, and materialises through a complex of public documents issued by the highest political authorities with the purpose of defining the key aspects of defence activities. A central place among these has the rationale for defence dimensions, such as national goals and interests, threats and risks, and opportunities. Another important aspect is the amount of effort the nation is willing and ready to put in defence or, in other words, how much public resources would be allocated to defence. It is also very important to establish through this defence policy the strategic defence missions, as well as the composition of the armed forces (e.g. conscripts/volunteers, active/reserve, offensive forces/defensive forces, in-place forces/deployable forces, distribution among the services, military commands, supporting forces).

Some nations include in their defence policy decisions and preferences regarding the level of ambition for the total numbers of forces and the main defence capabilities, the projection of forces and capabilities in the foreseeable future, as well as the level of involvement in international defence cooperation.

A sound defence policy requires both a long-term vision guiding the development of defence capabilities to serve national goals and interests and counter threats and risks, and constant reviewing in the face of changes in the security environment—in terms of evolving threats and opportunities—and in national foreign and domestic policies in terms of interests, preferences and availability of resources.

A nation building its defence in accordance with the interests, objectives and aspirations of its people should develop a defence policy answering several strategic questions. Which are the main values, national aspirations and interests to be defended with military power? What are the national goals to be fulfilled with military means? What are the main threats and risks to values, national aspirations and interests? What are the main opportunities in the international security architecture? What is the place of defence among other public goods (education, health, environment, etc.) provided by the government? How the society is willing to balance defence and diplomacy in addressing international security issues? What is the trade-off between defence and other security

³ Public resources are mostly public money, but also other human and material resources that the people put at the disposition of the government for common purposes. In the case of defence, these resources may comprise, along with financial resources, compulsory service (conscripted), requisitions, and other services established by law for peacetime or in case of mobilisation.

sector components the society is willing to set in addressing internal security issues?

The policies addressing these questions are described in documents issued and approved at highest governmental levels. It is up to each nation to determine how complex would be the process of security and defence policy development. Often these policies can be found in one or more documents such as a National Security Strategy, a Strategic Political Guidance for defence and/or security sector, or a Long-term Strategic Vision. Key feature of each of these documents is that it is political by nature, hence, in any democracy, it should be in the remit of civilian leadership.

These policy documents may have either legal or executive status, as exemplified in Table 2.

Table 2: Defence policy documents by status.

Documents with legal status usually issued by top executive officials and endorsed by the legislature		Documents with executive/organisational status usually issued by the Ministry of Defence (prepared by civilian and military staffs) and endorsed at executive levels	
Type	Examples	Type	Examples
Main policy documents	National Security Strategy National Defence Strategy Strategic Concept Long-term strategic vision	Concepts and Strategies	Military Strategy Procurement strategy
Guidance	Strategic Political Guidance	Plans and Directives	Strategic Capabilities Plan Defence Planning Directive
Reviews	White Paper on Defence Strategic Defence Review	Executive policies	Personnel policy Public Information policy

In some political cultures these documents are named with the generic title ‘grand strategy.’ According to most specialised sources, grand strategy is believed to be the attribute of great powers only, because only great powers are able to develop and employ the entire range of military and non-military means in accomplishing their strategic objectives. However, since any nation defines its place and role on the international arena, and by defining these features it develops the core of a grand strategy, we may agree that any nation could develop grand strategies under the condition that, regardless the abundance or scarcity of strategic means it has for promoting such strategies, all of the above questions are addressed.

There are three main prerequisites for the formulation of defence policy: effective political control over defence processes and activities, full institutionalisation of the process of defence policy formulation, and adequate expert and research staffs supporting decision-makers at all governmental levels.

In terms of institutionalisation, the process of defence policy development should include comprehensive constitutional and legal arrangements and procedures addressing the type, names and content of policy documents. This is necessary, among other things, because the notion of ‘defence policy’ is abused in literature and governmental practice when almost anything is considered a fair candidate for this qualification. When we refer to the type of these policy documents, we have in mind institutionalised provisions establishing the legal status and enforcing power of each of these documents. Examples of most common types of policy documents are: strategy, political guidance, defence concept, political programme, white paper, political directive, and other alike.

It is also important to institutionalise which governmental authorities are empowered to issue such documents, to approve or endorse them, to implement the policies, and to assess and review their implementation. These provisions should be established legislatively, together with clear guidance on the periodicity⁴ and validity⁵ of defence policy documents. A good practice observed in most democratic societies is to institutionalise also the public involvement in defence policy formulation and implementation by establishing clear procedures for public information on security and defence matters and for involvement of the public in drafting defence policy.

Ensuring adequate political control is a key requirement for defence policy institutionalisation. It enforces the principle that the policy should reflect higher political decisions and be consistent with long-term political vision. It

⁴ Periodicity is a statement in legislation defining when a policy document shall be issued, e.g. at the beginning of the political mandate, at the beginning of a planning cycle, every other year.

⁵ Validity is a statement in legislation defining the period of time for which the provisions of a policy document are valid, as well as the areas of government for which these provisions are compulsory.

also refers to arrangements and procedures enabling implementing authorities to base their actions solely on the provisions of the respective policy. In our understanding, political control implies that democratic political authorities receive adequate information on all aspects related to defence, have the power to decide on all relevant issues, and are instrumental in monitoring the implementation process.

The requirement for adequate staff support to defence decision makers is also worth discussing. The political decision-makers that put their signature on defence policy documents have to rely on the work of dedicated and competent staffers, preparing and supporting their political vision and decisions.

Formulating defence policies is a complex and demanding process. It involves processing a huge amount of information, application of analytical and planning tools, skills to deal with uncertainty, abilities for accurate assessment of social, economic, cultural, security and defence realities, and power of prediction. These being said, it becomes obvious that supporting staffs are normally composed of civilians, selected and employed exactly for their abilities to meet these demands. The military also play an important role in the process of policy formulation, but in limited areas, providing expert opinion on military aspects such as generation and employment of forces, or required military capabilities.

All these and other reasons why the security and defence policies formulation and implementation should be supported by civilian staffs can be summed-up in two groups of arguments – political and practical. The political arguments bring into discussion the political primacy in decision-making, which requires civilian staff to prepare political decisions, with the observation that in a democracy the military have no policy-making role of their own. At the same time, staff contribution to security and defence policy requires political trust, confidence and loyalty – a requirement that is better served by civilians than military. The practical arguments refer mostly to the fact that in most areas of policy formulation and implementation a competent civil service gives better return on investments in personnel than a competent military. The career planning for civilians is more suitable for job continuity in defence staffs, while educating and training civilian specialists on security and defence is more cost-effective than training military specialists in the same fields. At the same time, competent civil service allows for better use of military expertise in specific areas such as doctrines, military training, operational planning, and command and control.

The process of defence policy formulation

The process of formulating defence policies is nation specific, since each nation has its own peculiarities in governing the public sector in general, and the

defence sector in particular. Moreover, the level of institutionalisation of defence policy differs in terms of complexity, state bodies and agencies involved in formulation, authorisation and implementation. Nevertheless, there are several aspects of this process common to all democratic nations. There should be one or more issuing authorities of defence policy documents. These authorities can be found within the executive branch of government—the head of state, the head of government, the minister of defence—each with its level of authorisation. Then there should be endorsing or approving authorities, usually at the level of Parliament. And there should be implementing authorities, such as the Ministry of Defence and defence agencies. A system of defence planning that provides departmental strategies, plans and programmes necessary for adequate defence policy implementation should also be in place. One important institutional requirement is to have arrangements and procedures for involvement of civil society organisations (CSO) in security and defence policy formulation, its implementation, as well as in assessment of results.

Discussing the institutionalisation of defence policies, it is important to outline the main stages in defence policy formulation, namely the clarification stage and the stage of defining defence requirements. These stages apply to practically all types of policy documents, at executive and legislative levels. In a well-established democratic system, these stages are transparent, and both the endorsing authorities and the public are able to reiterate independently the process before granting their official or popular approval.

Among the main activities in the clarification stage are the assessment of grand strategic concepts applicable to defence, such as national values, goals and interests, threats and risks to national security that should be dealt with military means, opportunities, affordability and feasibility of policy options; forecasting resource allocation; and evaluating existing conditions for implementation, such as the command and control structures, forces, defence planning system, knowledge, skills, organisational willingness, etc.

Also in the clarification stage we may identify activities such as assessment of requirements for proper policy implementation. That includes consideration of risks that could arise during policy formulation and implementation, including risks external to the defence sector when defence policy is linked to other national policies, public perception and financial risks, and other implementation risks.

The main activities in the development of defence requirements include identification of requirements for promoting international security with military means, such as requirements derived from international commitments (alliances, coalitions, partnerships, UN) and regional cooperation requirements. Other requirements identified at this stage address strategic defence missions

by building appropriate forces such as stationary forces and capabilities, combined with deployable and reserve/ mobilisation forces. Whenever the military forces have also domestic missions, such as civil emergency or humanitarian relief, requirements deriving from these missions should also be identified.

Civilians and defence

We already stated that security and defence policies are civilian matters by their very nature of political endeavours. However, not all civilians can perform such highly specialised tasks of formulating security and defence policies, or implementing them, or controlling these processes. Due to this highly specialised nature, there are voices advocating that the security and defence domains should be in the remit of specially educated and trained military officers.

The latter proved to be faulty in all instances in democratic systems. Even in societies where military are playing significant roles in state government, the tasks of formulating security and defence policies, implementing them and controlling these processes are still civilian tasks, though performed by the military. Civilians have an important role to play not only at the highest levels of decision-making, but throughout the governmental hierarchy. It is expected that this role is fulfilled by qualified civilian personnel within the general governmental structures, including the Ministry of Defence, and by work commissioned to specialised governmental and non-governmental organisations.

In institutional terms, the role of civilians in developing security and defence policies should be well established and visible to the people, and clear procedures should be in place to translate these policies into plans and programmes, to assess them in terms of opportunities, risks and costs, and to review them whenever necessary.

Broadly speaking, there are three categories of specialised civilians involved in defence: decision-makers at strategic and executive/operative levels; civilian staffs; and members of civilian organisations, such as governmental education and research agencies and civil society organisations.

Decision-makers perform roles at both strategic and operative level. Usually, the head of state and/or the head of the executive government, as well as the members of the Parliament are decision-makers at strategic level, while the members of the cabinet, the minister of defence and the deputy ministers, state secretaries, heads of departments within the Ministry of Defence make executive/operative decisions.

The heads of state and government are the leading civilians at strategic level in the overall process of defining the guidelines of defence and security policies. They also issue the main security and defence policy documents and

forward them to legislature for endorsements or approval. In many nations, they also have extensive executive powers on defence. The policies they have to decide on are developed both by their own staffs and by subordinate authorities (usually by ministries, but it is not uncommon to decide on proposals issued by defence staffs).

The parliaments are the strategic civilian authorities on defence and security policy endorsement. There are nations where parliaments are involved also in executive level decisions, mostly through authorisation of expenditures, programmes, operative missions, deployment of forces, and nominations of key military personnel. Specific to the discussion about the civilian involvement in defence is the existence of specialised commissions or committees on security and defence in these parliaments. These commissions normally prepare decisions for consideration and approval by the general assembly.

The members of the cabinet (council of ministers) and especially the ministers of defence are the most common civilian decision-makers at operational/executive level. They issue policy documents such as strategies, plans and programmes, directives and executive (organisational) policies. They are also instrumental in preparing proposals for strategic decisions, providing most of the information needed for such decisions.

All these categories of civilian decision-makers are holding political positions. Ideally, they should be able to master specialised issues of security and defence, and they often have appropriate educational background and work experience in these fields. However, having extensive knowledge and skills in security and defence is not a compulsory requirement for political positions. What is important for civilian decision-makers is to have political vision, democratic culture, deep understanding of people's interests, needs and preferences in security and defence, and support by competent and trustworthy staff.

As to the members of civilian staffs, the civilians involved in defence policy formulation and implementation can be on the permanent staff of security/defence council chaired by the head of state or government; permanent staff of security/ defence committee of the parliament; the staff of security and defence advisors to the prime minister; civilian staff of the ministry of defence; and civilian members of the staffs of military commands.

Any soundly articulated and effective security and defence policy in the democratic world benefits from institutional arrangements and procedures allowing for co-operation with civil organisations, both governmental and non-governmental. These organisations are instrumental in producing research and occasional papers, organising national and international conferences and seminars on security and defence matters and publishing reports commissioned by governmental agencies and civil society. They are also better situated for pro-

ducing alternative security and defence policies or strategies for public debate. Non-governmental organisations are also submitting or publishing opinions and recommendations on draft legislation or policy documents, mostly for parliamentary consideration. They are also active in public debates on security and defence policy alongside governmental authorities.

Members of civil organisations with proven expertise in security and defence are commonly invited to be part of inter-agency commissions and working groups drafting key policy documents, to testify in front of parliamentary commissions and to address the public through mass media. Often, the civil organisations are also pools of potential high-ranking officials and key experts on their staff.

Institutionalisation of civilian participation in the defence organisation

The institutional culture of civilian participation in defence organisations incorporates appropriate legislation on civil or public service, enforcing civil servants status, codes of conduct, career development, rights and obligations, and others. Also under the institutionalisation arrangements we may identify personnel management practices for civilians, including attractive wages, professional development programmes and other incentives, and efficient recruitment campaigns. These are supplemented by organisational management practices, such as establishing or earmarking positions for civilians only within defence organisations, proper working procedures for civilians in executive and subordinate positions, security clearance procedures and others.

In the ministries of defence in particular, civilians are instrumental in areas such as legislative initiative (proposing adequate legislation and regulations on defence matters), drafting policy documents (defence strategy, political guidance, defence review, white papers), defence planning, including drafting budgetary proposals, personnel policies, procurement/acquisition and logistics, and auditing the spending of public resources.

The arrangements and procedures establishing civilian roles in security and defence policy formulation are part of the institutional framework for defence policy development and implementation (as shown above). Other arrangements and procedures deal with civilian employment in both leadership and staff positions in defence ministries, agencies and commands, as well as with ensuring governmental co-operation with civil society organizations on defence issues.

Willem F. Van Eekelen provides a comprehensive list of best practices and what he calls recommendations in the field of civilian control of defence,⁶ correctly assuming that in democracy no defence system is functional unless it benefits from the full support of the people. From his rather exhaustive list we emphasise the following aspects.

A successful and effective defence system recognizes the clear political primacy in the ministry of defence, with the civilians in a lead role, and the military in a supporting one, thus rendering the military accountable to democratically elected members of parliament. While the military have no policy-making role of their own, their professional advice should be carefully considered in the process of policy formulation and decision-making.

As key civilians involved in defence policy making, the members of parliament should be trained in the techniques for and the responsibility of holding the military accountable. Parliamentarians can enhance their expertise through participation in the assemblies of multilateral organisations (NATO, EU, OSCE), which do not exercise democratic control in the strict sense of the word, but are important in their consensus-building role.

There are no hard and fast rules for the number of civil servants in the ministry of defence. During the Cold War, the military occupied a disproportionately large number of positions to allow these persons to be available for transfer to the reserve units in case of mobilisation. In a professional force this argument hardly plays a role. In this regard, financial considerations favour civilians because the military are more expensive in salaries and retire earlier. Functions in which civil servants are indispensable are the directorates dealing with general policy (as distinct from General Staff) and financial control. They also should play a role, together with their military colleagues, in the procurement and personnel departments and this role is likely to increase, because acquisition procedures and labour conditions are approaching practices in the civilian sector.

The national parliaments should develop expert professional staffs to keep their members fully informed on key security issues and related data. Civilian expertise is most needed in supporting standing defence committees in areas such as scrutinising the budget, or preparing decisions on equipment acquisition, where only experts can judge the merit of alternative options.

The governments should encourage the development of a cadre of security policy experts in the public domain who specialise in a range of security

⁶ Willem F. van Eekelen, "Civil-Military Relations and the Formulation of Security Policy," in Willem F. van Eekelen and Philipp H. Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 91–120.

issues and are capable of generating public debate through their publications and newspaper articles.

Civilians are better situated to serve in statutory audit structures to prevent corruption, fraud and abuse of public resources.

Open debate on defence policy does not arise by itself but has to be nurtured by inputs from civil society. Hearings are fine but only if they are organised to produce serious comment and alternative options. Debate can be structured by tasking governmental and nongovernmental bodies with the production of advisory opinions, which are published and provide a basis for an informed discussion.

It is also highly advisable to encourage an open and informed national debate preceding major decisions on national security and other military matters. The best way to do this is the publication of comprehensive white papers, defining national interests, international obligations, the level of ambition and the capabilities needed to implement it. The parliamentary defence committee should organise hearings of experts and non-governmental organisations. Its staff should make a preliminary analysis of the proposals made and the issues likely to be controversial. Press, radio and television are normally quick in picking up such questions.

The practice and arrangements for running defence organisations should provide for total depoliticisation of the military. This is a two-way requirement: the military should not have any political role in society and, at the same time, political interference in professional military matters should be minimal.

CHAPTER III

LEGISLATIVE AND JUDICIAL OVERSIGHT OF DEFENCE

As in any democracy, people delegate their powers to the main branches of government, and while doing so, they make constitutional, legal and institutional arrangements to preserve the right to sanction the acts of governance through political, administrative and coercive measures, applied in the process of democratic oversight. This observation is very true for the defence sector just as for any public domain, and it is recognised by the NATO-EAPC Partnership Action Plan on Defence Institution Building in its third objective, which calls for the development of “effective and transparent legislative and judicial oversight of the defence sector, including appropriate arrangements to conduct due legal process.”

The concept of democratic oversight

Democracy is not only about free elections. In fact, the real democratic exercise starts after the people have entrusted their representatives with the power to govern the society on their behalf. There are various and interlocking democratic oversight mechanisms. In some nations, delegation of executive power is done directly, as the people elect directly their executive government, or at least the head of government. In other nations, the people’s representatives are entrusted to delegate executive powers in name of the people. In all cases, the parliaments are retaining significant oversight powers, while courts are supervising how laws represent people’s interests and how they are implemented and observed. It is important to remember that the democratic principle of separation of powers, defining the remits within which governmental branches exercise control over public life, should be always supplemented by provision of democratic oversight. Otherwise, the legislative, the executive and the judicial branches may tend to self-govern and separate themselves from the people who entrusted them with their powers.

In institutional terms, democratic oversight comprises constitutional provisions and legal arrangements setting the structure of the government with its main branches – legislative, executive and judicial, the type, amount and quality of power the people delegate to each of these branches, and the procedures for overseeing the activities of each branch by the other branches of government.

We may arrange the main attributes or characteristics of the overseeing powers exercised by the legislative and judicial branches of a democratic government into consecutive attributes, continuity, mutual transparency, accountability, and direct intervention.

The consecutive attributes permit any branch of government to exercise oversight and to be subject of oversight consecutively. When the legislative branch exercises its overseeing power over the executive, the former is in an oversight position and the latter is in a subject position. When the executive branch supervises the central and local public administration, it remains a subject of legislative oversight while exercising also overseeing power. Having consecutive attributes allows the legislative branch to regulate through laws and codes the activity of the courts, but this does not prevent the judicial branch to exercise judicial oversight over the activity of executive and even legislative branches. We can identify another combination of acting and being subject consecutively in situations when the executive branch has legislative initiative, or when it is involved in judicial process through prosecutors and public defenders. What is interesting about this consecutive duality is that the powers of oversight extend also to the action of overseeing proper of the subject branch of the government.

The characteristic of continuity underlines the fact that oversight is a continuous activity for every branch of government and, independent of given circumstances, one branch exercises its overseeing powers over the other branches of government.

Mutual transparency suggests that the oversight exercised by one branch of government is transparent to the other branches—and also to the public—while accountability signifies that each branch of government is accountable in political, administrative or legal terms to the other branches.

We also mentioned the characteristic of direct intervention. In some specific instances, it allows the overseeing branch to intervene directly in the activity of the overseen branch in order to sanction or correct the latter's performance.

As defence is ultimately an expression of the military power of a nation, naturally the defence sector, as one of the public domains, is an object of continuous democratic oversight. Given the highly specialised nature of this domain, an important question is how specialised should be the legislative and judicial oversight of defence. There is no clear-cut answer to this question. Different democracies developed different solutions, some more profound or more effective than others. There are nations inserting as much military expertise into the civilian oversight authorities as possible, while others open the defence sector to the maximum extent possible and import governance methods

from civilian public domains. And, of course, there are nations that combine the two approaches.

The overarching principle is that the specifics of the defence domain, including the requirement for secrecy or confidentiality, should not impede on the exercise of its democratic oversight. Legislative and judicial oversight of the defence sector are components of democratic oversight in the sense that elected or appointed representatives perform their functions on behalf of the people. The members of the public should be interested in the level of effectiveness and efficiency of this performance, and the people at large should ultimately decide on the quality of democratic oversight of defence performed by their government.

The object of legislative and judicial oversight of defence is the performance of the defence sector, its management, the quality and results of operations, and the quality of programmes, within the legal remit and functions of defence organisations and the limits of public funds appropriated or approved by the parliaments. On the other hand, the object of people's interest in democratic oversight of defence is the overall and detailed performance of the legislative and judicial branches of the government in accomplishing their oversight roles.

If we—as informed members of the public—examine the overall performance of the government, the main areas of our interest would include indications whether the oversight functions of the legislative and judicial bodies are clearly stated in our constitution and relevant legislation. We would also like to find out whether the legal framework includes comprehensive procedures for parliament and courts to perform defence oversight functions. Moreover, we would like to be certain that the process of democratic oversight is transparent to the public; otherwise attempts to assess the overall performance of the government would be futile.

Also in the overall performance inquiry, we would like to see that the parliament and courts are constantly improving their activities based on findings and conclusions resulting from the process of oversight, and that the political and legal sanctions are applied in a fair and constructive manner.

In terms of detailed performance of the government, or its activities in overseeing defence, we would like to see that our government is taking active measures to monitor the defence sector, in particular the application of legal provisions and implementation of approved policies. In this context, we would look for active executive actions to report to parliament the results of policy implementation and initiate new legislation on defence matters, and the reaction of the parliament to these initiatives. And we would like to see that courts

are acting impartially and effectively in enforcing defence legislation and sanctioning breaches to this legislation.

Legislative power

Legislative oversight is a democratic enabler for the legislative bodies to exercise their power of enacting legislation, endorsing public policies and authorising executive actions. The legislative bodies apply political sanctions as practical illustration of their oversight. They have the power to enact laws regulating the entire spectrum of public life, to endorse policies for each public domain, and to authorise executive actions for implementing these policies within the legal framework. For our discussion it is important to remember that the legislative branch of a democratic government has also the power to oversee the executive branch and to impose political sanctions whenever the administration fails to observe the policies and the authorisations given by the legislative.

Usually, this legislative power takes shape of parliamentary functions, namely enacting legislation, endorsing executive policies, authorisation, nomination of public officials, ratification of international acts and other bilateral or multilateral foreign commitments.

Looking at the function of enacting legislation, we observe that parliaments exercise their legislative oversight by passing new legislation, or altering the existing one, or by deregulating obsolete or inappropriate laws. The driver that leads to such measures is the continuous and elaborate monitoring of the way the executive and the society at large observe the laws and how these laws really serve the public interest. Whenever the existing corpus of legislation does not adequately correspond to current and future needs of society, or whenever the performance of the government is tempered by inappropriate legal provisions, or by the absence of appropriate legal provisions, the Parliament has the power to apply its function of enacting legislation in order to correct such situations.

In terms of policy endorsement, parliaments cannot confine themselves only to voting on public policies proposed by the executive. They have to bind the executive to implement those policies as endorsed, through effective legislative oversight.

The parliamentary function of approving governmental programmes and budgets is referred to as the function of authorisation. It is one of the most powerful enablers of legislative oversight. It gives the parliaments knowledge and feedback on the rationale for spending public money and the expected outcomes on behalf of the people.

In respect to legislative oversight, the function of nominating the officials in key public positions gives parliaments the power to hold politically

accountable the persons in political, administrative and other public positions that they have appointed or confirmed.

For any public domain, most nations have the parliaments oversee the observation of the provisions of ratified documents by other state powers and hold them accountable.

These functions are applied through dedicated parliamentary arrangements and procedures. A general list of such procedures would cover:

- the work of the permanent staff of parliaments on programme analysis and assessment, independent studies on policy and strategy alternatives, budget analysis, data collection, audits and special reports;
- the work of parliamentary standing committees carrying out investigations, hearings, testimonies, and the like;
- reports received from the other branches of the government on policy and programme implementation, or on enforcement of legislation;
- and, last but not least, plenary activities such as parliamentary debates, questions and interpellations.

All these procedures should be fairly transparent, as the people should be informed at all times how their representatives are employing this power and how legislative oversight is performed on their behalf.

Legislative oversight of defence

The legislative branch of a democratic government exercises its controlling function of defence through an institutionalised system of approvals, endorsements and authorisations of defence legislation, policies, programmes, budgets and major actions. The legislative overseeing function involves political investigations and sanctions related to legislation and policy implementation.

The parliaments are investigating how the executive observes the legislation, implements policies and decisions through active and passive means, formalised in the constitution and appropriate legislation, and detailed in parliamentary and executive procedures.

Active investigation by the legislature means that the parliaments are not acting as a result of a case brought to their attention, but on their own initiative. In performing active legislative investigation, parliaments usually pursue thorough analysis of defence outcomes, such as how defence organisations are accomplishing their goals and missions. They are also assessing the relevance of defence legislation and reviewing the consistence of defence policies in force, and auditing the execution of the defence budget.

The main tools parliamentarians employ for active legislative investigation include internal reports, independent inquiries, parliamentary hearings, testimonies, questions and interpellations, as well as parliamentary debates, motions and decisions.

Passive legislative investigations are based on information actively forwarded by the executive about policy implementation under the principle that, in democracies, the government is bound by law to report to the parliament on regular basis on all developments in defence. Among the main themes in these reports are the interim and final outcomes of main defence programmes approved by parliament, such as: force transformation, conversion of defence forces, capability development, force reductions, etc. The ministry of defence or the cabinet may also report to parliament on the stages and final outcome of operational missions approved by parliament, such as war, participation in alliance or coalition operations, peace support operations, humanitarian assistance and so on. Not necessarily a dedicated defence oversight activity, many parliaments are also informed on defence budget execution within the general budget, or separately.

In terms of sanctioning governmental activities, parliaments perform reviews of current legislation, of approved policies and of the performance of persons appointed in governmental positions. Legislation reviews usually cover further regulation or de-regulation of current legislation with the aim of reflecting new or changing social, political, economic and security realities with impact on the defence sector. Policy reviews are used to examine the validity of standing policy objectives, priorities and security and defence problems addressed by these policies. At the same time, parliaments validate or adjust methods, frameworks and processes for policy implementation, when these are in their remit. They also should review responsibilities, resources and time-frames for policy implementation. Such review activities, tuned with appropriate assessment of the effectiveness, efficiency, and impact endorsed defence policies have on issues and problems identified at parliamentary level, should lead to decisions on continuing or correcting the defence policy in question, followed by political guidance to the executive for implementation of parliamentary decisions. Such decisions usually refer to continuation of political support or political sanctions for civilians and military appointed or confirmed by the parliament, including replacements, based on their reviewed performance.

Most of the overseeing functions of parliaments and their dedicated committees and commissions should be supported by expert members of parliamentary staff. Of course, the final judgements and decisions rest with the members of parliaments, but the inquiries, surveys, analyses and reports pro-

duced by parliamentary staffers are instrumental in preparing these judgments and decisions.

These staffers would include permanent civil servants, but also interns and civilian and military personnel seconded from their permanent duties in the defence establishment. In a fully democratic and functional environment, it is not important if the people's representatives have individual knowledge and skills related to specialised aspects of defence. However, a relation of trust and loyalty is usually developed between the members of the parliaments and their staffers. They should also have security clearance appropriate for investigating the classified aspects of defence activities.

In general, the public of every democratic nation should see how their legislative bodies maintain constant interest in defence programmes and activities and reflect this interest in their parliamentary agendas (debates, interpellations, reports, inquiries, hearings and testimonies etc.).

The well known adagio "who guards the guardians" applies to the institutionalisation of legislative oversight of defence as well. If the members of the parliament are the guardians, the public is bound to guard the guardians. In this role, the public should see that their parliament approaches the defence issues with professionalism and avoids partisanship. For this purpose, the parliamentary agenda on defence oversight should be driven exclusively by the public interest and not by political competition. It is highly advisable that the parliaments employ specialists and experts on their staffs, while their political affiliation plays little or no role in their nomination. Moreover, parliaments are expected to commission independent studies and research on strategic defence issues.

The parliaments should keep both the civilian and the military decision-makers accountable for implementing defence policies as agreed by the parliaments and take active political measures to sanction poor performance or misdeeds if they occur.

The legislative oversight covers all aspects of defence of public interest, but in practice it is mostly focussing on good governance of the defence sector. The main areas of good governance, where parliamentary oversight should be most active, are efficiency, accountability, transparency and public involvement in governmental decisions. In this context, efficiency relates to the way public resources are engaged in defence programmes and activities and especially their results. In terms of accountability, parliaments should see how the merits and accomplishments of people involved in defence programmes and activities are recognised, and how mismanagement or breaches of legislation and/or political decisions are politically sanctioned. The object of transparency would be how public information is provided by the executive branch, includ-

ing the defence organisations, and with what results, while public involvement in executive decisions on defence matters deals with how public debates are organised by defence decisions-makers and how their results are factored in the decision-making process.

Judicial power

Judicial oversight is the democratic expression of the power of the courts. The courts and tribunals exist in a democratic system to represent the people and to act on people's behalf for legitimising the decisions and actions of the legislative and executive bodies by preventing breeches of constitutional and legal provisions, and for enabling public and private petitioners to address their concerns and dissatisfaction in all legal aspects. The courts apply administrative and penal sanctions as main results of their oversight functions.

The people give the power to perform justice to the courts either directly, when they elect the members of the courts of justice, or through their representatives, when these representatives are appointing members of the courts on behalf of the people. In all instances and at every level of judicial competence, in any democratic system the courts of justice work exclusively for the people. They are using judicial power to apply laws to individual cases.

A democratic judicial system is institutionalised around the principles of:

- *Separation of judicial power from legislative and executive powers:* the courts should be independent of legislative and executive branches of the government for the very reason that they have to apply justice in favour of these branches or against them without any bias;
- *Court's competence:* there should be one superior or supreme court with overall competence and lower or inferior courts with territorial (local) competences to address civil and penal cases brought to them by plaintiff;
- *Right to appeal:* decisions of any court should be subject to appeal at a superior instance, in order to enhance objectivity and impartiality of the court's judgement.

Judicial power is a key democratic feature of a society, based on its preventive and coercive or sanctioning functions. In its preventive function, the judicial power oversees whether the legislation enacted by the legislative branch is consistent with the constitutional provisions accepted by the people (usually by decisions of a constitutional court) and the administrative decisions of the executive branch are consistent with the enacted legislation, before they are implemented. In its sanctioning function, the judicial power oversees how all the

other branches of government perform their legal duties and applies administrative or penal sanctions to any wrongdoings brought to the attention of the courts.

Establishing a democratic judicial system is a challenge in any society. It is challenging to preserve the principle of separation of powers while the judicial system is subject of political and administrative influences (i.e. judges are appointed by political bodies, or annual budgets for the justice sector are controlled by the executive branch of the government). The courts are acting upon cases brought to their attention by prosecutors and lawyers on behalf of plaintiffs. In many societies, these prosecutors and lawyers tend to become influential in court matters, as politicians with a legal background are usually directly involved in designing or amending the judicial system. In many instances, there is a continuous exchange of persons with judicial education and experience between the legislative, the executive and the judicial branches of the government.

Judicial oversight of defence

The specialised nature of the defence sector imposes some specialisation of judicial bodies overseeing this sector, often in the form of military courts of justice and related military prosecutors. It is debatable if the competences of military courts cover all cases that involve military personnel, or are restricted only to cases related to specific aspects of the defence sector, such as special provisions in civil or penal codes, or in military regulations with power of a law. The current tendency, in line with recent developments in defence in most nations, is to transfer as many of the penal or civil cases on defence matters as possible to civilian courts.

We have to note from the beginning that this courts specialisation in military matters is at times abused. One form of abuse is when a military court accepts a case just because the defender is a military person, and this person is prosecuted in that military court even if the charges are not of special military nature, such as traffic violations or sexual abuse.

It is fair to say that the judicial oversight of the defence sector is a matter of civilian and military courts, depending on their competences and the nature of cases presented to these courts.

At one extreme, it is the case when only military courts judge the military personnel, under the argument is that the military should be protected from civilian abuse, especially when they perform duties and accomplish missions that are not necessarily popular in some segments of the population, and they should benefit from a fair and effective justice that only a military system can ensure. However, this argument implies that the civilian judicial system might

be corrupt or partial, as long as the military cannot have a say in civilian matters.

At the other extreme, it is the case when only civilian courts judge the military personnel, under the argument is that the military are 'citizens in uniform' and should be protected or prosecuted by the legal system just as any other citizen. This argument implies that the military judicial system might be partial in favour of defenders or military organisations, as long as this system is separate from the civilian one.

In fact, there are two oversight functions of the courts: preventive and sanctioning. The preventive function allows representatives of the executive, as well as members of the public to bring in front of the highest court (or the constitutional court where it exists) matters of inconsistency or breach of the constitutional provisions included in legislation in force, or in legislative and executive decisions. Even on defence matters, this function is obviously a civilian one, even though some supreme courts have military sections. There is hardly an argument in favour of a military court judging on defence matters of this nature.

The sanctioning function of judicial oversight is complementary to the military disciplinary system. The commanding officer is authorised to sanction breaches to military discipline code or regulation, but has to refer any breaches of civil or criminal code to civilian or military courts, for due legal process. A disciplinary sanction cannot prevent further penal actions.

These deliberations lead to the conclusion that the role of military courts is confined to a small number of cases dealing specifically with limited provisions of the penal code on military matters; the remaining crimes brought to courts are civilian in nature.

In many democratic nations the interest of the general public in the judicial oversight of defence is mostly generic. Unless a person is interacting with the judicial system, either professionally or personally, she or he would be satisfied with the overall understanding that this system is fair, impartial and represents the people. The public opinion would never affect or influence judicial decisions in specific cases, in a democratic environment, but should have an input in perfecting the judicial system as a whole.

In respect to the application of judicial power to defence cases, it is debatable whether all criminal acts committed by a military person will have to be dealt with by a military court. Whether a military person will be tried by a military or a civilian court depends on the specific national legislation. The current tendency is to diminish the roles of the military courts, and in several countries military courts have been disbanded.

Judicial systems are quite different around the world, as the nations are approaching this domain with different philosophies. However, there are several common denominators relevant to the general public. Among these commonalities we may identify the fact that, when addressing defence matters, the judicial system should guarantee representation of the people. At the same time, the members of the public should be able to address in court their cases related to defence matters without any constraints. On their turn, courts should protect the civil rights of the military as of any other citizen.

Very important is the general requirement that wherever military courts exist, they should not prosecute civilians in ways different from civilian courts, or should not prosecute civilians at all.

In institutional context, the people should be interested to what extent the judicial system meets the following requirements.

One requirement is to have the courts dealing with defence matters well established within the judicial framework of the nation, governed by appropriate legislation and independent from the legislative and the executive powers.

Another requirement is that the legislation and especially the criminal (penal) and civil codes, as well as the codes of judicial procedures contain clear procedures for prosecuting defence crimes and defence related matters.

The judicial oversight of the defence and security sector should cover both the preventive-controlling and the sanctioning functions of the judicial power. In their preventive function, the judicial bodies are entitled to supervise any acts taken by the parliaments, president and executive bodies on defence matters with a clear goal to establish their constitutionality and legality.

In their sanctioning function, the judicial authorities exercise oversight of the defence sector based on criminal and civilian codes, with the same transparency as in any civilian matter. Members of the public and military alike may appeal to the courts on matters of violation of their human rights and freedoms by the defence organisations.

The people of a democratic nation entrust the legislative and judicial authorities with the power to oversee the defence sector and to apply political, administrative and penal sanctions when appropriate. At the same time, the people should express an interest how these authorities exercise their powers on behalf of the people, and should have institutional means to 'guard the guardians.' The people would be satisfied if they trust that the judicial system is fair, impartial, independent from the other powers of government, and representing exclusively the people, as detailed in legislation.

The institution of ombudsman

The judicial oversight of defence sanctions not only the criminal conduct of military personnel, but also protects the military personnel from abuses of military and/or civilian public organisations, especially in those nations that waive some of the civil rights of military personnel, such as the right to run for public office, or the right of free speech on professional matters that might be classified or sensitive for the public. Moreover, members of the public might be discontent with the defence organisation and would want to bring their discontent to the courts' attention.

In a close military judicial system it is unlikely that the military personnel would be fairly protected or the discontented members of the public satisfied, as the military judges are part of the defence organisation against which the plaintiff is taking legal action.

In many democratic nations, complaints from the public regarding decisions, actions or omissions of the public administration, including defence, are referred to the institution of Ombudsman. The role of the ombudsman is to protect the people against violation of rights, abuse of powers, error, negligence, unfair decision and maladministration in order to improve public administration, and make the government's actions more open and the government and its servants more accountable to members of the public. This role is even more significant for the military, as they have fewer channels to voice their dissatisfaction with eventual bad treatment they may receive from defence authorities.

To protect people's rights, the ombudsman has various powers. It has the power to investigate whether governmental powers are administered contrary to law or unfairly. Whenever an objective investigation unveils improper administration, the ombudsman has the power to recommend the elimination of improper administrative conduct, to report on his activities on specific cases to the government and the complainant, and, if the recommendations made in a specific case have not been accepted by the government, to the legislature. Most ombudsmen also make an annual report on their work to the legislature and the public in general.

In conclusion, democratic oversight of defence performed by the legislative and the judicial branches of the government is institutionalised in a democratic nation taking into account the specific nature of this public domain. This specific nature implies special arrangements and procedures to facilitate the access of the legislative and judicial bodies to relevant defence information in order to take appropriate decisions.

CHAPTER IV

ASSESSING SECURITY RISKS AND NATIONAL DEFENCE REQUIREMENTS

The fourth objective of the NATO-EAPC Partnership Action Plan on Defence Institution Building (PAP-DIB) calls for developing “effective and transparent arrangements and procedures to assess security risks and national defence requirements” and for developing and maintaining “affordable and inter-operable capabilities corresponding to these requirements and international commitments, including those in the framework of Partnership for Peace.”

Security risk assessment is an important part of defence policy essential for the process of defence planning. It is also a governmental action of strategic importance for national security, given the fact that it reveals how that nation perceives the threats and risks to its security, and justifies the military power of that nation.

In order to be effective, the process of security risk assessment should be thoroughly institutionalised at political and military levels. A reader of the above mentioned PAP-DIB objective would recognise that the phrase “arrangements and procedures” stands for the broad interpretation of “institution,” and that the requisites for this institution are effectiveness and transparency, both of the process of security risk assessment and the process of defining defence requirements.¹

Effectiveness of the risk assessment institution

In general, an institution is effective whenever it produces the expected outcomes. If we have to translate this definition to the context of our discussion, we will identify two stages where the efficiency of a defence institution dealing with security risk assessment can be observed.

The first stage is the regulatory process of providing appropriate arrangements, usually through national legislation, properly defining which national agencies are entrusted with the missions to identify, analyse and accept risks to national security, which are the documents they shall publish and with what periodicity. These arrangements are supplemented by procedures established at the inter-agency and intra-agency levels, enabling them to actu-

¹ I discussed the significance of these requisites in an article published in the summer of 2008. See Bucur-Marcu, Hari. “The Institutionalization of Security Risk Assessment.” *Connections. The Quarterly Journal* 7.2 (Summer 2008): 118–124. Many of the following considerations are taken from this article.

ally perform the required security risk assessment. In fact, the institutional arrangements and procedures are effective if they guide with sufficient accuracy these agencies throughout the security risk assessment process.

The second stage is implementation. The threats and risks to national security incorporated in relevant documents are not just statements of legitimate concerns. They are, or they should be seen as powerful strategic arguments for the development of defence forces and capabilities to defend national values, objectives and interests against these threats and risks. In order to be effective, the identified risks to national security should have a clear meaning to all interested parties. In terms of security relevance, the risk assessment should be meaningful for decision-makers in the defence establishment of a given nation and its defence planners, and also for the international community. Moreover, in a democracy it should be also meaningful for the own people.

The PAP-DIB was designed with a “particular relevance” for the partner nations of the regions of Caucasus and Central Asia, as well as for Moldova. At the time this initiative was introduced (2004), these nations had some legal provisions related to security risk assessment, but they published very few documents containing references to threats and risks to national security. And the relevance of these products for their security policies and defence requirements was somehow blurred.²

In the past, all these nations were very reluctant to express their security concerns on the basis of institutionalised risk assessment. Existing legislation on security and defence was not very clear in respect to what arrangements are in place for justifying the preference for a certain size or type of military force, for its missions or for the capabilities the military should develop. For a long period of time, these nations were just considering which procedures they should enforce in their legislation or their governments’ practices, with no visible results. Only in recent years, they started considering the exercise of assessing the risks and threats to their security as part of their defence development process. They took all their time establishing what are the responsibilities of various governmental bodies in security risk assessment, or what are the steps they should follow in order to identify new force requirements, decide on the preferred solutions, and plan for force and capabilities development.

Even after these questions were answered in the respective legislation, the actual process of identifying risks to national security is not yet as effective

² In 2007, DCAF published reports on the status of building defence institutions in the nations of Caucasus, Central Asia and Moldova, substantiating this observation. See: Fluri, Philipp H., and Hari Bucur-Marcu. *Partnership Action Plan for Defence Institution Building – Country Profiles and Needs Assessment for Armenia, Azerbaijan, Georgia and Moldova*. Geneva: DCAF, 2007; and Cole, Eden, and Philipp Fluri. *Defence and Security Sector Institution Building in the Post-Soviet Central Asian States*. Geneva: DCAF, 2007. Both publications are available online at www.dcaf.ch/publications

as it should be. One reason for this situation is that strategic documents, such as security strategies or concepts were slowly coming into life. And, once they have been published, their meaningfulness for the development of defence requirements was still unclear.

One explanation is in the fact that most of the nations targeted by PAP-DIB did not have the practice of issuing strategic political guidance on how the risks should be associated with defence missions and with military or non-military means and ends required for addressing those risks. Wherever strategic security documents were published and followed by relevant defence policy documents, one could observe some deviations from the provisions of higher documents into the lower ones. Not all risks formulated at security strategic level were assumed at defence or military levels, or the defence documents introduced new risks, which were not in the original assessment.³ In these conditions, there was too much room for arbitrary or biased security risk assessment products, such as policies and strategies, or for rhetoric declarations of security concerns without real assessment at the origins. The public interaction with the process of security risk assessment was sporadic and without predictable consequences.

Seen from the perspective of institutionalisation, the effectiveness of the process of security risk assessment is less a matter of the actual content of the eventual risks identified and analysed. It is more a matter of applying the principles of democracy to this process, especially the principles that the people are the supreme holders of power in that nation, and that the national security serves exclusively the people.

In this respect, the effectiveness of the institutionalised process of security risk assessment within a given government is revealed by the outcomes of the risk assessment process. If the eventual risks were addressing the genuine concerns of the people, and the challenges posed by these risks were referring to people's interests, aspirations and wellbeing, then the process would be considered effective. Also from this perspective, the effectiveness presumes that the impact of public preferences is maximised, while that of the governmental agenda is minimised.

This democratic exercise is relevant only if it leads to concrete measures observed in the process of developing defence forces and capabilities. When security risk assessment is not followed by defence planning actions and does not engage national resources, the public will understand that it is only political rhetoric and will soon lose interest in the issue, or will sanction the governmental actions.

³ Fluri and Bucur-Marcu, *Op. cit.*, p. 27.

It is important to note here that the international community is sensitive to the transparency of risk assessment in any given nation.⁴ For example, the nations for which PAP-DIB is particularly relevant are members of the Organization for Security and Co-operation in Europe (OSCE) and all are recognising the OSCE Code of Conduct on Political-Military Affairs and the OSCE Defence Planning document. Both these security enhancement instruments contain clear provisions in line with the principles of democracy and justification of defence forces based on requirements derived from a transparent security risk assessment processes. Of course, these OSCE initiatives are only politically binding, and the states are free to implement them at their own pace. But they clearly indicate these requirements as key ingredients for enhancing peace, stability and confidence building among the member states of this organisation.

Challenges to security risk assessment

The process of security risk assessment integrated into the processes of defence policy formulation and implementation is by no means a linear one. There are several challenges a government has to overcome in order to make this process effective and transparent.

One challenge is that security risk assessment is never a fresh start in the development of defence forces. At any moment in time, when a new assessment of risks is published, there is already a defence system in place, based on requirements resulting from risk assessments performed years ago. Some of these security threats and risks might still be valid, some might be obsolete, and some could not be any longer mitigated through existing military means.

Assuming that the relevance of security risks for the definition of defence requirements is fully institutionalised, the re-evaluation of already existing threats and risks would result in re-evaluation and eventually re-configuration of the defence structures, forces and capabilities. This would add to the effort to elaborate new defence requirements resulting from the introduction of new threats and risks. It always takes a lot of determination for the politicians in power to voluntarily revise already identified risks and to assess new ones, when they know from the beginning that this exercise would result in added efforts and costs.

Another challenge results from the inherent political sensitivity of some of the risks, especially when new risks are not fully explained to and understood by the public. The government would rather prefer to address such risks

⁴ Jan Trapans gives numerous examples of security risk and threat assessment processes from around the Euro-Atlantic community. See Trapans, Jan Arved. "Treat and Security." in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 180–188.

behind close doors instead of doing that in public debates. But, at the same time, the government is obliged by the strategic importance of risk assessment to provide full transparency of this process. It is easy to say that, when facing such a secrecy/ transparency dilemma, a democratic government should settle it in the favour of transparency. But in real life, governments have always to find the right balance, and that is, in itself, a challenge.

We may identify another challenge at the very level of institutionalisation. The challenge is for legislators to clearly delineate responsibilities and tasks among governmental agencies involved in security risk assessment. Each nation has its own approach in institutionalising the process of security risk assessment. Generally, the main components or stages of this process are risk identification, risk evaluation, risk prioritisation, and risk acceptance. The legal and organisational arrangements and procedures in place assign one or more agencies to each of these stages. They should enhance effectiveness and transparency, but they also should pave the way to a collaborative approach to security risk assessment.

The risks and threats emerging from this exercise are gaining higher importance because of the consequences they have for the security and defence establishments. Defence policy documents stating the perceived risks to national security should also establish a visible correspondence between the assessed risks and national defence requirements, otherwise they remain in the realm of rhetoric. There are risks that allow for a political or practical preference whether to be addressed by military or non-military means, as there are risks that can be addressed exclusively by military means and risks that have no military implications.

In an institutionalised process, the agency or agencies entrusted with identifying threats and risks to national security should restrain itself or themselves to pre-judge the relevance of those risks for the defence requirements. Ultimately, it is up to the political establishment to decide what risks should be countered by military force and what should be addressed by non-military means, or not be addressed at all.

Risk identification is usually in the remit of intelligence agencies.⁵ These agencies are also performing analysis and forecasts of the internal and external security environment. And due to their specialised nature, they tend to be an authoritarian voice on every aspect related to risk assessment, beyond their natural remit.

⁵ See Schreier, Fred. "Intelligence Management and Oversight." in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 340 - 341

Risk evaluation is the stage where the identified risks and threats are measured in terms of their relevance, importance, or urgency to national security. It is pretty obvious that this stage can no longer be only in the remit of intelligence agencies. It requires increasing inter-agency cooperation, with each agency bringing in specialised knowledge and expertise in various fields of national security.

Risk prioritisation addresses the question of preference among multiple alternatives. This is already a political task, and should be performed by political bodies of the security and defence sectors.

Risk acceptance, namely the endorsement of those risks and threats identified, evaluated and prioritised by various governmental agencies and compiled in a strategic document, is not only a political matter, but it is also a matter of democratic representation. This stage is also the ultimate expression of democratic control and democratic oversight of security and defence, and is usually preformed by parliaments.

Looking at the way partner nations from the regions of South Caucasus, Central Asia, as well as Republic of Moldova are approaching the objectives of PAP-DIB, we may agree that security risk assessment is gaining momentum in most of these nations. And maybe the time when this mechanism will replace the current less transparent and more arbitrary procedures to determining defence requirements is not so far away.

How important is the security risk assessment for defence planning?

Risk assessment is important as the main rationale for developing certain military power and defence planning in general. Without a list of risks and threats to national security, there would be no consistent and effective development of defence forces and capabilities. It is practically impossible for any nation, regardless of its power and wealth, to plan and develop forces and capabilities for any contingency.

A thorough risk and threat assessment gives defence planners valuable information about political preferences and priorities, and the military dimension of identified and accepted risks and threats, enabling them to focus on designing and planning the necessary military forces and capabilities.

Defence policy documents stating perceived risks to national security should also establish a visible correspondence between the assessed risks and national defence requirements, otherwise they remain in the realm of rhetoric.

With the end of the Cold war, different nations of the formerly opposing blocks adjusted their defence requirements to the new security realities with

very different speeds. The nations that had institutionalised arrangements and procedures to assess risks and threats to their national security and to translate them into defence requirements were faster in revising defence forces, capabilities and respective resource allocation than nations that had no institutionalised systems for formulation and implementation of defence policy.

Risk assessment is a process within defence policy formulation, and it is part of the assessment of security environment, along with assessment of security challenges and opportunities. It often runs in parallel to the development of a strategic vision identifying national values, goals and interests that should be defended and/or promoted with military means. We may agree that no reasonable defence policy can be formulated without systematic security risk and threat assessment.

Defence planning is an essential part of the defence development process, where the reflection of risk assessment into defence requirements and, ultimately, into force and capability development can be observed. In other words, the risks assessed by the government become credible and relevant to the people and to the international community only if they are translated into practical measures for risk mitigation.

Thus, the institutionalisation of arrangements and procedures for risk assessment at governmental levels is supplemented by a functional and effective defence planning system in place. Seen as inputs into the defence planning process, the assessed risks should give the planners relevant information in the format of political guidance.

Defence requirements

Why does a nation need to build and maintain large territorial forces with heavy armour and artillery units, a mobilisation system engaging most of the active population, and complex and fully manned early warning structures? The obvious answer is that such nation is concerned with the risk of a likely large-scale invasion of its territory by a hostile aggressive neighbour state or alliance of states.

But what if the security environment has changed so that the neighbouring state is no longer hostile and potentially aggressive, or the alliance has disappeared, while our nation still maintains large forces draining a significant portion of the resources of the nation? There is no obvious answer to this question. Among possible answers, we may consider: 1) maybe the nation does not have an institutional system to reassess security risks and to adjust defence requirements to new security challenges, or 2) the system in place for assessing risks and developing defence requirements does not function properly, or 3) maybe the nation is dominated by a defence establishment not willing to give

up its social status and privileges inherent in former security concerns, or 4) the nation has turned its defensive posture into an offensive one at the opportunities created by the weakened military power of its former adversary.

Especially when the third or fourth are the most likely the answers, the situation poses a serious concern to the international community. If the most likely answers are the first or the second, it is mostly an internal matter of poor governance. In order to avoid wild guesses or wrong answers to these and related questions, the international community is developing arrangements and procedures to commit all member states to publicly explain their defence policies and to justify defence requirements as a confidence building measure. In well functioning democracies, confusing situations as the above-mentioned are less likely to occur, for the very reason that a democratic government tries to explain to the people what the defence requirements are and why public money and other national resources are invested in defence. Of course, by doing so, that nation notifies the international community by default.

The main question is what exactly governmental transparency means in practical terms? The answers can be found at three levels we call institutional, policy and risk levels.

At institutional level, the arrangements and procedures stated in respective legislation and regulations and addressing the process of security risk assessment should be—and usually are—transparent. They should explicitly determine which governmental bodies are entrusted with the responsibility of identifying and analysing security risks and which are empowered to take political decisions based on the work of the former. These arrangements and procedures should also establish the periodicity of the process, as well as the formats of documents where the assessment is presented to the government and the public. All these aspects are important for the public, as they give the interested members of the public relevant information on how the government is organised to act on their behalf in the specific field of security risk assessment.

The level of policy addresses those policy documents where the assessment of security risks is published. The term ‘policy’ has different meanings, according with the context it is used. In our case, we are looking for those documents issued at security sector level (i.e. national security strategy/concept, strategic vision), and at defence sector level (i.e. national defence strategy/white paper/strategic defence review). For the purpose of reflecting the assessed security risks into defence requirements, we are also considering the military strategy, where the relevant risks identified at security sector level are incorporated and reassessed from a military perspective. All these documents should belong to the public record, e.g. the public should have unrestricted access to them. Under the requirements of transparent decision-making more

and more nations are extending the transparency of these policies and strategies to the process of their elaboration, publishing drafts and inviting the public to express opinions on those draft documents.

The risk level is the actual content of comprehensive statements addressing categories or clusters of risks, grouped according to criteria such as relevance for national security (i.e. challenges to national values, goals, interests, territory, economy, public safety etc.); their nature (i.e. military/non-military, natural/industrial disasters), and their urgency (i.e. immediate, longer-term). These statements should also identify those security sectors with main responsibility or supporting roles for each type or category of risks (i.e. defence forces with civil emergency forces in a supporting role), leading to strategic missions for the respective security and defence forces addressing those risks and threats.

Establishing defence requirements, publically, is a matter of democratic governance. Most segments of the public have a natural interest in the governmental decisions on the future shape of defence. Moreover, the public should have confidence that the decisions would be eventually implemented.

The majority of the people would try to understand how new defence requirements will affect their lives (i.e. new taxes or redistribution of taxes, likelihood to be drafted through conscription, etc.). If we try to put ourselves in the shoes of different segments of the public, we would find different ways of looking at the issue of future defence requirements. For example, members of the business community would look into planned defence requirements in an attempt to identify new business opportunities. At their turn, job seekers would look for job opportunities in the defence sector. Members of the academia and scientific community would be interested in theoretical aspects of defence requirements development.

Seen from this public perspective, for most people it is less important what defence requirements are defined by the executive and the legislature, but it is very important to have those decisions transparent and credible. And best credibility is provided by the effectiveness and functionality of the institutions governing the process of defining and implementing defence requirements. There are no prescribed solutions to render this process effective and efficient. Democratic nations develop their defence institutions according to their culture and with consideration of public opinion as an important criterion.

Capabilities development

Defence capabilities development is mostly a military process, controlled and overseen by political authorities. The general pattern of defence capabilities

development processes incorporates consecutive top-down and bottom-up approaches.

First, the executive and legislative authorities establish what national values, objectives and interests should be served by military power, and what risks to national security should be addressed by military means. Second the military authorities advise the political authorities on how military power should be adjusted, transformed or reorganised in order to meet the requirements of serving national values, goals and interests, and of countering or mitigating security risks. Then the political authorities decide on the significance and affordability of proposed actions to bring the defence establishment in line with defence requirements, and issue defence missions and strategic political guidance for force and capability development. Based on the political guidance and their professional judgement, the military authorities forward proposals for capabilities that should be developed in order to fulfil the missions. Finally, the executive and legislative authorities approve or endorse defence capabilities development proposals, translated into plans, programmes and budgets, and oversee the implementation of political decisions.

Contemporary security studies and security concepts recognise a large range of risks. These risks should be constantly reassessed as the security environment is dynamic and is influenced by developments in different regions and in every society. Based on their perceptions of security risks and on most likely development of security environment, the nations re-evaluate their defence requirements and take appropriate measures to adjust their defence capabilities to these requirements.

The most dramatic outcome of this exercise in Europe was the considerable decrease of the total number of troops resulting from the drastic reduction of the classical risk of invasion in this region with the end of the Cold war.

Many nations, especially NATO members, are taking major steps to transform their forces. The new defence requirements for deployable, interoperable and self-sustainable forces entail new capabilities, such as transport aircraft, unmanned air vehicles (UAV), leading-edge weapons and precision-guided munitions, air-to-air refuelling, maritime counter-mine systems, and nuclear, chemical, and biological identification and protection capabilities.

Even if every member of a democratic society is interested in all aspects of each and every of the public domains, defence included, in reality only few segments of the public are expressing a genuine interest in specific public domains, and even fewer in how defence capabilities are planned to satisfy established defence requirements. The awareness of the general public is usually raised either on specific issues, such as a very costly acquisition programme, or on events revealing shortcomings (and rarely success stories), such as in a mili-

tary operations. In such instances, the general public is confronted with the outcome of the process of defence capabilities development, and most of the time it is too late for the public opinion to influence this process.

However, the segments of the public interested in this process, such as the business community, civil society organisations or academia, have enough leverage to voice their opinion and to serve the public interest. When these segments of the public are interested in how sustainable are the defence capabilities required by a specific nation, they usually look for answers to several questions.

One of these questions is “Are the defence capabilities determined solely by defence requirements?” Like in a family, defence organisations may find other arguments than the politically established defence requirements to buy assets that not necessarily meet those requirements, but are ‘a bargain’, or are ‘strongly suggested by our international partners,’ or are needed ‘to replace this obsolete equipment’ (even if the old equipment used to satisfy defence requirements no longer valid).

Another question is “Are they really adding value to the combat power and/or combat support of the armed forces?” As defence capabilities are determined by the military with the political authorities in endorsement roles, there is always a fear that the military would extend their preferences for assets that they do not really need, but are either ‘fashionable’ or ‘luxurious.’

On the question “Are these capabilities affordable?” the interested segments of the public are usually doing a good job in underlying hidden costs that come with acquisition or development programmes which, at times, may exceed the up front cost of acquiring the new capabilities.

The final question is “Are these capabilities coming with favourable externalities, like more jobs in the local or national economy, indigenous maintenance and repair contracts and training skills that can easily be converted to civilian jobs, etc.?”

Measuring institutionalisation efficiency and effectiveness

In any given nation, one may ask the question: ‘how effective and efficient are the defence institutions delivering appropriate defence requirements?’ One possible answer could be given by ‘measuring’ the level of public satisfaction, as we mentioned already several times in this book.

The main focussed questions should deal with the public perception that defence requirements, as expressed in defence policy documents, are based on well articulated and generally accepted rationale, such as national values, goals, interests, risk assessment, international commitments. Another question relates to affordability in social and economic terms.

After receiving answers to these questions, the investigation on public satisfaction can go to: “How the public accepts the burden of developing the defence along these requirements?” and “Is the public confident that the government would deliver national defence as required?”

There might not be a real need to perform professional public opinion evaluations, such as polls or surveys, in order to obtain a picture of people’s satisfaction. Often the people in a democratic society have their ways of commenting on governmental performance, such as political support, public debates, letters to their representatives, or even silent acceptance. Using these sources of knowledge would suffice in many instances to ‘measure’ the level of public satisfaction with the performance of defence institutions in meeting defence requirements.

CHAPTER V

MANAGING DEFENCE

The management of defence is instrumental in implementing defence policies and allows the military to perform better their missions. The NATO-EAPC Partnership Action Plan on Defence Institution Building (PAP-DIB) establishes in its fifth objective the requirement of developing “effective and transparent measures to optimise the management of defence ministries and agencies with responsibility for defence matters, and associated force structures, including procedures to promote inter-agency co-operation.” We may assume that this requirement derives from the empirical observation that, with a fully fledged managerial framework in place, the defence organisations, starting with the ministry of defence and ending with the force commands, would be more effective, efficient and accountable for how they utilise public resources and for their organisational results or outcomes.

Over time and in different nations, managerial systems were introduced and tested for their relevance in terms of planning, efficiency and accountability. In order to implement managerial solutions, the problems to be addressed should be placed in a general framework or context of democratic or popular concerns and inquiries about the outcomes of the defence sector in general, and the defence forces in particular. In other words, there should be a sort of external pressure on the governmental and defence organisations coming from the public—or the international community—in order to get action on solving the problems by managerial means. This is a paramount condition, as it is very unlikely that any organisation spending public money, defence ones included, would ever initiate on its own measures to increase efficiency without incentives or leverage from outside, preferably from above. If this observation is true, then any approach to defence management should be anchored in the realm of democratic control of the defence sector.

Whenever a nation has identified a genuine need for improving the performance of its defence sector through advanced management, it is essential for that nation to understand that implementing a managerial culture implies introduction of professional and scientific tools of management at all organisational levels.

The concept of defence management

In more and more nations, the public administration is replacing its rather inflexible and highly bureaucratic form of work on behalf of the people with a more flexible and accountable form of public sector management. The question then is how the governments can produce defence in a more efficient manner, and part of the answer is to introduce advanced managerial practices to defence.

If we attempt to decompose a composite notion or concept as that of defence management, two separate component terms can be easily identified. Management may be described as the science or the way an organisation acts in order to meet its objectives under given conditions and in an effective and efficient manner, by the functions of planning, organising, leading and controlling. On its turn, and defined in terms of action, defence is a balanced combination of strategic vision, political wisdom, good governance and military art. The strategic vision, political wisdom and good governance are features of any public sector, while military art is specific only to the defence sector. But the first three can become defence specific if they are included, at least in part, under the actionable concept of defence planning. Without defining 'defence management,' the combination of the two understandings above gives us at least a sense what is 'defence management.'

It is very important to note that defence management does not substitute the specific military inputs to building defence capabilities, or the command and control system. What defence management can do is to join up people within the defence organisations, with mission training, with equipment and support for better accomplishment of the defence objectives and missions.

We may define defence management in terms of its main functions: planning, organising, leading and controlling. In a managerial sense, planning is different from planning for military operations, but it is not so different when it is applied to other areas of defence such as force planning or procurement of major military equipment. For a manager, the function of organising equals bringing flexibility in rigid structures by organising the work within these structures instead of re-organising the structures themselves. Leading implies both to assume responsibilities and delegate elements of the decision-making process. Finally, controlling means mostly to keep track of developments and intervene whenever necessary to bring the staff to re-focus on objectives.

For a reader with a fair military culture, this brief description of these managerial functions would be sufficient to identify similarities and differences from similar functions of the military command systems. What is really important to agree upon at this stage of the conceptual discussion is the fact that defence management does not equal military command, and does not substitute it,

nor can military command system be changed overnight into a managerial system.

The PAP-DIB document is more concerned with the management of defence ministries and other defence agencies, than with the managerial practices of the military command structures. This is another way of separating management from the military command, i.e. to implement the managerial framework not at the military level proper, but in civilian and civilian-military structures.

Any defence organisation is tasked to turn defence policies into practice, to develop appropriate and sustainable armed forces and their supporting systems and infrastructure. The challenge is to accomplish this task by maximising the operational performance of armed forces. Such an endeavour requires excellence at all levels and in every department of the defence establishment.

Let us take a look at the ministries of defence as the main defence organisations. As Jan Trapans puts it, a Ministry of Defence “is an organisation that a Minister deploys in order to carry out policy that has been decided on by the Government and approved by the Parliament,” and guides and controls a large, powerful and autonomous Armed Forces.¹ These ministries have to meet at least two conditions to develop and introduce managerial practices – one is to be part of the management of the general government and the other is to have an organisational structure separate from the defence staff. As an institutional process, the management of ministries of defence is situated between defence policy formulation and the actual command and control of military forces.

This management should address areas of action such as defence resource management, personnel management, acquisition management, where, during defence policy implementation, it is likely that inherent uncertainties require higher flexibility and subsequent decisions, that unexpected problems might occur and these problems should be promptly identified and solved.

There are several levels of management in defence ministries (see Table 3). There is a strategic defence management, which is the locus where strategic problems are identified and strategic solutions are analysed, decided upon and implemented. Life is full with examples of such problems. The most important ones, in strategic terms, are usually described as addressing different aspects of the question ‘how much is enough?’ Defence management may bring more coherent solutions to dilemmas like ‘guns or butter’ (dealing with the opportunity costs of defence versus other public goods, and with optimising the alloca-

¹ Trapans, Jan Arveds. “Democracy, Security and Defence Planning” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 197.

tion of national resources), or national self-sufficiency in defence capabilities versus shared responsibilities with other partners or allies and the appropriate delegation of sovereignty.

Table 3: Levels of management within ministries of defence.

Level	Policy	Planning	Management
Strategic	National security strategy Strategic defence concept	Defence planning directive Strategic capabilities plan	<ul style="list-style-type: none"> • how to implement strategic policies and plans • identify and solve strategic problems
Operational	Military strategy Executive policies (i.e. personnel, procurement, public affairs) Joint and service (Army, Air, Navy) doctrines	Operational plans Capabilities development programmes Procurement programmes Training programmes	<ul style="list-style-type: none"> • how to implement operational policies, strategies and doctrines • identify and solve operational problems
Current	Terms of reference Organisation's mission statement Standing Operating Procedures (SOP) Job descriptions	Work plans Exercise plans Field operations plans	<ul style="list-style-type: none"> • how to implement organisational policies and current plans • identify and solve current problems

Then there is an operational management, addressing the problems of defence performance, especially at services' level, but also at the general level, when we are concerned with sectors such as manpower or logistics. And there is, of course, a defence management at current level, dealing with day-to-day problems and solutions in any defence command or unit.

It is expected that these types of management are differentiated according to their level at least in terms of mechanisms and procedures, while the

managerial tools proper remain the same (at least for the very good reason that they were developed regardless of their level of application). But the reality is that these levels might be identified by the nature of managerial function more than the mechanisms employed.

There are many ways to describe what a successful managerial framework should look like at the level of a Ministry of Defence. In terms of institutional requirements, such a successful management should observe the implementation of the principles of legality, supervision, accountability and inclusiveness.

From the point of view of legality, the respective legislation should include provisions regulating organisational structures and their managerial attributes, a legally established decision-making system should allow for flexibility in policy implementation and include civil servant positions at all levels of the organisational hierarchy with clearly stated managerial remits. Supervision is provided through flows of information in both directions within a defence organisation and supervisory provisions established in job descriptions and standing operating procedures. The accountability includes regulated reporting systems within and between defence structures, hierarchical and peer exchange of information and clear competences for auditing. The inclusiveness requirement is met through organisational regulations, such as standing operating procedures, allowing and encouraging staff members to be part of the process of managerial decisions.

Regulating the management of the ministry of defence, as of any defence organisation, is a delicate task. Over-regulated defence organisations are less likely to engage effectively management tools, since not all regulations are conducive to managerial behaviours. On the other hand, under-regulated defence establishments are also less suitable to encourage managerial behaviours, as they do not meet all necessary requirements.

Organisational management

In terms of managerial relevance, a defence organisation is that structure within the ministry of defence that is able to perform independently specific tasks and missions assigned to it by the defence policy in force. The independence of such an organisation is regulated by its mission statement, the terms of reference and the allocated resources. The organisation would receive a mission statement from the superior authority and would be independent in organising its activities to accomplish that mission. Also, the organisation would have a clearly identified place among other superior, peer and subordinated organisations within the defence establishment, and this place would indicate the limits of its independence in taking appropriate actions to serve the general defence

purpose. It would receive resources adequate to accomplish its tasks and it would independently allocate these resources within the organisation.

In this sense, a defence organisation can be a department, division or even a section within the ministry of defence, a component of a military command, an education and training organisation, a logistics unit, and others alike.

The most important feature of the management of a defence organisation is the employment of managerial tools in order to enhance organisational performance in accomplishing the missions and to find the best solutions to the problems identified during the process of defence policy implementation.

Management, as an applied science, developed a large array of tools, from overall philosophies to small problem solving mathematical instruments. Most if not all of these tools are suitable for use in the management of defence organisations.²

What tools a defence organisation actually engages is a matter of decisions of superiors and of internal decisions alike. The main managerial philosophy, adopted by the general government, would be also adopted by the ministry of defence and reflected at the organisational level as well (examples of such managerial philosophies are Total Quality Management, Performance Management, or Planning, Programming, and Budgeting). Within the overall managerial philosophy, the ministry of defence would decide on what primary tools would be employed across the defence establishment (Balanced Scorecard, Benchmarking, and Process Reengineering are examples of such tools). The organisation would have the independence to choose what organisational management tools to employ for what tasks (among the examples of such tools are charts and diagrams, spreadsheets, pathways, graphs, brainstorming, and many others).

Inter-agency cooperation

In modern democracies one can hardly find a governmental agency that can implement public policies and accomplish its mission in a totally independent and self-sufficient manner. This observation is valid also for defence organisations. Mostly, if not always, a governmental agency must cooperate with other agencies in order to accomplish its missions and tasks. This cooperation is rooted in the conditions of at least three environments – the security, the domestic and the organisational environment.

² For a comprehensive discussion on defence managements systems see Shalamanov, Velizar. "Defence Management and Civil Society Interaction and Cooperation." in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 435 – 466

The security risks, threats and challenges, as well as the eventual opportunities that characterise the security environment require almost by default an inter-agency approach, not only at national level but also at international level. Moreover, these national and international cooperative engagements on security and defence matters are elaborated not only in military terms, but also at political, economic, intelligence and other levels.

The domestic environment is characterised primarily by the scarcity of defence resources, within the scarcity of public resources in general. This deficit in human, financial or material resources necessary for any public domain makes governmental agencies to compete against other agencies, or, preferably, to cooperate with other agencies, either in a position of a lead agency or of an agency in a supporting role. In order to become more competitive on this 'market,' some agencies tend to hyper specialise, under the assumption that the specialisation of governmental and defence agencies downplays the competition for resources from the common pool. Others are assuming a spectrum of tasks broader than their main mission, with visible consequences for the overall performance of the government. Regardless of which of these two approaches our defence organisation may take, it becomes clear that it cannot be self sufficient and effective to the extent not to seek a burden-sharing arrangement or support from other agencies.

Higher level of cooperation is required organisationally. Given the characteristics of the defence organisational environment the civilian and defence staffs—while separated in terms of structures and remits—have to cooperate at strategic, operational and current levels for accomplishing their common goals and missions.

Certain conditions are required to make inter-agency cooperation effective, such as adequate coordination, sufficient knowledge and information sharing, as well as fair and transparent resource allocation among agencies, and, of course, mutual accountability. Defence institutionalisation should cover comprehensively the arrangements and procedures for inter-agency co-operation.

An adequate coordination facilitates the process of cooperation and does not impede on effectiveness of task accomplishment. There are two successful ways of ensuring adequate inter-agency cooperation: either a higher authority is assuming the coordinating role, or one of the agencies involved in the cooperation is recognised as lead agency. In both cases, the coordinating authority should enforce a minimum set of procedures for coordination, describing the ways objectives should be met. To provide for effectiveness, these procedures have to allow decision-making at the lowest level possible. In other words, the coordination process should not be micromanaged, because that would result in

frequent referrals to highest authorities for any current decision expected from the cooperation bodies.

In short, the condition of sufficient knowledge and information sharing implies that there are procedures allowing for smooth and continuous knowledge sharing and direct exchange of information among peers.

Any cooperation setting should be based also on a fair degree of accountability. The basic ways to meet this requirement of accountability are: that each agency informs the peers on the progress of its work; inter-agency cooperation projects are subject to auditing by higher echelons; and all agencies involved in this cooperation are under democratic control and constant oversight by the legislative, executive and judicial branches of government.

There are several areas of cooperation where governmental agencies interact on permanent basis. International cooperation in security and defence, crisis management and civil emergency and/or disaster relief are among these areas. Permanent inter-agency cooperation is usually highly institutionalised, along the following lines:

- Permanent arrangements and procedures for coordination, information sharing, resource allocation, and democratic control and oversight are legally established;
- A security and defence policy and clear strategic political guidance exist;
- The lead agency is nominated;
- There is a permanent coordination entity/staff, either separate or within the lead agency;
- Rules and procedures at the level of agencies outline responsibilities, operating procedures, exchange of information, main activities and time-frames;
- Meetings at leadership and staff levels are conducted regularly;
- Exercises and other common staff training activities are conducted when appropriate;
- Common public information policies and strategies are established.

The institutionalisation of permanent inter-agency cooperation is a fundamental requirement aiming at effective and efficient division of labour, avoiding overlaps, duplications and gaps. It includes enhancing the culture of cooperation oblivious of staff dynamics and/or changes of governing parties, flexibility in adjusting the inter-agency work to rapidly changing security environment, facilitation of the implementation of new policies and political decisions, maximisation of the effectiveness of inter-agency decision-making processes and

staff activities for better serving the inter-agency goals, and enabling democratic control and oversight over the inter-agency activities.

Security policy formulation is not a permanent inter-agency task, but it should be performed on regular basis. Taking into account the strategic importance of security policy, this inter-agency process should also be institutionalised along the institutional requirements for permanent inter-agency cooperation.

There are also other areas of strategic importance where inter-agency cooperation involving defence organisations plays an active and even essential role. A most visible area of this kind is the European and Euro-Atlantic integration for applicants or new members of European Union (EU) and/or the North Atlantic Treaty Organisation (NATO). Older members of EU or NATO have long ago institutionalised inter-agency cooperation at governmental level to serve the national interests and objectives within these organisations.

Governmental agencies are coming to work together on security and defence policies along the established arrangements and procedures for policy formulation and implementation. Usually, the legislation enforcing these arrangements and procedures includes also references as to who is the in coordination role (the head of state or government), the type of policy documents, general content and timeframes for submission to the parliament for endorsement (when appropriate, also what agency is responsible or in a lead role for what document or part of a policy document), and the role or requirements for permanent coordination staff, such as the staff of a National Security Council.

The actual process of inter-agency cooperation for formulation of security and defence policies differs from nation to nation, according to national governance culture and arrangements (such as the type of democratic government, roles of legislative and executive branches, levels of integration or separation of security agencies, etc.). Generally, the main agencies involved in the common process of security policy formulation would include the office of the head of state or government, the Ministry of Foreign Affairs, the Ministry of Defence, the intelligence services, the Ministry of Finance and other ministries (i.e. Economy, Environment, Justice, etc.). The main stages of this cooperative process are presented in

In terms of successful and effective cooperation, the most demanding stages of security policy formulation are the clarification and development of requirements, as in these stages each agency is trying to promote its own agenda and to gain as much influence as possible in the decision-making on national objectives and interests, security risks and threats, strategic missions and required resources.

Table 4: Main stages of the inter-agency cooperation in security policy formulation.

	Clarification	Development of security and defence requirements	Decisions on goals and missions	Development of strategic guidance for policy implementation
Office of the head of state or government	National values, goals and interests	Security goals and missions	Head of state and/or government	Head of state/government approves strategic guidance
Ministry of Foreign Affairs				
Ministry of Defence	National values, goals and interests Threats and risks to national security	Affordability and feasibility in accomplishing goals and missions Demands for further capabilities and appropriate resources	Ministers as members of the Council	Formulate proposals for strategic guidance
Intelligence services	Threats and risks to national security			
Ministry of Finance	National values, goals and interests	Affordability and feasibility in accomplishing goals and missions	Ministers as members of the Council	Formulate proposals for strategic guidance
Other ministries (i.e. Economy, Environment, Justice, etc.)				

To avoid unnecessary competition or rivalries in this and subsequent phases, there should be at least one set of rules and procedures agreed at the level of

agencies and outlining responsibilities, exchange of information and operating procedures.

Inter-agency cooperation on crisis management

Crisis management is a governmental activity of increasing importance due to changes in the international security environment and the emergence of unconventional and unpredictable risks and threats. It requires long-term planning, contingency planning, permanent, as well as contingency resources, detailed operational procedures, codes of conduct and specialised training. Due to the unpredictability of the occurrence of a crisis and its type, the crisis management also requires flexibility and modular approach.

Any democratic government with a genuine concern for the safety of its own people would thoroughly institutionalise this field, based on strategic requirements such as the preservation of democratic control of forces and means involved in crisis management, as well as the efficiency of resource allocation for contingencies and crisis management operations.

The extent of crisis management remit varies from nation to nation. Some nations developed an all-inclusive solution; others contain the crisis management domain to certain situations and develop separate arrangements for others.

It is very difficult to draw an exhaustive list of situations where crisis management would apply. Examples of crisis situations would include internal crises such as terrorist attacks, natural or industrial disasters, massive riots and civil unrest, and international crises such as conflict prevention, conflict containment and post-conflict reconstruction, natural or industrial disasters and humanitarian relief operations and civilian extraction and/or evacuation.

No nation can afford to have a permanent governmental agency dealing exclusively and exhaustively with each and every type of crisis it may face. The obvious approach would be through inter-agency cooperation. Moreover, at present and in the foreseeable future, most of the internal and international crises would be addressed in an international context, through international co-operation mechanisms.

The process of institutionalising inter-agency cooperation in crisis management should provide adequate legal arrangements for crisis and emergency situations, including remits of decision-making and authorisation for the legislative and the executive bodies, such as who issues the mission for forces involved and decides on rules of engagement, which is the lead agency for all crisis situations or for each type of crisis. It further sets the requirements for a permanent coordination entity/staff, the rules and procedures ensuring preservation of civil and human rights of the people affected by the crisis, and com-

pliance with international humanitarian law, and includes regular national and international crisis management exercises and other common training activities, as well as provision of common public information policies, strategies and procedures.

We may conclude that, given the evolving international security and domestic environments and the complexity of security and defence sector governance, inter-agency cooperation is becoming a common aspect of governmental activities in democratic nations. Based on strategic requirements for preservation of democratic control and oversight over all aspects and actions in the security and defence domains, and for increasing the efficiency and effectiveness of security and defence sectors governance, the inter-agency cooperation should be thoroughly institutionalised, especially for permanent or regular areas of cooperation.

CHAPTER VI

INTERNATIONAL NORMS IN DEFENCE GOVERNANCE

In actual international security architecture, the established norms and procedures are binding the states either legally or politically to institutionalise measures aimed at enhancing confidence and security through transparency of defence policies, arms control and better security sector governance. Applying the internationally accepted norms and practices established in the defence sector is an important principle of defence institutionalisation in any democratic nation. The NATO-EAPC Partnership Action Plan on Defence Institution Building calls in its sixth objective for developing “effective and transparent arrangements and practices to ensure compliance with internationally accepted norms and practices established in the defence sector, including export controls on defence technology and military equipment.”

The process of defence institutionalisation is expected to incorporate these norms and practices in legislation and executive rules and procedures related to security and defence, while the general government is committed to take appropriate measures and actions for ensuring adherence to both legally and politically binding commitments in the treaties, conventions, protocols and other international instruments on defence it has signed and ratified.

International norms

The states are obliged to follow both legal and non-legal agreements regulating the international relations. Each state commits itself either legally or politically to comply with the norms established by these agreements. The international community has developed also comprehensive procedures to monitor the implementation of these internationally accepted norms by every member state.

On defence matters, the most common practice is to develop politically binding norms, instead of legally binding ones, within the overall international architecture of confidence building and cooperation measures. Thus, the very commitment to comply with the norms, and to implement and observe the established practices becomes a national contribution to this architecture.

In order to be credible and trustworthy, a democratic nation should institutionalise this compliance by enforcing appropriate, effective and transparent arrangements and procedures of implementation. As we already agreed, the main areas of interest for the defence sector covered by the international norms

and practices are arms control, confidence and security-building measures and good governance of the security sector.

Arms control covers the non-proliferation of weapons of mass destruction (nuclear, bacteriological and chemical) and transfers of conventional weapons, chemical weapons, anti-personnel landmines, small arms and light weapons (SALW) and ammunition. Confidence and Security-Building Measures (CSBM) are applied on the basis of the “Vienna Document on Confidence and Security-Building Measures” of the Organisation for Security and Cooperation in Europe (OSCE) and the United Nations (UN) regime on “Global Exchange of Military Information” among others. Security Sector Governance norms are established by the OSCE “Code of Conduct on Politico-Military Aspects of Security” and other international formats.

From an international perspective, specific instruments are in force for each of these three areas. These instruments include arrangements and procedures for comprehensive reporting and exchange of information, such as questionnaires, lists, registries, reports, and associated timeframes.

Institutionalisation of international arrangements and procedures

From a national perspective, the institutionalisation of international arrangements and procedures should include legislative acts enforcing compliance with these arrangements, national competences within existing governmental agencies, national mechanisms of control, reporting, and provision of transparency and inter-agency exchange of information, as well as implementation of procedures by governmental agencies, based on appropriate good practices. Victor-Yves Ghebali presents in his chapter in the Source Book a comprehensive list of international instruments, norms and practices.¹

Arms control

The arms control instruments bind the member states to three types of obligations. One of these types of obligation is to report on the ratification processes of arms control instruments, another is the exchange of information on transactions and policies and the third type of obligation is the assistance to states facing security risks resulting from the existence of stockpiles of ammunition.

¹ Ghebali, Victor-Yves. “Arrangements and Practices to Ensure Compliance with Internationally Accepted Norms and Practices Established in the Defence Sector.” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 219 – 246

There are two main areas of interest related to the ratification of arms control instruments: the non-proliferation norms and norms for transfer of conventional weapons. Non-proliferation is treated in several international treaties, conventions and protocols which call for implementation of measures restraining the signatories from producing, storing and using nuclear, chemical and bacteriological weapons.² The OSCE declaration on “Principles Governing Non Proliferation” politically binds the member nations to develop effective national control mechanisms based on commonly agreed guidelines.

The existing conventions and protocols on conventional weapons (i.e. chemical, anti-personnel mines, landmines, ‘certain conventional weapons,’ remnant explosives) are in different stages of ratification and implementation by OSCE member states. OSCE developed several norms for reporting on the status of ratification and implementation of these documents.

Exchange of information on actual transactions and policies

There are several instruments for regular exchange of information on transactions of conventional arms and prevention of illicit trade of such weapons. One of these instruments is the United Nations “Register of Conventional Arms” that calls for voluntary exchange of information on seven categories of major conventional arms: battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships (surface and submarines), and missiles and missile launchers. Another one is the OSCE document “Principles Governing Conventional Arms” that requests annual responses to a standard questionnaire.

Assistance to states facing security risks related to stockpiles of conventional ammunition

Concerned states could, upon request, obtain international technical and financial assistance for the destruction and/or safer management of their stockpiles of conventional ammunition, explosive material and detonating devices of land,

² The main international documents addressing non-proliferation regimes include:

- The 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT);
- The 1925 Geneva Protocol for the Prohibition of the Use of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare;
- The 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological and Toxin Weapons and on Their Destruction (BTWC);
- The 1993 Chemical Weapons Convention (CWC); and
- The 1987 Missile Technology Control Regime (MTCR) on the transfer of vector bacteriological weapons and vector missiles.

air and sea-based weapons systems, as well as ammunition for small arms and light weapons (SALW), major weapons and equipment systems (including missiles), rockets and landmines.

CSBM Instruments

The main European instruments for confidence and security-building measures (CSBM) are the Vienna Documents of the Negotiations on Confidence and Security Building Measures of 1990, 1992, 1994 and 1999.

The main activities envisaged by these documents comprise regular flow of military information (“Annual Exchange of Military Information”) on the size (manpower), structure (organization) and training of armed forces, major weapons and equipment systems, as well as deployment plans for such weapons and systems; notification on military activities with certain parameters in terms of size and equipment; and direct contacts between military establishments with the purpose of allowing governments to interpret correctly their mutual intentions (on-site observation of military activities, visits to normal peacetime air bases, exchange of visits between members of the armed forces at all levels, joint military exercises or training, demonstrations of new types of major weapons and equipment systems).

CSBMs include risk reduction mechanisms for clarification of unusual military activities and ‘hazardous incidents’ of a military nature, as well as time constraints on the planning and actual conduct of military activities (no more than one large-scale military activity subject to notification can take place within three calendar years, no more than six smaller scale military activities subject to notification can be carried out within one calendar year and no more than three such or smaller military activities can be simultaneously deployed in the same calendar year).

Global Exchange of Military Information

The regime of Global Exchange of Military Information (GEMI) commits nations worldwide to provide annual data on holdings of conventional weapons and equipment of major importance, personnel of conventional armed forces and their command structure, and on naval armaments. However, this regime cannot be subject to limitations, constraints or verification.

Reporting on military expenditure

Under the provisions of the United Nations “Instrument for Standardized International Reporting of Military Expenditures,” member states must report their defence expenditures of the preceding fiscal year, as well as budget figures on

the forthcoming fiscal year, the two fiscal years following it and total projections for the last two years of the forthcoming five fiscal years.

Security Sector Governance

The main instrument in the framework of OSCE is the 1994 Code of Conduct on Politico-Military Aspects of Security. The member states commit themselves to justify the need for their military power based on transparent defence policies and democratic control over their armed forces.

Main norms and procedures provided by the OSCE Code of Conduct

The following are among the main norms and procedures provided by the OSCE Code of Conduct:

- The constitutionally established authorities, vested with democratic legitimacy, provide for and maintain effective guidance to and control of their military, paramilitary and security forces.
- Democratic control ensures that the military would remain ‘politically neutral.’
- Institutionalised respect of international humanitarian law, which must govern armed forces at the levels of command, manning, training and equipment in time of peace, as well as in wartime.
- Promotion of adequate knowledge on international humanitarian law among the military personnel and civilian population.
- Military persons responsible for serious violations of humanitarian law, whether commanders or subordinates, must be held accountable for their actions under national and international law.
- The civil rights of the military personnel should be protected, and the military, paramilitary and security forces personnel should be able to enjoy and exercise their human rights and fundamental freedoms in conformity with international law.
- Reflection in national laws or other relevant documents of the rights and duties of armed forces personnel.
- Enforcement of appropriate legal and administrative procedures to protect those rights.
- In the case of inter-state armed conflicts, as well as in the case of domestic use of armed forces, the military operations must remain subject to the rule of law, and international law and international humanitarian law provisions must be observed in the course of such use of force.

- The conditions regulating the domestic use of force include a constitutionally lawful decision, respect of the rule of law during operational performance, commensurability with the needs for enforcement, and care to avoid excessive injury to civilians and their property.
- Domestic use of force aimed at restricting human and civil rights when peacefully and lawfully exercised or at depriving people of their individual or collective identity is prohibited.

Institutionalization of international norms and practices in the defence sector

The incorporation of internationally accepted norms and practices in the defence sector should cover every aspect of defence institutionalization, and especially the democratic control over the armed forces, the transparency of defence policies and defence planning, the protection of civil and human rights of the people and the protection of civil and human rights of the military personnel.

The democratic control over the armed forces includes the legal arrangements for the democratically elected representatives of the people to act as supreme decision-makers on all matters of defence, the arrangements establishing the supremacy of civilian authorities on all aspects of defence, and the arrangements and procedures for legislative, executive and judicial oversight of defence. The transparent defence policies include the arrangements for rendering transparent the process of policy formulation and the procedures for transparent political guidance on defence. Transparent defence planning includes publication of information on total strength and composition of existing and envisaged forces and publication of defence budgets.

The protection of civil and human rights of the people includes legal and administrative arrangements and procedures enforcing the rule of law in military operations, definition and approval of rules of engagement for the armed forces by political authorities in accordance with the principles and requirements of international humanitarian law, and inclusion of international humanitarian law in training and practice of the armed forces. The protection of civil and human rights of military personnel includes appropriate legal and administrative arrangements and procedures ensuring that the members of the armed forces are enjoying the fundamental civil and human rights, as well as arrangements to keep the armed forces ‘politically neutral.’

Compliance with internationally accepted norms and practices on arms control includes appropriate legal and administrative arrangements and procedures for arms control, policies on control of the export, re-export, import, and

transit of strategic goods, arrangements and procedures establishing levels of authorisation and governmental agencies responsible for implementation of arms control policy, including inter-agency cooperation and mechanisms and procedures for democratic oversight of arms control processes.

Another requirement for compliance with internationally accepted norms and practices relates to implementation of the confidence and security-building measures.

Signing and ratifying international treaties, conventions, agreements, protocols and other instruments binding the nation to internationally accepted norms and practices related to defence should be a deliberate process. A democratic government should develop adequate policies for accepting these norms and practices, and for their implementation. The main policy should incorporate a strategic vision or a grand strategy, establishing the place and the role the nation wants to have in the international community of independent states. Based on that policy, the government would develop subsequent and/or departmental policies in areas such as foreign affairs, security and defence, and arms control.

Institutionalisation of defence policies on implementing international norms and practices

The actual process of policy formulation and the policy format are national specific. In general, any democratic nation should be aware of some basic principles and reflect these principles in the process of policy formulation.

One important principle is to establish requirements for political decisions on accepting international norms and practices for the defence sector. These requirements could derive from understanding of the significance and strategic importance of international instruments. These instruments aim at enhancing the peace and stability among nations at regional and global levels. Most democratic nations are active not only in accepting the established norms and practices, but also in developing such instruments. Hence, each nation should have an internal political process of clarification on the relevance of instruments such as the Conventional Armed Forces in Europe Treaty or the Non-Proliferation Treaty for its own security and national interests.

Another principle is to identify the national requirements for implementation. Decision-makers and planners alike should understand what conditions are necessary for proper implementation of given norms and identify eventual national caveats and their relevance for implementation.

Whenever political decisions are taken on incorporating the internationally accepted norms and practices in national legislation governing the defence

sector, they should have unambiguous relevance to the domestic system. Usually, the constitution and relevant legislation recognise the precedence of international law over national regulations in any public sector. The policy makers should be certain that the same principle applies to the defence sector as well. It is highly advisable that a sound and articulated policy calls for incorporating the international provisions in national legislation and regulatory processes.

As a sort of corollary principle, the political decisions on compliance with internationally accepted norms and practices established in the defence sector should determine the level of national commitment to these norms and practices. As we mentioned before, the international instruments are either legally or politically binding. Most of the instruments addressing defence are politically binding, that is the nation should take its own decisions on complying with the provisions of these instruments.

Along with transparent policies on compliance with international norms and practices established in the defence sector, the process of implementing the requirements resulting from these norms and practices should be very visible for the public and international community. Organising arms control is a good example of what the public should look for in the governmental endeavours to implement international norms.

The parliament usually has the overall authority to issue the policy on control of the export, re-export, import, and transit of strategic goods and to approve the list of countries to which restrictions on export, re-export, import, and transit are applied. The parliament should share with the executive the authority of enforcing procedures and mechanisms to oversee the current activities in the field of arms control, based on special legal provisions and governmental directives and decisions.

The executive branch of government develops and implements mechanisms to enable the arms export control policy, in particular through approval of lists of controlled strategic goods, exercises legislative initiative in this area, and approves regulations and other acts governing the procedures for control of transferring defence technologies and military equipment. Within the executive, there should be clear remits for providing information on the national control system, and in prosecuting violations, as well as for co-ordination with international agencies and representation of the state in arms transfer control matters.

Many nations develop inter-agency co-operation for arms control and establish coordination authorities at inter-departmental level, responsible for implementing international commitments in this area, taking decisions and issuing authorisations, and monitoring the observance of laws and regulations on arms control and transfer activities.

The main governmental agencies involved in applying the norms and practices in the control of arms transfer are the police in coordinating efforts to prevent and combat the illicit trade of weapons, the customs and border guards services for the effective control of arms transfers, the Ministry of Foreign Affairs in verifying authenticity of end-user and international import certificates submitted by applicants and ensuring that applications do not violate the state's commitments to international norms, the intelligence services in assisting application verification, and the armed forces in recording, inspecting and transporting weapons, ammunition and military equipment in their possession.

In conclusion, any democratic nation has internal processes of developing effective and transparent arrangements and practices to ensure compliance with internationally accepted norms and practices established in the defence sector, including export controls on defence technology and military equipment. These processes should be under political control and oversight and transparent for the public and the international community, giving the major security relevance of these norms and practices for that country.

CHAPTER VII

PERSONNEL MANAGEMENT IN DEFENCE

Developing effective and transparent personnel structures and practices in the defence sector accounts for the importance of people within defence organisations and implies institutionalisation of proper management of human resources, both as administrative performance and as appropriate tools and techniques. The people within the armed forces should benefit from legal and organisational arrangements and procedures enabling them to perform their duties with high productivity and appropriate protection of their civil rights and human freedoms. The NATO-EAPC Partnership Action Plan on Defence Institution Building establishes in its seventh objective the requirement of developing “effective and transparent personnel structures and practices in the defence forces, including training and education, promotion of knowledge of international humanitarian law, arrangements for transparent promotion and career development, and for protection of the civil rights and freedoms of members of the armed forces.”

The development of comprehensive and transparent personnel policies is instrumental for the success of human resource management, and provides for political and organisational guidance, options for effective and efficient accomplishment of defence goals and missions, translation of these missions into functions, and identification of appropriate professional skills for these functions. A comprehensive example of the principles governing the personnel policies in the case of Hungarian defence forces is given by Ferenc Molnar in his chapter in the Source Book.¹

People within defence organisations

The human factor is of paramount importance for the success or failure of any organisation. More than any other public agency, defence organisations employ civilians and military for very specific and sensitive jobs and, in some nations, benefit from the extensive manpower of conscripts.

People in defence organisations can be considered the most important defence asset that should be managed with utmost effectiveness in order to

¹ Molnar, Ferenc. “Principles and Practices in Personnel Policies: The Case of the Hungarian Armed Forces.” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 247 – 267

have the defence missions accomplished. The people in defence organisations fall in one or more categories of human resources. These categories can be statutory, functional or organisational.

In terms of statute, the personnel in defence organisations may be political appointees (usually politicians appointed as minister and deputies, councillors or advisors, all with the same status as any politician in public office), civil servants or 'public servants' (civilians appointed by merit in executive or expert positions and benefiting of a specific statute, either the same as for any civil servant in public service or a specially designed one), military personnel (commissioned and non-commissioned officers and troops, each with their own statute of rights and obligations), or civilians in administrative positions (with the same status as any employee on the manpower markets).

In terms of their functions, the personnel in defence organisations may function as executives (political decision-makers, managers, commanders), staff members (military personnel on military staffs at defence, headquarters and command levels, civilians on civilian and military staffs), combatants (military personnel in combat units serving in combat and combat service support functions, or civilians and military in support functions).

In terms of organisational duties, the personnel in defence organisations may be leaders (civilians and military in leadership positions in their organisation), experts (civilians and military with professional competence and authority to support the decision-making processes), specialists (military and civilians with special education, training and experience, qualified to perform specialised duties in their organisations), trainees (civilians and military in course of training for special duties within defence organisations), or unqualified personnel.

Managing all these categories of personnel is a very demanding task for all defence organisations. In order to become effective and efficient, to ensure that the people within defence perform under democratic control, and to enforce their rights and obligations, the management of human resources in defence should be well institutionalised. But before discussing the institutionalisation requirements, let us cover the topic of careers first.

For people joining the armed forces of a democratic nation, the military career may not be a life-long commitment, but certainly is an option that would affect the entire life of those persons and their family members. Usually, the military career implies professional development (an individual is set to acquire and improve her or his knowledge and skills required for current and future professional functions), promotions (both in public and military service, an individual has open opportunities to advance in hierarchy and/or in salary schemes according with seniority and personal improvement), dislocation (dur-

ing her or his career, an individual may serve in various locations, based on job openings), combat duties (military personnel may serve in positions requiring participation in combat and/or peace support operations) and alternate work experience (during a military career, an individual may serve in various positions requiring different knowledge and skills, e.g. to alternate staff functions with command functions, or desk work with field work).

There are different sets of requirements for joining the military in active duty positions or in the reserve, for developing a military career, and for transitioning to civilian life at the end of this career. Some requirements are common to all military servicemen and women; others are specific to armed forces components, down to individual jobs. How successful a person would be in military service depends on the capacity of the defence organisation to explicate these requirements and on the capacity of that person to prepare for meeting the requirements.

The general requirements for military personnel include:

- Professional requirements: be professionally prepared to perform general and specific duties required by a certain function;
- Educational requirements: for each position there is a specific requirement that the occupant should complete a certain level of general and military education, and attend dedicated courses;
- Physical requirements: all military personnel should be physically fit to perform military duties;
- Moral requirements: in order to perform his/her duties, an individual serving in the military organisations should have a specific set of moral values enabling him/her to dedicate entirely to this profession.

Any person serving in a defence organisation should be able to project her or his career for a long period of time. How long this period would be depends on the ambitions of each individual. Some would prefer to consider only the next appointment, others would envisage the entire active military career. Even if career planning is an individual endeavour, it is instrumental for the performance of defence organisations. Career planning should be enabled and supported by institutional arrangements, such as legislation and defence organisational regulations and arrangements.

The legislation and defence organisational regulations provide for fair and transparent career path, based on personal merit and professional achievements, open access to continuous education and training and protection of the personnel against political interference or 'nepotism.'

The organisational arrangements include personnel information system addressing issues such as organisational diagrams, including job descriptions,

relevant information about positions/functions (availability, professional and educational requirements, etc.), education opportunities within the military education system or outside the defence establishment, training opportunities, as well as organisational procedures such as individual performance evaluation and personnel selection.

Career planning may provide solutions to the problems of effectiveness and efficiency of human resources in defence organisations. Towards this purpose the defence organisation should establish the required number of specialists and employ qualified personnel for filling these positions. This is an ongoing process, as the number and type of military specialities may evolve along with evolving defence and military missions, and the personnel filling them is in a permanent dynamics.

The latter constitutes the main manpower challenge such organisations face. There are three factors for personnel dynamics: natural aging, requirements for periodical change of functions, and combat losses. While the last factor is specific to the military environment in case of armed conflict, the other two are common to any organisation. However, military functions, from weapons specialists to general commanding officers, require special qualifications. These qualifications can be achieved through a combination of organisational actions and individual commitments.

In terms of effectiveness, the organisation should ensure that there will be no shortage of qualified personnel to occupy these positions, at any time. Through organising and encouraging career planning, manpower managers advertise target functions and enable the applicants to acquire the necessary qualifications.

In terms of efficiency, career planning provides for the best combination of solutions for meeting the requirements for a specific position.

Education and training

Education and training in the armed forces provide the force members with the required knowledge and skills to meet the educational and professional qualities for the functions they serve on, or they intend to serve along the path of their military career. Meeting educational requirements for positions along a career path is an important feature of military career planning. As the society evolves, educational requirements become more demanding for all public and private sectors. This trend is also valid for the defence organisations.

There are three types of education of interest for defence: general education, specialised education and military education. The general education addresses general requirements such as literacy, general knowledge, broad understanding of humanities and science, usually acquired at the level of high school

and college. The specialised education addresses knowledge and skills common to civilian and military working environments alike, in disciplines such as engineering, social science, administration, economics, law, medical studies, etc. Military education is addressing knowledge and skills specific to the military profession in disciplines such as military science, operational art, command and control, operation design, humanitarian law and law of military conflict, etc.

Nations have different approaches to providing appropriate education to their military men and women. Most nations utilise a stand-alone military education structure. Depending on national traditions and philosophy of state involvement in promoting education to selected members of society, some of these military education structures incorporate not only military education, but also general and specialised education.

Regardless of its actual configuration, a military education system should be institutionalised along several key lines, such as legal provisions for allowing the defence organisation to develop an educational system of its own, including the specifics of such system; a military education policy, establishing the rationale for military education, organisational and educational goals and objectives, missions for educational organisations and their terms of reference, requirements of specialisation, and resources needed; a system of control of military education both in academic and organisational terms; and a set of rules and regulations organising the educational activities.

If no social, political or cultural considerations are brought into discussion, how the military education system should be institutionalised is ultimately a problem of efficiency of defence spending in a democratic nation. It is a matter of efficiency to determine whether the military education system would cover areas studied by a small number of students or the education of these students would be outsourced either to the civilian education system or to international education.

Most of the professional qualifications required in a military career are acquired or enabled through basic and specialised military training. The defence organisation would also use its training system for introducing new doctrines and concepts resulting from evolving defence policies, military strategies and developments of military science.

In terms of institutionalisation, and given that training should reflect and incorporate various requirements—from basic skills to specialised knowledge—the armed forces develop appropriate training systems comprising structure, content, procedures, facilities and resources.

The structure includes a training division or a training command at higher echelons, officers at the level of divisions in the defence and service component staffs with responsibilities to elaborate specific training require-

ments according to their specialisation, and training units. The content includes training requests in the field of joint or service component responsibilities, training literature such as doctrines, manuals, and other reference materials, and courses. The procedures include course initiation, development and termination, enrolment, recognition. The facilities and resources include permanent or temporary facilities, permanent and temporary training staffs, and funding.

The training activities cover a wide range of aspects of interest to military personnel. Basic training is aimed at providing all members of armed forces with basic fighting skills. General training is addressing matters of interest for all categories of military personnel, such as the role of the military in democratic societies, codes of conduct, international humanitarian law, or foreign languages. Specialised training is covering all aspects of military specialities and military duties, from weapon specialisation to staff procedures. Mission oriented training is addressing knowledge and procedures specific to a certain mission, including rules of engagement.

Training is usually organised for individuals belonging to the same occupational group, either in terms of seniority (i.e. enlisted, warrant officers, junior or senior officers) or in terms of military speciality (i.e. infantry, armour, artillery, logistics, or land forces, navy, air forces or joint staff). This gives the course members equal and fair opportunities for competing in their careers and enhances their *esprit de corps* at the same time.

Institutionalisation

Given the special responsibilities of military and civilian defence personnel, human resources management in defence organisations should be governed by specific legal and organisational arrangements and procedures. The legislation comprising or referring to defence personnel issues can be classified in two main categories. One of these categories is general legislation, containing special provisions for defence personnel where appropriate, and the other is dedicated legislation (laws and legally binding regulations specific for defence personnel).

Both of these categories are meant to define the remits of special responsibilities and requirements of military and civilian personnel within defence organisations (e.g. use of lethal weapons or protection of classified information). The same legal arrangements should define what civil rights of military and civilian personnel, if any, are constrained, for what reasons and to what extent (i.e. right to be elected might be suppressed during active military service as a guarantee that the military are not involved in political partisanship). Other specific legal arrangements should establish what incentives, bonuses or privileges, if any, are granted to military and civilians while serving in active

duty or reserves (e.g. healthcare or taxation benefits). They should also arrange how the persons serving in the defence sector are protected for their acts in the line of duty and against abuses (e.g. exemption from responsibility when following lawful orders from a higher command). The legal arrangements should also allow defence organisations to develop and implement personnel policies, appropriate to the mission and objectives of these organisations and in line with established legal arrangements.

In terms of organisation, there are two main areas of institutionalisation – structural arrangements and regulatory arrangements and procedures. One of the most common personnel structures at the top of the defence establishment is the Division of Human Resources within the Ministry of Defence, with main missions to develop and sustain personnel policies in support of the minister of defence, to recruit professionals to meet defence demands, to design military careers, co-ordinate professional development, etc.

Another rather common personnel structure is the personnel division (J1) on the Defence Staff, with main missions to establish personnel diagrams or manning headquarters and units, to promote and implement personnel policies and personnel regulations, keep personnel records, manage active and reserve human resources, etc.

In each defence agency, headquarters, command or unit, there is a section dealing with personnel matters, separate for civilians and military or combined, and performing missions and tasks as the main personnel divisions at the top of the defence hierarchy, but with local focus on personnel management issues.

The regulatory and procedural arrangements in a defence organisation comprise terms of reference, mission statements and related job descriptions, standing operating procedures, work and discipline regulations, personnel records, and individual evaluations.

Personnel policies

The legal arrangements and governmental practice should find their way into transparent personnel policies and strategies. These policies should guide the elaboration and implementation of mission statements, terms of reference, job descriptions and standing operating procedures for all defence structures, agencies and units, as well as professional development procedures, including opportunities and incentives.

Nations may have a specific approach to personnel policies, and the quality and efficiency of such policies depend on the social and organisational culture, as well as on the strategic and organisational goals of the national defence sector.

The personnel policies usually include guiding principles and organisational guidance for implementation of civilian and military personnel statutes and visions for the long-term development of human resources in defence. These policies also reveal decisions on preferred options and alternatives of lining-up the manpower structures with the strategic and operational goals of the defence sector, and preferred strategies of implementing them. These decisions consist of reductions of total numbers of personnel in certain categories of forces and/or augmentation of other categories, authorisation of total numbers and the ratio between active and reserve forces, reconfiguration of headquarters and command personnel structures, requirements for specialised categories of personnel.

The personnel policies lead to the identification and recognition of main problems in area of manpower, and decisions on preferred solutions to solve these problems. Of course, no action would be credible in a policy document does not refer to the resources required for implementing that policy. Finally, these policies should be supplemented with political guidance, options and solutions and should establish timeframes for their own implementation.

In order to be successful, personnel policies should meet several major requirements. Not necessarily in the order below, policy makers should consider the following among these requirements:

- Base all decisions on a clear political mandate;
- Tune the personnel policy with other policies and strategies in defence;
- Respect civil rights and human freedoms protected by national and international law;
- Incorporate national manpower standards and personnel requirements;
- Reflect predictable developments in the national labour market;
- Incorporate only affordable and effective solutions to manpower issues;
- Promote confidence in the human resource management system among civilian and military personnel;
- Provide for predictable career development of each and all categories of personnel;
- Be transparent for the entire personnel and for the public;
- Be flexible and incorporate adjustments recommended by periodic reviews.

Human resources management has a dual significance. On one hand, it substantiates the administration of manpower in a defence organisation through political guidance, development and implementation of human resources policies, administrative measures to ensure accomplishment of missions and goals of the

defence organisation with the lowest manpower costs, to allocate financial and other resources for manpower development, and other similar actions. On the other hand, it implies employment of managerial tools and techniques to improve performance of personnel and to resolve manpower issues.

From an institutional point of view, it is important to address the second meaning of 'human resources management' in an organised manner, since the employment of managerial tools and techniques is essential in rendering the manpower domain more effective, transparent and accountable. Employing managerial instruments in an organised and regulated manner would address efficiency, effectiveness, and problem solving issues.

Among the aspects that cannot be properly handled without advanced managerial approaches we may include the evaluation of the impact of defence policies on human resources prior to their implementation; the provision of maximum effectiveness and combat power of the armed forces while employing the minimum required military and civilian personnel; solving the problem of transformation of armed forces while maintaining required readiness of existing forces and their fighting capabilities; developing and maintaining a human resources system that is flexible and adaptive to changes in the security environment, new strategies and programmes, and responsive to crisis situations. Identifying manpower requirements based on criteria of efficiency, workload, minimum specialisation and maximum performance in accomplishing the missions can also be included in this category, as well as the optimisation of personnel engagement and maximisation of productivity, the development of realistic measures of performance and maintaining a high level of morale of the entire personnel.

The actual tools and techniques employed in manpower management in a certain defence organisation are less significant than the very fact of implementing such instruments for improving the way of doing business in the administration of human resources.

Humanitarian law

The implementation and observance of international humanitarian law, as well as the protection of the civil rights and freedoms of members of the armed forces are issues of highest significance for providing the military personnel with a sound and functional working environment. They enable better performance of the military and should be key subjects of the process of defence institutionalisation in any democratic nation.

The international community legally binds the signatories of specific conventions, treaties and other legal documents in respect to the human rights of persons involved in armed conflicts. The International Committee of the Red

Cross defines the international humanitarian law as a set of rules intended to limit the effects of armed conflict and protect the persons who are not or are no longer participating in the hostilities by restricting the means and methods of warfare; or as a part of international law, expressed in treaties or conventions, as well as in customary rules and practices considered by the states as legally binding, and in general principles.

The nations have legal obligation to ensure that the provisions of the conventions they have ratified are implemented by their armed forces and observed during military operations in international armed conflicts. They also have a political obligation to implement the principles of international humanitarian law, customary rules and practices in the education and training of military personnel and in operations other than war.

The main corpus of international legislation on humanitarian law comprises the 1949 Geneva conventions and the additional protocols related to the protection of victims of armed conflicts, as well as other treaties, conventions and protocols prohibiting the use of certain weapons and warfare tactics, and for protection of certain categories of persons and goods.

The personnel of the armed forces in a democratic nation should be aware of the existence of legal and political obligations to enforce the provisions of international humanitarian law, and should be trained to apply these provisions in their military activities.

The defence organisation should institutionalise international humanitarian law. That includes legal arrangements to recognise the conventions, protocols and other legally and politically binding international documents, including appropriate provisions in national criminal codes; political options in defence and military strategies for implementation and observance of international humanitarian law; inclusion of international humanitarian law provisions in doctrines, manuals and other reference literature for military education and training; insertion of international humanitarian law matters in military education curricula; organisation of dedicated courses in the military training system and/or dedicated syllabi in courses of a larger scope.

Citizens in uniform

The men and women in uniform serving in the armed forces of a democratic nation retain the quality of citizens of that nation and should enjoy the civil rights and freedoms just as any other citizen. Moreover, as they are the first called to defend their nation against violent enemies, they deserve public recognition, which sometimes comes with benefits higher than those for the average citizen. In all cases, this public recognition and the actual military power

they represent make the men and women in uniform more influential in social and political life than the average citizen.

In a philosophical sense, the citizens in uniform—professional and draftees alike—are considered as the first line of democratic control over the defence sector, as they are part of the people – the holder of supreme power in a democratic society. In this sense, the military are enablers of democracy in their nations. However, the dual quality as members of the people and members of the armed forces generate a dilemma – how to ensure that the military are not using their power in their personal benefit or in the benefit of a faction,² against the majority, and at the same time preserve their civil rights and freedoms?

The nations have different approaches to solving this dilemma. There are nations choosing to restrict few political rights and freedoms of the military personnel (i.e. the right to be elected in public office), some economic freedoms (i.e. the right to free enterprise), and even some professional and social rights (i.e. the right to form professional syndicates, or the right of free speech). Others choose to restrict only some political rights and freedoms, while still other nations are not restricting the civil rights and freedoms of the military at all.

There are no clear-cut solutions to this dilemma. At the same time, an observation should be considered: most if not all nations are developing other instruments to control and oversee the behaviour of military personnel in respect to unacceptable use of their powers, either along with restricting civil rights and freedoms of the military, or as an alternative to civil deprivation.

In nations where the parliamentary control and oversight over the defence, and especially the judicial oversight are well institutionalised and effective, the necessity to restrict the civil rights of the military is much lower.

An important principle in addressing the issue of civil rights and freedoms of the military personnel is the principle of consent. The individuals joining the armed forces should be fully aware of eventual restrictions of their civil rights, as well as of the instruments of control and oversight that may influence their professional life. On that basis they consent freely to renounce these rights and accept such instruments as a trade-off for the benefits and social recognition coming with the military status.

In order to obtain the consent of the people joining the armed forces, the defence organisations should develop transparent instruments to highlight

² A faction, or a minority group, is a segment of the political, social, economic, cultural, and distinguished otherwise population groups that does not constitute a majority of citizenry either in terms of numbers or functional importance.

what, if any, civil rights and freedoms would be denied or restricted during military service. These instruments may include:

- Legal arrangements to guarantee the protection of fundamental civil rights and freedoms for the military personnel. Whenever some restrictions to these rights and freedoms are deemed necessary, these restrictions should apply only temporary, that is only for the period of time an individual retain the status of a military.
- Legal and organisational procedures enabling the military to regain whatever civil rights and freedoms have been restricted to them. In practice, an individual in uniform wanting to exercise a civil right that is at the time restricted should smoothly trade back his or her military status with a civilian one.
- Complementary measures to ensure that the military personnel are still protected whenever a civil right is restricted. These measures include institutionalisation of ombudsman for military personnel, procedures for petitions and complains, access to military and civilian justice systems, etc.
- Public and parliamentarian debates on the parts of legislation imposing restrictions to the civil rights of the military and free access of the military interested in these debates to express their views and opinions.
- Public information policies developed by the defence organisations should include matters addressing protection of civil rights and freedoms of the military and eventual restrictions to these rights.
- Personnel counselling on protection of civil rights and freedoms.

CHAPTER VIII

FINANCIAL PLANNING WITHIN DEFENCE

Financial planning and resource allocation are operational concepts of great relevance to the management of defence organisations. At the same time, they are important for the people, as the ultimate ‘customer’ of defence, since they reveal how public money is spent on defence and with what results. The NATO-EAPC Partnership Action Plan on Defence Institution Building establishes in its eighth objective the requirement of developing “effective and transparent financial, planning, and resource allocation procedures in the defence area.” Financial planning and resource allocation are instrumental for the proper functioning of any organisation. The implementation of strategic goals and of organisational and functional objectives is dependent on sound planning, including proper flow of resources.

The framework of defence planning

In defence organisations, financial planning and resource allocation are part of the defence planning process.¹ While there is no universally agreed definition of the concept of defence planning, in democracies it is performed as an organizational and institutional complex comprising three main areas: policy formulation, force planning and resource allocation.

The main purpose of defence planning is to provide for the generation of the military power a nation considers sufficient to attain its national security objectives. The 1993 OSCE document on defence planning avoids defining the concept, stating only that the area of interest for the participating states is the “state’s intentions in the medium to long term as regards size, structure, training and equipment of its armed forces, as well as defence policy, doctrines and budgets related.”

The main organisations and agencies involved in defence planning, and at least in part in financial planning for defence, are the legislative body with its specialised committees, the executive government with the key ministries involved in planning, finance and resource allocation, the ministry of defence as a stand-alone actor with its main departments, and the military/defence staff.

¹ For a more extensive discussion on financial planning and resource allocation in the defence sector, see Bucur-Marcu, Hari. “Financial Planning and Resource Allocation in the Defence Area.” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 269 – 288

In many nations, the office of the head of state and the supporting security/defence council may also be involved in defence planning

The main institutions governing over those organisations may be separated in formal and informal ones. Among the formal are the legal framework for defence planning (usually a law or a set of laws and regulations describing the system and allocating responsibilities among the organisations involved), the legal framework for planning and budgeting at national level, and other regulatory, enforcing or auditing mechanisms of a general government nature, applied to the defence sector as well. Well-established customs and traditions in governance and defence serve as informal institutions.

The concept of financial planning was introduced in the practice of governmental organisations and agencies to indicate that public money is spent wisely and accountably, with the main goal to implement approved policies and accomplish organisational missions. The financial performance of the defence sector—since it relates to the use of public resources—is relevant not only for defence managers and their controllers, but also for the public at large.

The broad objectives of financial planning are to provide for effective control of fiscal expenditures and efficiency in the delivery of defence, namely, to produce outputs at the lowest possible cost, or to produce the maximum output with given resources, and to determine the most advantageous composition of defence spending, namely, to achieve the highest possible level of desired outcome, given the needs and demands of defence organisations, formulated to meet political goals and priorities.

Financial planning belongs to the execution stage of the defence planning cycle while displaying some specific decision-making features. This is an important observation, because the allocation decisions, as well as decisions regarding the flow of financial resources, can maximise or render insignificant strategic or policy options and organisational managerial decisions to implement these strategies and policies.

Common sense guiding principles of financial planning in the defence sector

Financial planning should be guided by the principle that the people are the ultimate ‘customer’ of financing defence of the nation and, apart from administrative forms of auditing, financial performance is overseen by this ‘customer.’ Under this principle, objectives and planning assumptions should be measurable in terms of specifications of the final product (i.e. status of combat readiness), should be integrated into a clearly defined timeframe, and should be achievable within set cost limits.

Decision-makers and the planners should understand the financial and non-financial effects of each financial decision, especially on the total cost of a given programme. The financial status of a certain programme, both at the strategic and at the operational levels should be periodically re-evaluated. This principle is important as the initial planning assumptions may lose their validity, or the initial circumstances may change over time.

It is also highly advisable to avoid unnecessary and unplanned spending, even if saving money in the fiscal year could mean cuts in funding for next year. In the same time, it is always a good advice to plan for contingency situations even when the governmental or defence financial system does not formally provide financial reserves for contingencies. One sound way to save money is to invest in expertise, either by forming your own experts, or contracting ones for relevant financial planning stages.

The financial planners in defence organisations have to undertake several steps in order to present to decision-makers viable alternatives for effective and efficient allocation of financial resources.

The first step is to collect information. Planners should be confident that they understood the objectives and policy guidance correctly, and should collect as much information as necessary to have a clear image of the required end-state. They should concentrate on information about the availability of funds for accomplishing the missions and tasks at hand, as well as on information about prices, credits and additional financial resources, all mission-related events during the planning cycle, stocks and so on. Also, planners should receive guidance regarding the level of detail of the financial plan.

The second step is to develop planning assumptions. This step consists of evaluating policy-based programmes and examining their costs, anticipating the flow of financial resources, considering the priority list of programmes and activities and anticipating any internal and external factors that may influence it, and identifying financial, organisational, market and other constraints.

In the third step planners identify foreseeable problems and develop alternatives to solve these problems. It includes development of alternative courses of action and application of multiple scenarios and contingencies, and methods of comparison between alternative solutions.

In the fourth step planners develop planning recommendations to decision-makers. Planners should recommend appropriate ways to achieve the goals, arrange the activities in order of priority, recommend the assessment of the impact potential financial actions may have on other organisational actions, conduct cost-benefit analyses, and elaborate detailed activity plans.

The fifth step serves to defend the planning recommendations in front of decision-makers and obtain their endorsement. In the sixth step the approved

financial plan is handed over to managers and/or commanders and their accountants for implementation.

These steps are generic and apply to any defence organisation under the condition that the managerial culture of this organisation is result-oriented. However, one should recognise that most of the time and in many defence organisations those requirements are overlooked for a multitude of reasons, and financial planning is reduced to formulating budget proposals and applying accounting methods. In many cases, even the organisational planning is missing, and that creates a functional gap between objectives and budgeting.

Resource allocation

In order to implement defence policies and to accomplish defence missions, defence organisations need appropriate resources. The everlasting problem is that these resources would be always scarce, and the solution to this problem is sought after in the process of resource allocation.

In any defence organisation, there are various and sometimes interlocking entities competing for scarce resources. In the case of the defence policy objectives and defence missions, even if policy makers try their best to establish affordable objectives and missions, and the strategies and political guidance containing the respective policy options provide general requirements for appropriate resources, there will always be the challenge to fund completely all activities needed to implement these objectives and missions.

Force components and services, divisions in the ministries of defence and in the defence staffs are in the same situation. Defence organisations and agencies need resources in order to function and would compete to get as much as possible of the 'big cake' of total resources first to sustain their existence, and then for their missions and objectives.

Developing programmes for the implementation of defence policies is seen as a solution to the resource allocation problem, but it may create problems of its own. Programmes tend to have a life of their own that should be nursed with resources, not always fully justifiable in terms of priorities, and they would compete with other programmes for scarce resources.

The main chapters of the defence budget are the operational costs and development costs. How much each of these chapters would receive from the total budget is a problem of debate and competition during the preparation of this budget. There is a competition for resources not only for these two chapters, but also for sub-chapters and even budget lines. Finding a balance between competing requests for resources from all entities and establishing effective and efficient trade-offs among them is the remit of resource allocation process.

Given the competing nature of the resource allocation process, the defence organisation should take appropriate measures to institutionalise it effectively. This institutionalisation would be within the process of institutionalising defence planning and would follow the arrangements and practices common for the entire public sector.

The main component of resource allocation institutionalisation is a comprehensive budgetary system, established by appropriate legislation and executive orders. Every nation has its own system. Some systems were 'imported,' others were developed independently.

Financial system

Financial systems are key instruments for the proper functioning of defence organisations. These organisations would implement legal and executive financial arrangements and procedures valid for the entire public sector, and would develop in-house regulations and agencies for the implementation of their own financial policies.

The financial system within defence organisations is subject of financial accountability and efficiency, based on the specificity of the defence sector – while the financial inputs are measurable and clearly stated in budgets and funding authorisations, the output is almost never measurable in terms of financial value. As a large and complex organisation, the defence sector has its own financial system, integrated into the governmental financial system.

The financial system can be seen as a network of institutions organised by arrangements and regulations with the aim to facilitate transactions among members of the defence sector and between them and members of the national and international systems.

The main mission of a financial system is to regulate, supervise and facilitate payments, to facilitate the raising and allocation of financial resources, as well as the management of risks and uncertainties associated with the processes of payment and resource allocation.

The financial institutions are governing bodies and agencies establishing and applying regulations on financial transactions within society. They act as intermediaries between entities involved in financial transactions. At national level, the main financial institutions are the central or national bank and the commercial banks. At defence sector level, the financial activities are also facilitated through banks. However, the defence sector has financial institutions of its own. One of these institutions is the financial division within the ministry of defence. This division should guarantee compliance of all financial activities with the respective national regulations, develop policies and regulations applicable to the defence sector, implement resource allocation decisions and super-

wise the financial activities within the sector. Other institutions of this type are the financial offices at the level of defence organisations and agencies. These offices should guarantee compliance of all financial activities in their remit with the national and defence regulations, facilitate transactions between their organisation or agency and others, and within the organisation.

The financial activities are payments, investments, savings and loans. In professional language, these activities are called financial services provided by financial institutions, and the users pay for these services.

There are two main types of financing – direct financing and indirect financing. The direct financing is the most common form of financing of defence activities and implies a direct relation between the investor (in this case the government) and the contractor (in this case the defence organisation). The indirect financing is common for commercial activities, implying savings and loans for financing. It applies to defence organisations and agencies whenever they perform activities requiring financing from other sources than governmental transfer of funds.

In all public sectors, defence included, the managers and leaders are responsible to ensure that their organisations are accountable for their programmes, activities and finances to their stakeholders (the democratic oversight authorities), to governmental regulators, to the members of their organisations, and to the public. Financial accountability is intended to guarantee that the public money is spent lawfully for the purpose it was allocated, and according to existing regulatory provisions.

Accountability within defence organisations

Accountability requires that the organisation complies with all applicable laws and ethical standards that may be of a general nature or specifically designed for defence. Defence organisations are held accountable to comply with the existing defence policies, to adhere to defence missions, hence to justify all public expenditures according to the respective rationale. Also, defence organisations should be in full compliance with governmental and internal accounting policies, including transparency policies for public spending (i.e. annual reports, questionnaires, etc.). Each defence organisation and agency should develop and maintain internal control arrangements and procedures in line with accountability requirements.

Defence organisations are required to develop and implement procedures to monitor and record assets received, held and spent. These procedures are usually formalised in accounting policies and manuals of financial procedures. They should regulate the development of budgets, the processing of financial assets (i.e. receiving, recording, securing, depositing, and spending processes),

the authorisation, recording and monitoring of expenditures, the establishment of auditing and controlling authorities and agencies (i.e. boards or committees of auditors) within the defence sector, their remits and operating procedures, and the procedures for contracting, sub-contracting and outsourcing.

Defence organisations are required to ensure transparency of financial activities and to build trust in the fairness of the financial processes. These requirements are instrumental in providing staff members and the entire defence personnel with appropriate responsibilities, knowledge and skills to participate in financial activities.

Financial efficiency

In broad terms, financial efficiency means getting the highest financial value possible out of an activity, or achieving the objectives of that organisation by investing the lowest funds possible.

The defence sector is specific since it is raising funds for its activities (and these funds have a clear financial value), but it is almost impossible to be measure the final products (defence capabilities or the military power of the nation) in financial terms. In other areas of economic activities, financial efficiency is much easier to measure, as the final products or services are 'sold' to the customers, thus revealing their market value. Whenever this value is higher than the value of investments into that activity, the organisation is financially efficient. Translated to defence realities, financial efficiency should be defined as getting the most mission-related value out of the least amount of financial resources.

The purpose of measuring financial efficiency is closely related to the requirement of political and organisational accountability for spending public money. Unlike financial accountability, assessments of financial efficiency reveal the value obtained for public money. Since the final value of defence activities cannot be properly measured in financial terms, e.g. by comparing financial inputs with financial outputs, other tools should be developed in order to assess the efficiency of financial performance of a defence organisation. Each defence organisation develops financial efficiency tools that it deems most appropriate, apart from auditing and controlling, which are tools for financial accountability.

There are three main areas where financial efficiency should be assessed – the acquisition of financial assets, resource allocation and utilisation of funds. In the case of acquisition of financial assets, the defence organisation would look into procedures to minimise the risk of unavailability of funds and to maximise the raising of funds during the execution of defence budget. In terms of resource allocation, the defence organisation would employ procedures to

minimise the risk of allocating funds to low priority programmes to the detriment of high priority ones, and to maximise resources allocated to those programmes and activities that have higher returns in respect to policy objectives and the accomplishment of defence missions. In utilising funds, a financially efficient defence organisation would minimise the investments for utilities of lower relevance (i.e. spending the allocated funds at the end of the fiscal year just for having a zero sum budgetary balance) and would maximise investments with a higher rate of return.

Public opinion and the financial system

There is room for improvement in any defence organisation, and in no domain would improvement be more visible than in financing the defence sector. Structural, organisational, functional and institutional changes are intended to make the defence planning process more streamlined, from policy formulation to the actual production of defence capabilities. Most of the changes are time- and resource-consuming, and a higher degree of managerial skills and political resolve is required to implement those changes. The ultimate driving force for improvement in the area of financial planning, as in any defence area, is the public opinion, expressing the public interest in effective and efficient use of public money.

The above statement may look like an oxymoron to many members of the public, who hardly understand the financial system and especially the accounting regulations and procedures, which are always complicated and specialised. However, the public interest should not necessarily cover the regulatory and procedural aspects of accounting for public expenditures, but the general framework for allocation and management of financial resources.

It is in the public interest to see if and how the financial system within the defence sector complies with general requirements of efficiency and effectiveness. The financial system should be anchored firmly in the regulatory framework for budgeting, defence planning system, authorisation and allocation processes, reporting and accountability. The financial system should be transparent to the legislators, auditors, governmental regulators, and to the public in order to provide for democratic oversight, as well building and maintaining public trust. Of main interest in assessing the transparency of a financial system are the regulations and procedures for development and approval of defence budgets, the allocation and authorisation procedures and actions, major programmes and the contracts associated with these programmes, budgetary execution reports, etc.

The financial system within the defence sector should allow both financial and political accountability.

The end product (or ‘output’) of the defence sector is military power, or defence capabilities, as prescribed by defence policies. In financial terms, there is no direct correspondence between inputs and outputs. In political terms, the missions and goals assigned to defence are not always describing with sufficient accuracy the desired and expected end-state (the output), hence there will always be room for interpretation. The strategic guidance would limit interpretation opportunities. In financial terms, an increase or a decrease in funding would not automatically result in an increase or decrease of defence capabilities, because the output is factored by the quality of defence management and the effectiveness of the resource allocation processes.

Too many subjective factors influence the effectiveness of the defence sector. For example, the definition of defence missions and objectives is based on perceptions and preferences regarding national goals and interests, as well as risks and threats to national security. These perceptions and preferences can change during the policy implementation process. Another example is resource allocation that allows for negotiations, bargaining and trade-offs of subjective nature, as well as acquisition processes that are governed not only by market efficiency, but also by subjective factors, such as political and social concerns.

In order to ‘produce’ desired and expected results, any defence sector in a democracy should meet effectiveness requirements, such as to be governed by comprehensive defence policies and strategic guidance, describing with accuracy the level of defence ambitions. This level of ambition should be affordable and supported by appropriate resources. Also, there should be a functional and effective, result-oriented defence planning system, established priorities in respect to missions and goals, mechanisms to translate level of ambitions and priorities in programmatic and resource allocation decisions, and further into effective, transparent and realistic defence budgets.

In economic terms efficiency means to get the best value for money, e.g. to maximise the output of a production line of goods and services and minimise the input at the same time. In defence, the same concept of efficiency means to maximise the output (military power or capabilities) with minimal resources. As we mentioned briefly before, it is practically impossible to compare inputs into defence processes with their outputs, as each is measured with different measurement units and scales. Even in financial terms, the inputs in form of financial resources cannot be properly compared with the outputs described in financial units. The latter may have financial values attached, but these values represent either the inventory value of a defence asset, or the procurement value (what was the cost to procure that item), but seldom the market value.

In order to assess the efficiency of their defence sectors, nations develop verification tools addressing not the ratio between output and input, but sequen-

tial aspects of defence processes, such as the acquisition of a certain weapon system or employment of a certain number of personnel.

For the general public, it is important to understand how defence meets certain efficiency requirements in key areas of defence activities. The process of budget formulation is the main area where efficiency requirements would apply. Each nation has clear regulations how the budget would be prepared, assessed, approved and implemented. Regardless of how effective these regulations are in a certain nation, they will always permit subjective preferences and require hard choices from decision-makers.

To maximise the efficiency of the resource allocation process through budget formulation, a defence organisation should consider establishing priorities, efficiency criteria and resource ceilings for budget holders before they issue requests for the next budget. In addition, it is always wise to ask for explicit information on the merits of each programme, asset or activity that requires funding, before granting the requested resources through defence budgets. These merits should be based on defence missions and objectives. It is also recommended to avoid bargaining in the preparatory phase of the budgeting cycle, as bargaining is usually based on criteria other than efficiency, i.e. the aim of bargaining is to receive more resources for the tasks, while efficiency aims at accomplishing the tasks with minimum resources.

It is also important to allow open and transparent negotiations among the budget holders competing for resources, and to allocate sufficient time to complete these negotiations before taking the final decision on the budget.

Acquisition efficiency

Acquisition is a very visible activity of the defence sector and usually captures the attention of the public. Most of the time, the main interest is in 'what to buy' and 'from where to buy,' while the real efficiency criterion is 'for what purpose should acquisition be made.' In the defence sector, the acquisition process is never 100 percent efficient, because the efficiency criteria are competing with other criteria of political or economic nature. Moreover, acquisition processes are subject of various influences and can easily fall victims to misplacement or misuse of public money.

For these reasons, in many democracies defence acquisition cases are subject to thorough control and oversight from political authorities. Some nations are implementing a hierarchical authorisation system for defence acquisition, going up to parliaments for high-value assets.

The main requirement is that any acquisition case should address a clearly formulated demand resulting of a clearly identifiable defence mission. It is, however, more complicated to meet this requirement than to formulate it. If

the mission is 'defend the nation against any aggressor,' then the sky is the limit for buying tanks, airplanes or missiles.

The key concept of acquisition efficiency is 'demand formulation.' This is a process in its own right that comprises dialogue, negotiations and trade-offs between political and military authorities. The final outcome of the process is an articulated explanation for what purpose the envisaged military asset should be acquired, what are the purchasing, operation and maintenance costs, other associated costs and the total cost of ownership.

Another important requirement is for transparency of acquisition decisions. Most of the defence assets contain classified or confidential information. This should not impede the provision of transparency of the decisions on key aspects of acquisition. The public has a legitimate and genuine interest in knowing that the national defence financial planning system is functioning on behalf of the people and produces the expected results in an effective and efficient manner, and in the limits and configuration prescribed by defence policies. Apart from building public trust and confidence, transparency would protect the defence organisation and its acquisition process from malign influences.

Justifying the spending of the public money on defence activities is not always a straightforward process, especially when effectiveness and efficiency criteria are introduced in this process. However, the public would be more interested in the broad view on financial governance of defence rather than in accounting details of these activities.

CHAPTER IX

MANAGING DEFENCE SPENDING WITHIN THE NATIONAL ECONOMY

The defence sector occupies a significant place among the public domains and consumes a significant portion of the public wealth. Defence is determined or influenced by the status and developments of all social, political, cultural and economic domains of society and, at the same time, has the possibility to influence these domains on its turn. In economic and especially in social terms, the defence sector adds value to the nation, under the condition that defence is fully justifiable to the people and is affordable both socially and economically.

The social value of defence should be validated politically, through defence policies and strategies, and recognised in the process of defence budget formulation, while the economic value is revealed in the process of managing defence expenditures.

The management of the defence sector and defence expenditures should observe institutional requirements aimed at rendering the resource allocation and 'production' of military power effective and transparent. The NATO-EAPC Partnership Action Plan on Defence Institution Building establishes in its ninth objective the requirement of developing "effective, transparent and economically viable management of defence spending, taking into account macro-economic affordability and sustainability; develop methods and policies in order to cope with the socio-economic consequences of defence restructuring." Mihály Zambori presents defence planning and defence procurement systems, as well as considerations on economic control of defence spending in his chapter in the Source Book.¹

Economy and defence

The defence sector exists for the purpose to ensure protection and security of the people with everything that is of fundamental value and interest for the people – identity, welfare, political system, territorial space, economy, culture, etc. In order to satisfy this purpose, defence is shaped not only by the will of the people to support the inherent burden, but also by determinants and influ-

¹ Zambori, Mihály. "Economically Viable Management and Defence Spending." in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 289 – 308

ences such as the above, and 'pays back' not only through military power for national security, but also by influencing most of the public domains, economy included.

The relation between economy and, by extension, welfare and the defence sector is most significant. The national economy is the main source of resources for defence and, at the same time, defence is spending a significant portion of these resources on national economy, contributing to the economic growth and the welfare of the nation.

Often, defence occupies directly and indirectly around two percent of the active population, accounts for more than one percent of the Gross Domestic Product (GDP), or a corresponding percent of total government expenditures. There are nations that display higher figures than these ones, as there are nations that invest less on defence. For example, the members of NATO are politically committed to allocate at least two percent of their GDP on defence. In sum, assuming that the national economy is on a steady positive growth, the defence sector of a nation that allocates two percent of its GDP on defence for a long period of time will experience the same positive increase in financial resources. And if the economic growth was negative, the defence sector would experience a decrease in financial resources.

There are economic sectors that may have a direct influence on defence. For example, an economy that depends on imports of natural resources would require a defence sector with capabilities to guarantee the uninterrupted flow of such resources. Or, if tourism is accounting for a fair portion of the national economy, the defence sector would contribute to the influx of tourists by guaranteeing their security. Other economic factors, such as labour market or industry would have mostly an indirect influence on defence. Such sectors would try to get maximum benefits from defence activities, regardless of defence missions.

The direct impact of defence spending on economic growth differs from nation to nation and depends on several factors. In economic terms, the main positive aspect of defence is the aggregated demand factor. Defence is 'produced' as a public good, that is a service to the society, and this 'production' is aggregated into national economy like any other economic activity that implies an infusion of public money.

The positive effect to the economy is better seen when an increase in defence spending contributes to an increase of aggregated demand, hence an increase of economic growth. However, strictly from this point of view, the economic growth can be the same when defence spending is decreased, or even without a defence sector at all, as long as the total amount of public money

remains the same and the financial resources saved from defence are allocated to other public sectors that, on their turn, add to the aggregated demand.

Defence research and development is usually a positive factor for the national economy. In a free market economy, the government has fewer opportunities to invest in research and development of private enterprises, for the main reason that it would temper with free market competition, favouring one actor against others. The government can however invest freely in defence research and development. The results of such investments would eventually have a spillover effect to the economy.

Employment in defence is another positive factor for the economy. Defence usually provides good opportunities on the labour market, especially when the armed forces are fully professional. Current tendency in managing defence in many countries is to outsource most of the support services for the armed forces, such as catering, laundry and even security of military facilities. The contractors for these services would need extra manpower to satisfy the new demand.

Finally, procurement² is considered as another positive factor, under the assumption that the national economy has a developed defence industrial sector. The main caveat for procurement from the national defence industry is the level of its flexibility. The demand for new defence capabilities would require new products, and the industry should be able to accommodate such new demands. Otherwise, when the defence industry is incapable to respond to new requirements, but still insist for getting defence contracts, procurement might become a negative factor.

Affordability

A democratic government collects money from its people for all public services it produces for that people. The portion of the GDP that a government manages is between 20 and 35 percent, depending on national arrangements or the 'social contract.' Usually, a tenth or less of this wealth is allocated to defence. How a nation arrives to this arrangement is a question of affordability.

A very popular comparison, explaining why the people accept to pay for defence a certain amount of their wealth, is made with the insurance sector. People tend to insure their lives, houses, cars and other possessions in case unexpected events put these assets in danger. The insurance companies would never produce insurance quotes above the maximum amount the customer is

² For an extensive discussion on the merits of a democratically controlled procurement see the chapter by Van Eekelen, Willem F. "Parliaments and Defence Procurement." in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 379 – 410

willing to pay, and certainly these quotes would not exceed the total value of the asset insured.

Key aspect of this comparison is that the insurance companies will be out of business if all their customers claim their insurance premiums. The basic business assumption is that the damaging effect would never occur in the majority of cases. The same observation is valid for defence. People pay the price of defence even though there would be no military aggression against their nation, most of the time.

There is no magic formula for establishing how much is enough for the defence of a nation. Nevertheless, one may consider two 'philosophical' criteria – comparative costs and acceptable loss. Comparative costs designate the condition that the costs incurred by defence are always smaller than the losses incurred by not having defence. For example, there is no point in building naval capabilities to prevent or counter a blockade at a cost exceeding the economic losses incurred in the case of such blockade. Acceptable loss, or acceptable waste, examines all investments in defence as losses if we assume that the defence would never be tested against an enemy. Accepting these losses is usually consistent with the social psychological attitude towards waste. Some people accept higher waste rates in their lives than others. In reality, governments develop much more sophisticated procedures to determine how much defence their nation needs, and then compare these needs with the amount people are willing to pay for defence, in order to balance the resource allocation from public funds.

Opportunity costs

Investing public money in defence is never 100 percent efficient, nor 100 percent a loss. Assessing the efficiency of defence requires a measurable value of the final 'product' or outcome of defence activities, but in real life the value of defence outcomes is rarely measurable.

One theoretical approach to assessing the efficiency of defence is based on analysis of opportunity costs. One can represent the total value of defence as a lost opportunity to invest in other public sectors, where outputs and outcomes are much easier to measure. In practice, defence means much more than the lost opportunity to 'buy' health, clean environment, public administration, or education with the resources intended for defence. In a given security environment, defence is maintained with the purpose of securing the opportunities of a nation to develop its public health and environment protection, public administration or education systems. For one reason, without defence and in case of an invasion, a nation may come to having no public administration at all.

Opportunity cost analysis may be an instrument in developing state and defence budgets. Allocating public resources to each public sector from the total pool of resources available is a zero-sum game. The resources received by one sector would be resources denied to all other sectors. The same reasoning applies to different chapters of the defence budget and recipient agencies within the defence sector. However, applying opportunity cost analysis implies that the system is 100 percent efficient, namely that all investments would produce the expected value.

Defence spending

In a democracy, defence should always have a positive effect on society; otherwise it would not be justifiable. The total investments of public resources in defence should return not only the expected results in terms of defence capabilities, but also positive effects on the national economy.

These statements do not elude the reality that in certain conditions and in specific areas defence activities may produce negative effects, especially to the national economy. Political and theoretical sources from the period of arms race during the Cold War claimed that, overall, defence expenditures have the negative effect of draining resources from other more productive domains.

The discussion on the economic impact of defence can be developed along classes of defence expenditures. The main classes of expenditures, as accepted in international norms and practices, are the operating costs, with subclasses of personnel, operations and maintenance, procurement and constructions, and research and development.

With the exception of conscripts, the financial resources allocated for personnel should be beneficial to the national economy, as these costs represent a contribution to the occupation of the labour force. Most defence organisations also invest in conversion of military personnel to civilian jobs, and these investments are directly aimed to contribute positively to national economy.

The main caveat is the interpretation of what contribution the investments in conscripts may have. On one hand, the conscripts are pulled off the labour market for the period they have to serve in the armed forces. On the other hand, the conscripts usually get additional qualifications and experience during their service, thus returning to the national economy better qualified and equipped for higher productivity.

The investments in operating and maintaining the armed forces may have a positive impact on the national economy, limited to eventual outsourcing contracts, but certainly they cannot have a negative impact, as they are clearly designed to produce military power according to societal demands.

The class of defence expenditures for procurement of military and common equipment interacts more closely with the national economy. How beneficial this interaction would be depends more on the capacity of different sectors of the economy to meet defence demands, than on the performance of the defence sector. Also, the investments in research and development may have a positive spillover effect on national economy when private and public economic sectors have access to their results.

It is obvious that defence outcomes have social value of their own, even if this value is hardly measurable in financial terms. It is in the remit of the government to determine politically the social value of military power produced by the defence sector, and to control and oversee defence activities related to military power on behalf of the people. The defence missions, as stated in defence policy documents (e.g. strategies, political guidance, white papers) would also indicate the social value of defence capabilities, together with other rationales for the defence burden. Defence missions should address security risks and threats of military nature and promote national values, goals and interests. Their definition should be politically and morally acceptable and economically affordable. Through political guidance, the defence missions would be detailed in terms of expected outcomes of defence activities. The ultimate indication that the defence missions are aimed at bringing social value of military power is the actual investment of public resources in accomplishing them.

The government is in the business of allocating resources collected from the people in order to return public services to the people in areas that have economic and/or social value for the people. In designing the defence budget, the government should ensure that the social value of defence expenditures would prevail over their economic value, if any. In the 'social contract,' the main agreement between the government and the people is to provide the latter with appropriate security, not to improve the economic growth through defence expenditures.

However, some of the resources needed to produce military power would be allocated with economic considerations in the minds of decision-makers. For example, when financing the establishment of a military base is considered, policy makers would factor the location of that base not only in terms of military relevance, but also to determine the potential for providing job opportunities in areas where jobs are most needed. When deciding to acquire a specific military asset, the implications for national economy would be also considered, either in terms of potential contracts for production and/or maintenance, or in terms of subcontracts.

Economic consequences

Overall, the positive or negative impact of defence on the national economy is more a 'philosophical' or moral debate than a concrete issue. For one reason, the ultimate rationale for defence activities is to develop military power in a quantity and quality expected by the people, and this rationale may raise the question of defence efficiency, but hardly the question of impact on economy. However, sectors of the economy would be interested in defence activities, in order to identify what business opportunities may arise and to anticipate eventual socio-economic consequences of defence developments.

In order to deliver the required outcome of defence activities, but also to facilitate interactions with the national economy and with the society at large, the management of defence spending should be effective, transparent and economically viable. In institutional terms, this requirement translates into:

- Legally binding arrangements and procedures linking the managerial decisions on defence expenditures with defence policies and strategies, and with political guidance on defence;
- Development of dedicated policies and strategies for areas of higher interest for the effectiveness and efficiency of defence spending, such as personnel and acquisition;
- A fully articulated defence planning system, aimed at delivering military power as requested, based on the resources available for defence;
- Medium and long-term plans and programmes channelling the flow of resources to areas that effectively 'produce' defence capabilities and guarantee predictability of developments in the defence sector;
- Arrangements to render these plans and programmes, as well as the defence budget formulation, the personnel policies and the acquisition processes transparent to the people, the national and international economy.

Sectors of the economy have a legitimate interest in defence; defence planners should also assess the national economy in terms of macro-economic affordability of defence requirements, and especially in terms of economic sustainability of defence efforts over longer periods of time. Both defence planners and financial managers should utilise forecasting instruments and techniques, as well as risk management methods whenever they factor the economic consequences of defence plans and programmes.

Defence burden

The first question in the assessment of defence performance in economic and social terms in a particular nation is to what degree the defence sector is, or is not, a burden to the people. Generally, in democracies defence should not be a burden to society, since it is expected that democratic defence institutions are sufficiently effective and functional to guarantee that defence activities are result-oriented, and that the expected results are in full compliance with the needs and expectations of the people. Nevertheless, there are instances when not all defence resources are channelled towards development of military power, but to diminishing that power. This was the case with most of the nations in Europe after the end of the Cold War, when the 'peace dividend' implied downsizing of the armed forces and reduction of defence budgets.

The long-term consequences of downsizing the defence sector were positive. As a result of reductions of defence budgets, more resources were made available for other public sectors, at least in theory. In practice, the situation differs from nation to nation. Some nations indeed re-routed these resources to other public sectors, but other nations simply reduced the taxes with a percentage appropriate to the savings from defence reductions. The latter situation was also positive, as fewer taxes would result in more private consumption, hence a higher demand for goods and services.

The short-term consequences of downsizing the defence sector were not necessarily positive. The short-term negative consequence was that a fair portion of defence resources, remaining after the reduction of defence budgets, was allocated for activities related to downsizing of total military strength, with even fewer resources remaining for actual defence activities, such as training, maintenance or acquisition. For example, the closure of military bases incurred the additional costs of sanitising the location and facilities, plus the indirect costs of downsizing the private businesses developed around these bases. As another example, the reductions in military personnel were accompanied by additional costs for providing transition to civilian professions.

Defence restructuring does not necessarily mean reductions of defence forces and defence budgets, and lessons learned from the 'peace dividend' experience may not apply to this situation. Nevertheless, defence restructuring is by default aimed at reducing the defence burden, if not by downsizing then by enhancing defence effectiveness and efficiency. In direct relation to the social value intended to be increased by defence restructuring (or defence reform, or defence transformation for that matter), the restructuring process should be politically guided and controlled. How effective is the governance of defence restructuring is a problem of institutionalisation.

Specifics in institutionalising defence restructuring

The general arrangements and procedures for rendering the defence sector democratically controlled and overseen, and accountable in political and financial terms would also guarantee that the restructuring process is envisaged, planned and implemented to the benefit of the people, and in line with people's interests and expectations. The defence restructuring should be firmly based on defence policies and detailed political guidance. The defence planning system should specify all relevant aspects related to defence restructuring, and the defence budgets should be developed for a longer period of time to allow for proper allocation of resources needed for defence restructuring.

The same defence restructuring would have direct consequences on the military power of the nation, as well as external social and economic consequences. Moreover, the restructuring process is not a permanent one, even though it may be extended over a long period of time.

Given the importance of restructuring—both in significance for defence and in its consequences—and the fact that the general defence institutions may not have developed appropriate instruments adequate to this specific and unique process, specific arrangements and procedures are expected.

At political level, the decision-making process should include considerations of social consequences of restructuring, such as relocation of personnel or re-conversion of discharged military personnel. At defence planning level, a restructuring programme should be developed, and specific aspects of restructuring should be factored into this programme, such as disposal of surplus weapons and ammunition, closure or relocation of military bases, acquisition of new equipment, reconfiguration of the command and control system, etc. At financial management level, special procedures should secure appropriate funding for the restructuring process and the entire duration of the programme without disrupting the proper financing of other programmes.

The defence restructuring process should not only produce the expected results; it should also produce these results with maximum efficiency. Otherwise, restructuring would add to the defence burden, instead of easing it.

Even if defence reform tends to become a long-lasting activity of the armed forces of many nations, it cannot be integrated into capability development programmes. While military power signifies the social value of the defence sector, restructuring does not produce any direct social value. Ultimately, restructuring is just a process expected to facilitate the production of social value by the defence sector.

What remains to be measured in terms of efficiency are the solutions to concrete problems of restructuring. It is a matter of efficiency to retain the most qualified and experienced personnel in the process of discharging military and

civilians in excess. Other manpower efficiency problems are addressed by the following questions:

- What is the most efficient solution in increasing the number of civilians: should they be educated and trained at the expense of the defence organisation and then paid less for their work, or should civilian personnel—already educated and trained—be attracted by higher salaries?
- If the restructured force requires an increase in military specialists with foreign language proficiency, what is the most efficient solution: to train experienced personnel in foreign languages or to form specialists from a pool of personnel proficient in foreign languages?
- What is the most efficient solution in the provision of administrative support to defence units: to hire permanent civilian and military personnel for administrative support duties, or outsource such services?

The armed forces always face the need to handle efficiency related to military equipment. In addition, the process of restructuring introduces its own specifics and the complexity of this problem increases. Decision makers need to consider efficiency aspects of a higher number of alternatives, such as buying new equipment with short moral life or leasing state of the art equipment, disposing surplus equipment or preserving it in conservation, etc.

We may conclude that the processes of changing the armed forces, whether it is called restructuring, reform, or transformation, always has social and economic consequences for the armed forces, as well as for the society and economy at large. A functional and fully institutionalised defence sector would develop required policies and employ appropriate methods to make the restructuring process both effective and efficient

CHAPTER X

THE INTERNATIONAL SETTING FOR NATIONAL DEFENCE

Good neighbourly relations among democratic states are instrumental for the wellbeing of each neighbour and for the international security architecture. These relations are developed according to the principles of cooperation developed by international security organisations and, in some cases, are implemented with the assistance of these organisations. Among the main concepts describing good neighbourly relations, the concepts of cooperative security and defence diplomacy are gaining momentum in international security practices. The NATO-EAPC Partnership Action Plan on Defence Institution Building establishes in its tenth objective the requirement for “effective and transparent arrangements to ensure effective international co-operation and good neighbourly relations in defence and security matters.” Pál Dunay presents the main arrangements in place for ensuring international co-operation and good neighbourly relations in his chapter of the Source Book.¹

Cooperative security and defence diplomacy

Two concepts emerged in the 1990’s that redefined both the international relations and the role the military would play in these relations – cooperative security and defence diplomacy.

Cooperative security emerged as an operational concept immediately after the end of Cold War and was embraced by NATO in the very successful initiative of the North Atlantic Cooperation Council—that since then evolved into the Euro-Atlantic Partnership Council—and the Partnership for Peace that calls for development of cooperative military relations between partners and NATO.

The Organisation for Security and Cooperation in Europe developed a platform for cooperative security. It builds upon the positive experience of cooperation among states on various security matters and facilitates the development of cooperation among mutually reinforcing institutions.

¹ Dunay, Pál. “Arrangements to Ensure Good Neighbourly Relations in Defence and Security Matters.” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 309 – 336

Under the concept of cooperative security nations incorporate in their bilateral relations elements of security in a cooperative manner, including access to national security infrastructures. These bilateral relations are open to sub-regional and regional cooperation. Nations institutionalise cooperative security in various ways, including ratification of legally and politically binding documents, common infrastructure for exchange of information and organisational arrangements, including common planning staffs. Such cooperative security arrangements and relations are transparent to the international community.

The concept of defence diplomacy was introduced in Great Britain with the 1997 Strategic Defence Review. Then, defence diplomacy was identified as one of the main missions of British defence, and was rapidly embraced by other nations and security organisations. NATO also established a public diplomacy division within its International Secretariat.

In the implementation of the concept of defence diplomacy countries integrate military and diplomatic tools at strategic and operational levels, provide for its institutionalisation through policy documents, such as security and defence strategies, and establishment of appropriate organisational structures in the ministries of foreign affairs and defence, allocate adequate resources for defence diplomacy activities, and introduce arrangements and practices for interagency cooperation at diplomatic and military levels.

Both cooperative security and defence diplomacy imply good regional and neighbourly relations among participating states.

Good neighbourly relations

Good neighbourly relations among states are an essential condition for their national security and free expression of their national interests, goals and aspirations on the international arena. The condition of good neighbourly relations became even more relevant for nations emerging from the former communist alliance after the end of the Cold war, as most of the problems, challenges and disputes between neighbours were suppressed under the principle of unity of the communist community.

Good neighbourly relations do not imply that all these problems, challenges and disputes have been solved or ignored, but that the means to tackle them are cooperative in nature.

The main institutional requirements of good neighbourhood call for:

- open diplomatic channels at all levels (executive and legislative) allowing to address any political, social, economic or cultural issue;
- legally and politically binding bilateral treaties and agreements in areas of mutual interest;

- arrangements in each of the neighbours to guarantee that disputes among them would be addressed through peaceful means and in full reciprocal respect, especially through dialogue;
- arrangements among the neighbours to provide extensive transparency of their bilateral relations;
- bilateral procedures for applying the principles of transparency and predictability in their actions, especially in the field of security and defence;
- practical actions to enhance their national security in sensitive areas, such as border control, illegal trafficking, or international terrorism.

Given their international security significance, good neighbourly relations are a matter of interest not only for the neighbouring nations, but also for international organisations and the international community at large.

In the processes of enlargement, both NATO and the European Union elevated the concept of good neighbourly relations to the level of essential condition for applicants for membership. Moreover, the European Union developed a neighbourhood policy for its new neighbours resulting from the recent EU enlargement.

Cooperation means practical application of principles for enhancement of security and confidence among neighbouring states. The public in these states and the international community have an interest to see that the principles of cooperation in defence and security are not only recognised by state authorities, but are also implemented with visible and encouraging results.

The effectiveness of cooperative security and defence diplomacy measures and activities among neighbours can be assessed according to several criteria. The institutionalisation of bilateral cooperation in security and defence is one of these criteria. It includes adherence to international instruments of security cooperation by both neighbours, application of bilateral legally and/or politically binding instruments (i.e. treaties and agreements) in the areas of security and defence, and permanent and/or periodical contacts at executive and expert levels.

Another part of these criteria relates to the approach to security and defence issues of mutual interest. The expectation is that matters of mutual interest are identified and recognised bilaterally in a transparent and constructive manner, the bilateral agenda encompasses both diplomatic activities and exchanges between security sector organisations, matters of mutual interest are addressed through designated bilateral agencies and/or activities.

The development of mutual trust and confidence measures also falls under this category. It covers the application of internationally accepted confidence building measures, such as notification of military activities, on-sight

inspections, etc.; bilateral visits and staff talks; bilateral military exercises and/or common participation in multi-national exercises; exchange of students and faculty members from military educational institutions.

Still another part of the criteria looks at the bilateral assistance on security and defence matters that includes exchange of relevant information on matters of concern for each of the neighbours, as well as other practical assistance measures depending on the depth of assistance agreements.

These criteria are not exhaustive and reflect only the so-called 'minimum requirements' that the public in neighbouring states and the international community would like to see implemented. Many states are developing much more extensive bilateral relations with their neighbours in areas of security and defence.

Regional cooperation

The realities of the security environment emerging in the last decade of the 20th century and evolving in the first decade of the 21st century brought up-front the importance of the regional approach to security problems, concerns and opportunities. This approach is not conflicting with the general trend of globalisation and does not diminish the importance of global security and confidence measures and instruments developed after the World War Two.

For several reasons both scholars and practitioners believe that regional cooperation is an effective solution to most of the security problems. One reason is that most of the local conflicts, either hot or frozen, have regional spill-over or regional implications, affecting primarily the surrounding nations. Another reason is that nations tend to develop closer relations at regional level, hence enhanced opportunities for dialogue and implementation of cooperative measures to address security concerns among themselves. Also, developed nations are more likely to assume a leadership role in providing assistance to less developed nations at regional level. Also, cooperation in other areas than security, e.g. economic cooperation, often tends to develop cooperation institutions and organisations at regional level, creating the ground for extending cooperation opportunities to security and defence matters as well.

There are several criteria for a region to qualify as a region of security and defence cooperation. The geographic location is an important criterion, but the geographic limits of a region may fluctuate in terms of security significance. Next is the freely expressed will of the majority of the nations in a given geographic region to cooperate among themselves in security and defence matters. Another criterion is the existence of a set of institutions and at least one organisation addressing security matters at regional level. Finally, the regional organisation and the states in the region should comply fully with the interna-

tional security arrangements with global coverage, in particular the Charter of the United Nations.

The nations in a given region engage in cooperative actions with the clear objective of enhancing regional security. Providing adequate security environment at regional level requires several conditions. The behaviour of states is essential in providing regional security. It was proven that national security is a subjective matter, since main security policy determinants—national interests and objectives, risks and threats to national security, etc.—are defined on the basis of individual and collective perceptions. The same observation applies to regional security, if we accept that the states are also subjective actors. The main principle for regional cooperation is that nations should be willing to assume joint responsibility for promoting, preserving and enhancing regional security. The level of success in strengthening regional security depends on the determination of these nations to assume such responsibility.

Further, any endeavours to promote regional security should be accepted internationally. The nations in the region should provide guaranties that they act in accordance with international law and on the basis of the principles and provisions of the UN Charter. At the same time, the international security system should recognise the shared responsibility of the states in a given region and provide whatever assistance is deemed necessary to support regional security measures.

The geographic definition of a given region in terms of security may fluctuate according to the main security matters on the agenda of cooperating nations. The concept of sub-regional cooperation, establishing regions within regions, was introduced in international practice to reflect such geographic flexibility. For example, the Balkans had a distinct significance for a certain period of time. Eventually, other geographic entities emerged from this region, such as South-Eastern Europe or the Western Balkans.

Another condition is that regional cooperation arrangements allow for voluntary inclusion or exclusion of individual states. The geographic location of a nation does not necessarily imply the inclusion of a given nation into regional cooperation arrangements, nor does it prevent that nation from joining cooperation arrangements outside of the respective geographic area. For example, the Organization for Security and Co-operation in Europe includes the United States and Canada, thus giving the European security region a Euro-Atlantic dimension.

History proves that no security measures and arrangements are successful if they do not include a military dimension. Even if not all security aspects are of military nature, the foremost security concerns of the states still relate to military aggression and violent conflict. In respect to regional security, the

military dimension is approached on two main avenues – confidence building and military cooperation.

Confidence building includes arrangements, measures and instruments for arms control and other Confidence and Security-Building Measures (CSBM). In Europe, arms control is institutionalised through the Treaty on Conventional Armed Forces in Europe (CFE) and the Open Skies Treaty.

Military cooperation became a main avenue for approaching regional security with the success of NATO's 1994 Partnership for Peace initiative. The military cooperation objectives of the Partnership for Peace programme were comprehensive and attainable, and had both security and military values. In military terms, partner nations were committed to develop cooperative military relations with NATO for the purposes of joint planning, training, and exercises in order to strengthen their ability to undertake peacekeeping, search and rescue, and humanitarian operations as well as other subsequently agreed missions. Partners were also expected to maintain their capability and readiness to contribute to operations under the authority of the United Nations or the OSCE, as well as to develop, over the long term, forces better able to operate with those of the Alliance.

At regional level, the military cooperation would materialise in actions such as the creation of multinational military formations of different strength, from battalion to brigade echelons. As a rule, such formations are composed of national units, use common procedures and train for common missions, usually for missions other than war, and with time attain both human and operational interoperability. Periodic exercises test the level of readiness of these formations. According to open political statements, the final aim of these units would be to participate in multinational operations under the mandate of an international security organisation.

Other forms of regional cooperation are staff talks and staff visits, as well as exchange of staff personnel.

One of the main reasons that regional cooperation in the fields of security and defence is gaining momentum in international relations is the expression of high public interest in the countries in the region. At personal and collective levels, the ties among people from nations in the region are strengthened, and new political options, opinions and eventual concerns may appear in the process. Thus, the overall and detailed performance of a nation at regional cooperation level is a matter of public interest.

The public would be interested in regional cooperation aspects concerning institutionalisation, regional assistance programmes, compliance with international and regional instruments for security and confidence-building, re-

gional military cooperation, and reflection of public interest in regional cooperation.

The institutionalisation includes legal and political arrangements for regional cooperation, such as treaties, agreements, agendas, conventions, etc., as well as organisational arrangements and procedures, such as cooperation agencies, summits and ministerial meetings, multinational staffs, etc.

The regional assistance programmes include programmes developed among nations in the region; international programmes dedicated to the region, and other international programmes with a regional dimension.

The compliance with international and regional instruments for security and confidence-building includes reflection of provisions of these instruments in national legislation, policies and in the practice of the governmental agencies, as well as activities in the application areas of these instruments, such as arms control, verification, notification of military activities, etc.

Among the forms of regional military cooperation is the creation of multinational military formations. The contribution of an individual country is assessed according to the extent of its participation in one or more multinational formations at regional level, the level of interoperability and readiness of the national components, etc. Other forms of cooperation are the conduct of multinational exercises, exchange of staff members, exchange of students and faculty members from defence academies, etc.

The public interest in regional cooperation is reflected by research projects and publications, as well as regional conferences on subjects of common interest.

Grand strategy

One of the characteristics of the current international security environment is the steady increase of public interest in the international affairs of a democratic nation. Active segments of the public, as well as the people at large are demanding that their governments act constructively in foreign affairs and on defence matters. People encourage multilevel cooperation and expect positive results in strengthening security and stability.

Public oversight of the way the nation acts as a good neighbour and constructive regional and international member starts with the assessment of the nation's grand strategy. It is unlikely though that the public would have access to a national policy document called 'grand strategy,' as no nation has a legal or political requirement to produce such a document. Grand strategy is a concept 'invented' by historians to indicate grand plans of the great empires of the past. However, the concept has practical meaning for every independent and sovereign nation, regardless of its size, power and imperial ambitions. In this

sense, grand strategy comprises those political visions and major plans designing what place and role that nation would take and play on the international arena.

The public would be interested in specialised official sources – a public document or a set of public policy documents stating the nation’s vision on national and international security and how that nation positions itself *vis a vis* the main security concerns, challenges and opportunities. A national security strategy, a long-term strategic vision, and a foreign affairs policy would be among such documents.

The public may also be interested in the existence of a political and social consensus on the main path the nation intends to follow in international affairs, e.g. neutrality, membership in an alliance, active participation in international security organisations, etc., as well as the level of international commitment, expressed through ratification of main international documents promoting peace and security in the world and the region to which that nation belongs, e.g. the United Nations Charter, OSCE documents, arms control conventions, international humanitarian law, Stability Pact, etc.

And finally, the public should be interested whether defence diplomacy and/or military cooperation are included among authorised defence missions.

Promoting good neighbourly relations and regional and international cooperation is an important component of foreign policy of a democratic nation. The members of the public should be able to analyse how this policy reflects the grand strategy options and public interests and preferences in international affairs.

Even if the nation does not produce a document such as ‘foreign affairs policy,’ foreign policy provisions should be stated in governmental programmes, security strategies, public declarations and other official documents.

As informed members of the public, some interested individuals may form their opinion on the quality of good neighbourly relations and cooperative security measures of their government based on information² related to diplomatic relations, assistance programmes, or the perceptions of other international actors on our nation’s performance. In order to have these informed members of the public satisfied, we believe that the relations with neighbours and nations in the region should cover all areas of mutual interest, such as political, economic, cultural, military, and so on. Moreover, diplomatic relations

² Robert Pszczel elaborates on information standards on security and defence issues in his chapter in Source Book: Pszczel, Robert. “Information Standards, Media Policy and Public Relations.” in Willem F. van Eekelen and Philipp Fluri, eds. *Defence Institution Building: A Source Book in Support of the Partnership Action Plan (PAP-DIB)*. Vienna and Geneva: National Defence Academy, 2006, 411 – 419

should be supplemented by inter-governmental and inter-agency contacts, common agendas and common cooperation programmes.

Diplomatic representation in regional and international security organisations is also a matter of public consideration. Proper diplomatic representation should be based on a transparent national vision on the role and activities of these organisations, and on a transparent national agenda for promoting that vision within these organisations. Eventual initiatives within international organisation the nation promotes or supports should be consistent with the national security policy, national values, goals and interests, and with accepted norms and practices of the international community.

In terms of participation in international assistance programmes, very few nations can afford to develop individual assistance programmes. Most nations are joining collective efforts of international assistance. It is interesting for the public to know if their nation is a donor or a recipient of international assistance, or may be a donor in one programmes and a recipient in other programmes at the same time, and how their government exercises either of these roles.

Most people are sensitive to feedback received from international actors on the performance of their nation on the international arena. This feedback may come as facts on cooperation and assistance programmes in which the nation was involved, or international reports and analyses on specific aspects of international cooperation and assistance provided by international or non-governmental organisations. Eventual cases on the attention of international courts and tribunals that involve the nation are also of public interest. And, of course, feedback is received through declarations, speeches and other public statements by international cooperation partners and representatives of international organisations.

National and international public opinion on the performance of the nation on the international arena is reflected in mass media products, conferences, symposia, and other related events.

About the Author

Dr. Bucur-Marcu is the Academic Coordinator of the NATO Studies Center in Bucharest, Romania, and Associate Senior Fellow for Defence Policy, Office of the Deputy Director, at DCAF. He is also a Visiting Professor at the National Defence University and National Defence College in Bucharest.

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