1. Introduction

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I. Background

The SIPRI Arms Procurement Decision Making Project was designed to invest-igate the possibilities of and potential for introducing restraints on national arms procurement and to examine the assumption that greater accountability of decision makers to the public would encourage such restraint by introducing checks on the security sector—the military, the military research and develop-ment (R&D) establishment and officials in the executive branch—which in many countries has a considerable degree of autonomy. With this objective, the processes that lead up to arms procurement decisions were examined. The central question of the project was whether or not individual countries' arms procurement decision-making processes could be rendered more accountable to the elected representatives of the public and the broader interests of the society. The security sector helps the government in defining its defence policy and identifying the context for its arms procurement decisions. In the classic model of the separation of powers, the legislature can provide essential checks and balances. Two related questions were examined: (*a*) the degree of profession-alism and institutionalization of democratic oversight; and (*b*) whether greater accountability will help to achieve a better balance between the military's perception of its arms procurement needs and the broader priorities of the society.

There are many aspects to security, including economic security, and many ways of assuring it besides military capability. Where public debate on the alternatives to military capability for national security is not encouraged, the military tends to take the lead in identifying national security problems and implementing the solutions that its capacities permit. The challenge therefore is to find out how to consolidate peace by institutionalizing security policy and decision-making processes that interpret security from the perspectives of the broader interests of society.

In the first phase of the project studies were conducted on the arms procure-ment decision-making processes in China, India, Israel, Japan, South Korea and Thailand, leading to publication of volume I in 1998.[1] The criteria used in selecting the countries participating in the two phases of the study included: (*a*) their significance in their respective regions, based on economic potential, size and population; (*b*) their significance as recipients of major conventional arms in the 1990s; (*c*) the inadequacy of published research on their arms

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[1] Singh, R. P., SIPRI, *Arms Procurement Decision Making, Vol. I: China, India, Israel, Japan, South Korea and Thailand* (Oxford University Press: Oxford, 1998).

procurement decision-making processes; and (*d*) the transitions they are making in their political systems, moving from relatively centralized decision making to structures more appropriate to a democratic political environment. This transition process is reflected in changes that have been made or are being made in their security decision-making and arms procurement processes.[2]

The second phase of the project was initiated in 1996 to broaden the sample of countries. Some of the countries participating in this second phase, such as Chile, Poland, South Africa and Taiwan, have been making the transition from non-representative political systems to more democratic systems in the past decade. An interesting contrast where the pace of democratic change is concerned is provided by Greece, which moved away from control by a military junta after 1974. For somewhat different reasons, Malaysia, which moved towards a highly centralized political administration after the race riots of 1969, enacting draconian laws to control dissent and public criticism, is now experiencing calls for reform among the educated middle classes. Studies of security decision making in countries which are in the process of democratization are of particular interest for the light they shed on issues of public accountability and public availability of information generally, because security matters are always sensitive.

II. Strengthening the role of society in monitoring defence policy

The discussion that follows on the ways in which the role of society in monitoring and reviewing security-sensitive decision making can be strengthened proceeds by testing countries' decision-making processes against the yardstick of a traditional system of separation of powers under which the executive and the military are accountable to the legislature and the legislature is accountable to the electorate.

Public accountability is described by the experts participating in the project in terms of its legal, political and financial aspects. It faces two barriers: (*a*) the predominance of the executive power over the legislature in many countries; and (*b*) the lack of or weaknesses in a statutory right to information, which is necessary if the military, officials and others involved in arms procurement are to be held accountable.[3] The argument commonly offered by the military that confidentiality helps the decision-making process function smoothly is true only up to a point, and only where the technical elements of decision making are concerned. Where oversight in the public interest is concerned, secrecy is an impediment to the accountability of the security sector. Because the need for secrecy remains unquestioned the genuine case for it where it is appropriate has never been properly made.

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[2] Many other countries could have been included in this study using these criteria. Among the main candidates were Argentina, Brazil, Egypt, Indonesia, Iran, Iraq, Pakistan, the Democratic People's Republic of Korea (North Korea), Romania, Saudi Arabia, Turkey and Ukraine.

[3] Chih-cheng Lo, 'Secrecy versus accountability: arms procurement decision making in Taiwan', SIPRI Arms Procurement Decision Making Project, Working Paper no. 116 (1998), p. 8.

Table 1.1. Oversight of military functions and components of military power

Military functions	Components of military power				
	Manpower	Arms pro-curement	Weapon deployment	Facilities and bases	Financial resources
Operational policies	L, E	L, E	E	L, E	L, E
Operational plans	E	E	E	E	E
Assessment of needs	L, E	L, E	E	L, E	L, E
Assessment of capabilities	L, E	L, E	E	L, E	L, E
Processes and methods for decision making	L, E	L, E	L, E	L, E	L, E

Notes: L = legislative oversight; E = executive oversight.

The assumption that transparency and accountability are inherently incon-sistent with secrecy has not been tested. Complete transparency is not a con-dition of accountability, nor is secrecy in military matters the same thing as non-accountability. Accountability in combination with secrecy is both possible and practicable.[4] Table 1.1 suggests which components and functions of military power are less sensitive and which more sensitive, and indicates the role that oversight either by the executive or by the legislature through its defence committee could have. Where questions of the employment and deployment of weapons are concerned, the military has professional reasons for maintaining secrecy.

The question is who outside the military can monitor the security sector and scrutinize security-related decisions with a degree of professionalism that can equal that of the military and without conflict of interest. How can the per-formance of arms procurement decision making be measured and monitored? The procurement agency has a vested interest, since its decisions reflect on its professionalism, and the user (the military) has a vested interest in acquiring a new weapon. In assessing military needs and capabilities, and in particular the processes and methods for determining those needs, there seems to be a genuine requirement for validation by agencies external to the military organization, such as the parliament, other statutory authorities such as audit bodies, or vigilance commissions. The question whether and how such an examination by public representative bodies or audit organizations can be undertaken needs to be decided on the basis of professional reasons and not by the corporate inter-ests of the military. The military, meanwhile, tends to react against research such as this. It even put up barriers against this study of a small window of its decision-making processes because its whole culture resists any study of its decision-making methods.

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[4] 'Non-sensitive matters such as the processes and management of the defence sector may be open to public scrutiny, but . . . there is clearly a case for technical detail, e.g. specifications or operational parmeters to be classified.' Griffiths, B., 'Arms procurement decision making', SIPRI Arms Procurement Decision Making Project, Working Paper no. 105 (1997), p. 20.

Democratic oversight would involve review and scrutiny of defence policies and arms procurement decisions and decision-making processes in the executive, the military and other statutory authorities. It has two elements, a public representative element and a consultative one. The former involves security-related decisions in the broader context of societal priorities; the latter brings the benefit of the professional capacities that exist in a society and the perspectives of different specializations to the scrutiny of decisions.

This study assumes, moreover, that checks on arms procurement decision making by a professional process of democratic oversight that is institutionalized in national parliaments will help promote voluntary restraints on arms procurement and will be more enduring and acceptable in this regard than regional or international arms control initiatives, which are perceived as driven by the West. A positive attitude on the part of national parliaments would encourage respect for the public's right to be provided with information in a professional manner rather than as political expediency dictates. It would promote transparency and accountability and encourage acceptance of the elected representatives and understanding of their role and motives among the military leadership.

III. The policy-making and review cycle

A typology describing the stages of the policy-making cycle and selected elements of decision making is discussed below. The principle of the separation of powers means that decision making and implementation remain in the hands of the executive. However, in all other stages of the decision-making cycle there can be a role for the parliamentary bodies and statutory authorities to monitor, review and scrutinize the executive's policies, its decisions and the methods it employs to arrive at those decisions. In that sense, the role of the parliamentary defence committee on arms procurement issues will be that of a watchdog.

The challenge is designing a method by which the constitutional role of the legislature can be exercised in a purposeful and professional manner. If a rigorous method is not formalized then policy making and decision making will amount to no more than political rhetoric, and the use of bureaucratic or military discretion not to implement policies or to change decisions that have been taken can become a norm. Identification of the various stages and functions in the policy-making cycle, such as those described below, should simplify the policy and decision process, provide a framework within which policy in the broader sense of the term can be implemented and monitored, and allow alternative perspectives to be considered and thereby help to harmonize policy or decision making with the society's broader and diverse perspectives.

Five stages can be identified in a comprehensive security policy-making and review cycle. Arms procurement policies and decisions can be examined in the framework of such a structure. The cycle is a theoretical description of the functions and responsibilities that should be undertaken by the executive,

Table 1.2. The policy-making and review cycle

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1. Research on and assessment of problems and policy options

(*a*) determining the entire range of external security problems facing a country; determining the need to define a policy to address those problems; and devising methods to identify priorities among the problems so defined;

(*b*) identifying methods, frameworks and processes for policy making, policy implementation, monitoring, review and scrutiny, and adjusting policy;

(*c*) building up information and data on policy options; and

(*d*) building up information and data on alternative methods of policy implementation.

2. Examining policy alternatives

(*a*) forecasts of alternative scenarios and assessment of the methods of implementing alternative policies;

(*b*) advanced research to examine the impact of alternative policies on each of the alternative scenarios; and

(*c*) analysis of the strengths and weaknesses of each policy and the opportunities they offer in advancing national security and society.

3. Decision making and implementation

(*a*) deciding on policy and defining responsibilities, resources and time frames for implementation;

(*b*) selecting methods for policy monitoring and review and for carrying through a change or adjustments in policy; and

(*c*) defining decisions that would need to be taken in order to implement the policy, and setting objectives.

4. Policy evaluation and review

(*a*) periodical scrutiny of the objectives and results; monitoring of effectiveness in terms of costs and benefits; and evaluation of the outcome to assess the effectiveness of implementation;

(*b*) review of policy implementation, methods, resources and priorities, and assessment of the impact of policy on problems; and

(*c*) meta-evaluation—examining the evaluation process itself, to validate the objectives of policy, methods, assumptions, and supporting data and processes.

5. Policy reassessment, adjustment or termination

(*a*) decision on continuation of policy; corrections by the executive;

(*b*) decision on policy modification—major corrections and adjustments; and

(*c*) decision on termination of policy. A decision to stop the policy means initiating a new policy, which involves going back to stage 2.

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the legislature and the statutory audit authorities in keeping with the principles of public accountability, checks and balances, and separation of powers. It presupposes that both the executive and the legislative branches accept: (*a*) that policy making is an organizational process which gives roles and responsibility to all the actors who have a legitimate part in the affairs of a democratic state; (*b*) that sufficient resources are made available to operationalize the policy and implement its objectives; and *(c)* that public accountability norms are applied to guide the policies and help avoid failures in delivering the objectives.

A monitoring and review process in the sensitive area of defence policy will also provide a useful precedent in policy monitoring and review in other sectors

Table 1.3. The four major themes of this study

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1. Military and politico-security issues
(*a*) effects of security threats and operational doctrines on force planning;
(*b*) influence of foreign and security policies on arms procurement;
(*c*) the relationships between national security, military security and military capability objectives; and
(*d*) the determinants of recipient dependence on a single source or a predominant arms supplier and the effects on political autonomy and foreign and domestic policy.

2. Budget, financial planning and audit issues
(*a*) arms procurement budget planning, methods for costing, pricing and tendering, and offset policies;
(*b*) balancing arms procurement with national socio-economic imperatives; and
(*c*) methodologies for military audit in terms of the performance, operability and serviceability of the selected system.

3. Techno-industrial issues
(*a*) equipment modernization and the building of a national defence industry;
(*b*) technology assessment (TA);
(*c*) trends in weapon system development from a R&D perspective; and
(*d*) range and level of participation of the private sector in the national defence industrial base.

4. Organizational behaviour and public-interest issues
(*a*) domestic considerations and élite motivations in the choice of equipment or sources;
(*b*) the institutionalization of decision-making processes, principles of good governance, accountability and legislative oversight;
(*c*) arms procurement and organizational behaviour of the structures at the top levels; and
(*d*) sociology of national decision-making behaviour, including predominant attitudes or cultural codes that shape decisions.

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of policy making. This is particularly useful in countries making the transition from relatively closed decision-making structures to political systems that embody a system of checks and balances.

IV. The scope, method and conduct of the study

The scope of this study is limited to the decision-making processes relating to arms procurement by the state, through domestic production and imports, focusing on the procurement of major conventional weapon systems.[5]

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

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

In order to understand the rationale of different interest groups and constituencies that play or should play a role in arms procurement decision making, the country studies examined four main themes (see table 1.3). These four areas of interest were then broken down into 15 topics using an interdisciplinary approach. There were no changes to the topics identified in the first phase of the project. The topics were then presented as sets of questions to be addressed.[6]

Experts on the topics specified in the research questionnaire were identified with the help of local research institutes, researchers and national experts in different disciplines and specializations both within and outside government. These experts were invited to contribute working papers which they presented at workshops in their countries. They included political leaders; legislators; serving or retired officials in the military and ministries of defence, finance and foreign affairs; functionaries in the military R&D and production organizations from government or industry; government auditors; representatives of national procurement agencies; representatives of the media; and experts in constitutional and international law.[7] Different perspectives were essential if the complexity and dissenting viewpoints that characterize decision making were to be shown.

By its nature, the subject required a broad, in-depth analysis of many political, military, economic, technical, industrial, organizational and cultural variables. In order to gain an even broader understanding, papers were commissioned from economists and sociologists. National experts from the countries involved were assumed to be best able to identify strengths, weaknesses and opportunities, and to add value to the debate on the problems in their regions.

The contributors were asked to address specific questions in the different subject areas and other aspects that they considered important. They based their work mainly on open sources but were also encouraged to draw from their own experience. Interviews were also conducted in order to benefit from the personal insight and experience of individuals in these countries. Some were not able to discuss certain aspects either because the skills and capacities to address such issues publicly have not been fully developed in their countries or because there was insufficient information or expertise. While the resulting country studies are uneven as regards detail, the lack of detail in some areas also constitutes a finding: namely, that the standard of research on security issues that is available to the public and its elected representatives, and consequently the quality of the public debate, are uneven.

The authors of these papers were asked to analyse the role and functions of the different agencies and organizations involved in arms procurement decision making. Although the final structures of the papers varied somewhat, depending on the individual authors' judgement, all authors were asked in the first section of their paper to provide a general description of the national arms procurement policy-making processes and procedure as seen from the point of view of the

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[6] For a presentation of the questions guiding the preparation of the workshop papers, see annexe A in this volume.

[7] For a list of the contributors to this study, see annexe C in this volume.

author or the organization he or she represented. While highlighting declared government policies and statements, the authors were asked to describe the specific role and function of their organization in the arms procurement process, the role of other organizations, their relative influences and the relevance of other external factors or actors. The second section of each paper was an account of the contributor's own perspective and a prescription for an 'ideal type' of decision-making structure and process for his or her country. Any political or national characteristics which have a particular bearing on the way arms procurement decisions are made were identified. In the third section contributors analysed the differences between the actual process and the ideal type. They were invited to elaborate on the reasons for the differences, review the barriers and recommend measures for building public accountability in arms procurement decision-making processes. The research was complemented by input from a wider group of experts during the workshops and in interviews.

The resulting 63 papers, which were presented at workshops in the respective countries, are deposited in the SIPRI Library. Supplemented by published material and government reports, they are the primary source of data for the chapters in this volume.[8]

A researcher selected for each country was then invited to write a country study on the basis of the workshop papers, other secondary research materials and his or her own commissioned research. The country researcher evaluated the general descriptions of the decision-making structures given in the first section of each working paper and analysed the different interests involved. Chapters 2–7 were developed in this way. To facilitate access to the appropriate levels of the government agencies and to specialists, a country adviser in each country was asked to review the country study. The country adviser was a senior person who also helped in identifying specialists, facilitated the organization of the country workshop and coordinated the in-country reviews.

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

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

The cut-off date for new information was 31 December 1999 except in the case of South Africa, where it was January 1999.

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[8] Abstracts of the workshop papers commissioned for this book are included in annexe B in this volume.