



IT 4 Sec Reports

*Improving Governance in the Management
of Resources in the Security and Defence Sector*

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*Усъвършенстване на ресурсния мениджмънт
в сектора за сигурност и отбрана*

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Improving Governance in the Management of Resources in the Security and Defence Sector

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IT4Sec Reports 41 includes the main theses of a presentation at the NATO-RACVIAC conference on “Better Management of Defence Resources, including Integrity Building in the Armed Forces,” Rakitje, Croatia, 14-16 September 2009. It sees resource management in security and defence as traditionally judged in view of effectiveness and efficiency. However, when the decisions are made by a few insiders and under the veil of secrecy, there is no guarantee that the interests of society will be protected. Further, there are no guarantees that the use of public resources will deliver anticipated effects in an efficient manner. In approaching this general problem, the paper outlines general principles of democratic governance of the security sector. It then focuses on the institutional perspective on democratic governance, underlining ways in which a defence minister can greatly contribute to improving governance in managing resources for security and defence. Finally, the paper lays out ideas on how the cooperation among countries in South Eastern Europe could contribute to strengthening the governance of security and defence sectors, and resource management in particular.

IT4Sec Reports 41 представя основните тези на доклад на конференцията „За по-добро управление на отбранителните ресурси и укрепване на интегритета на въоръжените сили”, Ракитие, Хърватска, 14-16 септември 2009 г. По традиция, ресурсният мениджмънт в сигурността и отбраната се оценява от гледна точка на ефективност и ефикасност. Но когато решенията се взимат от няколко „посветени” под завесата на секретността, няма гаранция, че ще бъдат защитени обществени интереси. Нещо повече, няма гаранции, че използването на значителни публични ресурси ще даде очакваните резултати по ефикасен начин. Като принос към търсенето на решение на този проблем, докладът представя общите принципи на демократично управление в сектора за сигурност, с фокус върху институционалните въпроси. Подчертават се възможностите, с които разполага един министър на отбраната за усъвършенстване на ресурсния мениджмънт в съответствие с тези принципи. Представени са и идеи как сътрудничеството между страните от югоизточна Европа може да допринесе за утвърждаване на принципите на добро управление в сигурността и отбраната, и в частност – в ресурсния мениджмънт.

Key words: Security sector reform, good governance, civilian control, armed forces, effectiveness, efficiency, integrity, transparency, accountability, regional cooperation, South Eastern Europe.

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Resource management in security and defence has traditionally been judged in view of effectiveness and efficiency. However, when the decisions are made by a few insiders and under the veil of secrecy, there is no guarantee that the interests of society will be protected. Further, there are no guarantees that the use of public resources will deliver anticipated effects in an efficient manner.

In approaching this general problem, the paper outlines general principles of democratic governance of the security sector. It then focuses on the institutional perspective on democratic governance, underlining ways in which a defence minister—the senior societal representative assigned to manage a defence establishment—can greatly contribute to improving governance in managing resources for security and defence. Finally, the paper lays out ideas on how the cooperation among countries in South Eastern Europe could contribute to strengthening the governance of security and defence sectors, and resource management in particular.¹

SELECTED PRINCIPLES OF DEMOCRATIC GOVERNANCE IN/OF THE SECURITY SECTOR

The following principles of democratic governance of security sector organisations and the security sector as a whole are directly applicable to resource management decision making:

- Ultimate authority on key security matters must rest with elected representatives
- Security must be managed using a comprehensive, disciplined approach, i.e. security forces should be subject to the same principles of public sector management as other parts of government, with adjustments for confidentiality appropriate to national security
- Information about security planning and resources must be widely available, both within government and to the public
- Civil authorities need to have the capacity to exercise political control over the operations and financing of security forces
- Civil society must have the means and capacity to monitor security forces and provide constructive input into the political debate on security policy
- Policy-makers must place a high priority on fostering regional and local peace

¹ This paper is based on a presentation to the NATO-RACVIAC conference on “Better Management of Defence Resources, including Integrity Building in the Armed Forces,” Rakitje, Croatia, 14-16 September 2009.

DEMOCRATIC GOVERNANCE FROM AN INSTITUTIONAL PERSPECTIVE

The following institutional requirements have a major impact on the regulation of resource management decision making and the respective organisational arrangements:

- *A constitutional and legal framework:*
 - separation of powers between government, parliaments and justice courts;
 - clearly defined tasks, rights and obligations of the security sector within the institutional checks and balances;
- *Civilian control and management* of the security sector by the government: civilian control; civilian defence and interior ministers and civil servants having key policy and managing roles and with a clear division of professional responsibility between civilians and the military;
- *Parliamentary control and oversight:* approval of defence and related budgets, security-related laws, security strategy and planning, security sector restructuring, weapons procurement, deployment of troops for internal emergency situations and abroad, ratification of international agreements;
- *Judicial control* in the sense that the security sector is subject to the civilian justice system, too;
- *'Public control':* existence of a security community representing civil society; nurturing an informed national debate on security issues.

What can a defence minister, or a defence ministry do to strengthen resource management decision making in line with the principles of good governance?

Looking for answers, one has to take into account the following premises:

- Resource management is one of the aspects of organisational management
 - "Strategy, programs, and budget are all aspects of the same basic decisions";
- Organisational/resource management is conducted in an uncertain environment: Need to close the loop in setting objectives, planning, implementation, and assessment of results;
- It is difficult to distinguish reasons for inefficiencies in defence.

The series of ISO 9000 standards also provide principles of quality management, that are directly applicable to resource management on the security sector. ISO 9000:2005 identifies in particular the following principles:

- Customer focus
- Leadership
- Involvement of people
- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision making

- Mutually beneficial supplier relationships

And while application is organisation-specific, we need to find ways to demonstrate that the ISO principles are implemented rigorously and efficiently.

Another principle of utmost importance in resource management is that of *comprehensiveness*. It means that:

- Resource management covers all activities and accounts for all expenditures, transfers, etc.
- Maintain a closed loop among
 - objectives;
 - planning, plans and programs;
 - implementation (incl. personnel and acquisition management);
 - Reporting/ monitoring and assessment of results;
- Preserve the integrity of processes & integrity of behaviour.

Here is one example of a relevant organisational decision from the Bulgarian experience:

- The challenge of providing for smooth transition between planning disciplines and plans;
- Organisational solution, MOD of Bulgaria, August 2009;
- Creation of one organisational structure – “Planning, Programming, and Budget” Directorate;
- Encompasses long-term planning, programming and short-term planning for financial and material resources (procurement and construction).

POSSIBLE MODALITIES OF FUTURE REGIONAL COOPERATION

The countries of South East Europe can build on the related experience within the Stability Pact initiative on “Transparency of Military Budgeting” and consider the following modalities:

- Initiatives aimed to promote integrity in defence
- Wider involvement of security sector organisations
- Regional cooperation in C4 (with the possibility for NC3A involvement)

A number of criteria may inform the discussion in considering possible regional cooperation initiatives:

- Policy relevant;
- Politically significant;
- Challenging, but still realistic;
- Setting the foundation for increased follow-up cooperation initiatives.

CONCLUSION

- Comprehensive treatment of the issue
- The particular focus depends of circumstances
- Exchange of experience among countries facing similar issues is beneficial

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