



# RESPONSIBILITY IN THE DEFENCE SECTOR

## **Accountability through Transparency and Global Standards**

Open, transparent governance is central to creating effective democratic oversight. After all, without sufficient information on public expenditure or state decision-making, parliaments, civil society, and the media cannot hold their governments to account. This of course also applies to the defence sector. From arms export controls to budgetary planning, citizens and oversight bodies are often denied critical information. Transparency International found that an alarming one in four countries do not publish their defence budgets, while an estimated one third of global military expenditure is by countries with zero meaningful budget transparency at all.

National security concerns can justify a degree of secrecy. However, national security is far too often used as a reason to keep vital information from public view. Exceptions to the rule that government procurement be conducted in an open, competitive manner are also very common. Because of the often limited information and long-standing close cooperation between the state and defence industry, the risk of defence corruption is significant across the globe, especially in countries with weak or authoritarian governance.

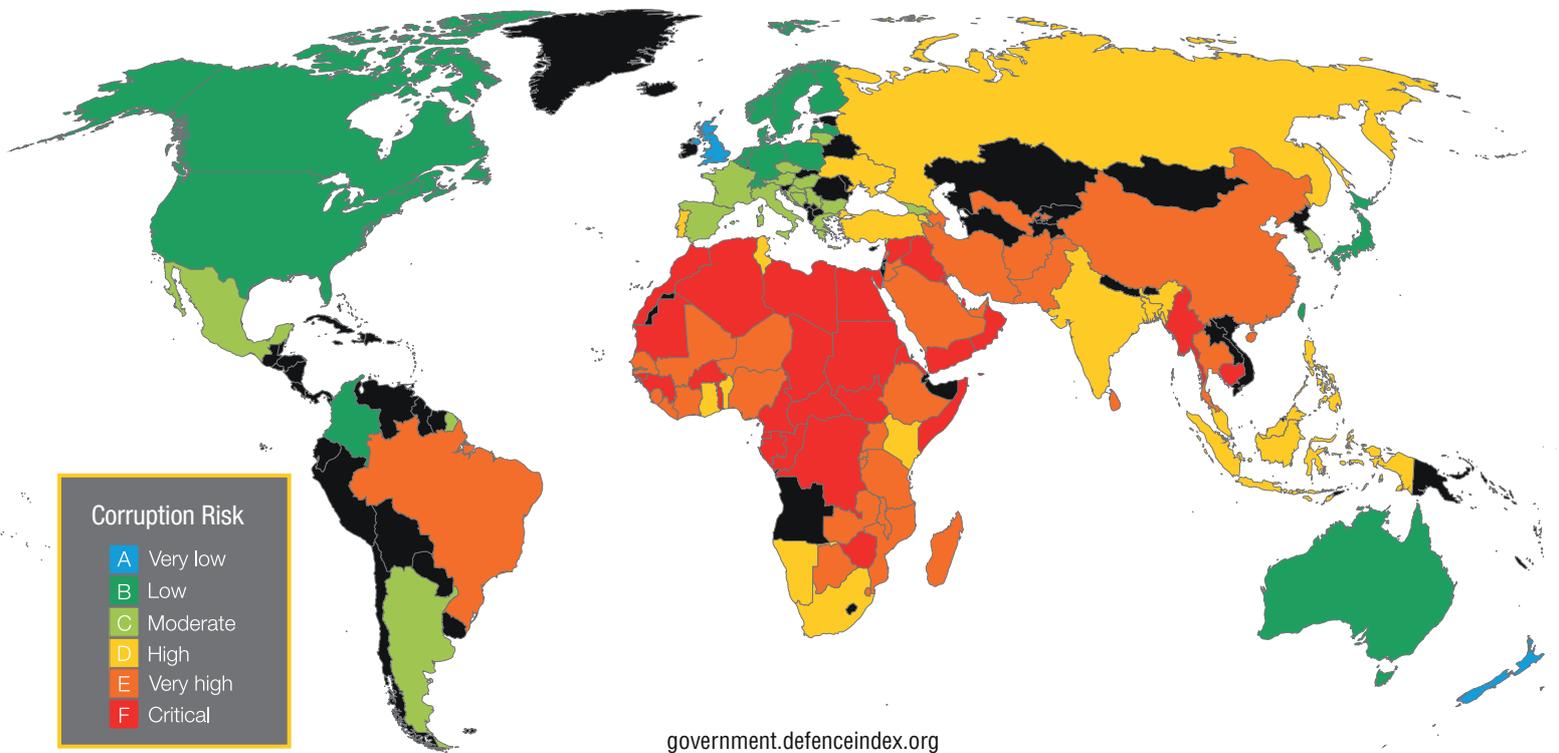
Poor defence governance has an important impact on global security. The majority of states that support the strengthening of the rules-based international system enjoy growing levels of public accountability.

In states that have robust systems in place, parliamentarians have the right to scrutinise and influence defence policy; they are empowered to pass laws and budgets in plenary sessions; and defence committees provide detailed, day-to-day scrutiny of policy decisions. In many cases, this scrutiny by defence committees is matched by institutions which exhibit high levels of integrity across risk areas.

Across the **22** NATO members states studied, **15** have low or very low levels of political risk, indicating strong political oversight systems.

Yet new powers are emerging, spending is increasing, and there is now a widening gulf between military capability and the checks and balances placed upon those presiding over the world's hard power. In total, a third of military expenditure is now spent in countries without meaningful budget transparency - those same countries accounted for less than 18% of expenditure ten years ago.<sup>1</sup>

**Government Defence Anti-Corruption Index 2015/16**  
measures the risk of defence corruption by country



Only in **2%** of the countries surveyed do the public believe there is **clear and effective commitment from the defence establishment to tackle corruption and bribery.**

This creates risks for global stability. When the growth of hard power is characterised by low levels of accountability, oversight, and transparency, the intention underlying an expansion of military capability is not always clear to a country's own people,

<sup>1</sup> Values calculated using scores from the 2015 GI Index for budget transparency (Q12), where "meaningful budget transparency," requires a score of 2 or above and SIPRI's Military Expenditure values for 2014 and 2004: [http://www.sipri.org/research/armaments/milex/milex\\_database](http://www.sipri.org/research/armaments/milex/milex_database).

never mind their neighbours and the outside world. Excessive secrecy over capability and intent has obvious implications for fuelling state competition and arms races.

But there's plenty of cause for optimism too. Various national strategies for improving transparency in security and defence have been initiated, and with the right global leadership this good practice could be emulated more broadly.

The successful measures that have been introduced demonstrate very clearly that in order to mitigate against internal as well as external insecurity, states need to strengthen accountability and transparency and ensure they have certain standards in place. This is particularly pressing in the following areas:

- Transparency of defence budgets and expenditure
- Clear defence strategy and policies
- Independent oversight
- Responsible external defence impact
- Meritocratic personnel structures
- Preventing diversion of arms exported
- Mechanisms to raise concerns internally

In **24%** of countries surveyed, the **defence budget is not available at all.**

## Examples include: Ensuring legislative oversight

Ministries of Defence need to increase transparency vis-à-vis parliament and the responsible parliamentary commissions. This can be done by introducing annual or bi-annual reports to parliament. Legislative oversight can only be effective if the relevant committees are provided with sufficient information on budgets, projects and planned investments.

## Engaging the public

Public engagement is a critical to effective, accountable defence institutions that serve and protect their citizens. Although secrecy is necessary in

Only in **11%** of countries is there **a legislative committee (or other appropriate body) responsible for defence budget scrutiny** that has demonstrated the capacity to influence decision-making.

this sector, this should not discourage governments from fostering a public debate about e.g. procurement. There cannot be any public debate without publicly available data.

## Preventing conflicts of interest

Major defence products are expensive, complex and require very specific technologies that often can only be produced by a small set of companies. Oftentimes, the separation between contracting body and contractor blurs as the government has a lack of know-how and is relying on private sector expertise. Long running contracts and the revolving door can lead to an increasing degree of dependency. States should maintain a clear barrier between the Ministry as the contracting body and private companies as contractors. One way of ensuring this are open, competitive procurement procedures.

## Strengthening anti-corruption mechanisms

Corruption is fostered by a lack of transparency. In order to encourage members of the defence ministries and the military to report corruption or misconduct, states need to set up reporting systems so that cases of impropriety can be reported without fear of repercussions. Additionally, governments should introduce codes of conduct, as well

In **73%** of countries surveyed, the **legislative** is provided little to **no information on defence spending.**

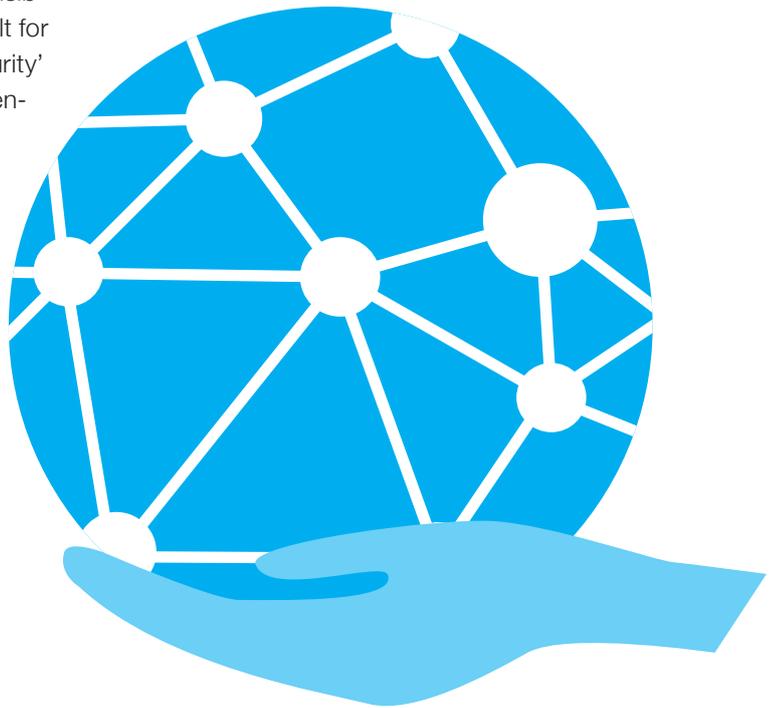
as provide training for their personnel. Anti-corruption officers can supervise the implementation of anti-corruption measures and function as a point of contact.

## Agreeing and promoting global standards

A stronger international consensus around responsible defence governance would make it more difficult for those in power to use arguments of 'national security' to evade legitimate scrutiny – whether by parliamentarians, auditors, anti-corruption institutions, civil society organisations, or journalists.

Global standards could formalise principles of transparency and accountability in defence, and facilitate greater civil society oversight over critical defence issues, which would ultimately serve as a restraining force on the excessive development and use of hard power. Such standards could help citizens hold governments to account and also provide international players a clear mandate from which to offer support to nascent oversight institutions.

Of the top 10 defence spenders, only **40%** release highly detailed defence budgets, while **30%** provide limited, to no, detail.



### **\*\*NOTE\*\***

These statistics are based on the analysis of 115 countries that Transparency International Defence & Security assessed in the Government Defence Anti-Corruption Index 2015/16.

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### Impressum

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