Viewpoint

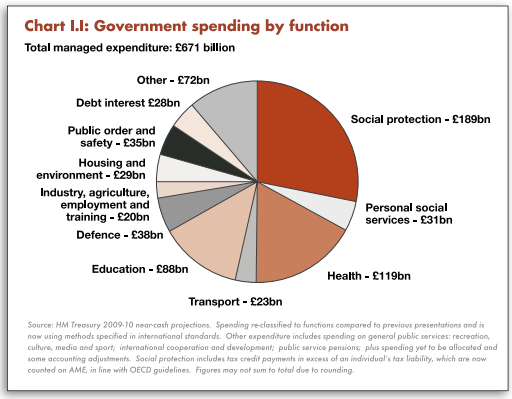
Is Defence Carrying Too Much 'RISK'?

By Sqn Ldr Dave Stubbs

The words "We sleep soundly in our beds because rough men stand ready in the night to visit violence on those who would do us harm" are often attributed to George Orwell. The quotation succinctly explains, and cleverly justifies, the role of the military in society. Nevertheless, as Service personnel we are often reminded that the military is but one element of the government machine, competing for funding against all the other departments of state, all of which have greater electoral relevance to the population than the military, particularly in times of peace. In a democracy, when not under the threat of imminent attack, Health and Education spending will, so we are told, always trump military spending.

Military spending has always been under scrutiny so reports, like the one produced by the Institute for Public Policy Research (IPPR) on 30 June, which suggested that '£24 billion of future planned defence spending ought to be re-thought as part of a full Strategic Review of Security', are routine think pieces. The IPPR recognised that the debate should be focussed on how to get the best value for money from what we spend on security but gives scant recognition to the increases in spending on Health, Education and Social Protection over the last 10 years when compared with the reductions in defence spending as a proportion of national income, over the same period. Over the last 20 years the defence budget has declined significantly in relation to gross national product, from 4% to 2.6%[1]; a cut of 35% in real terms, yet involvement in war fighting has increased and few commitments have been removed. This level of productivity increase in the civilian world would be remarkable. In relation to other government departments today's military is very efficient. The resource debate should really be about rebalancing spending priorities, rather than simply cutting the military budget further.

Many still maintain that the defence budget, as a proportion of government spending, is very large and that by cutting it further,



resources could be effectively reallocated elsewhere. The chart above shows this view to be wide of the mark; salami slices of the defence budget can not yield significant resources for use elsewhere. Furthermore, the efficiency of other departments is questionable. If, as the IPPR suggests the world is much changed from what it was 20 years ago, with increasing globalization and power diffusion; more fragile and unstable states than strong and stable ones; neo-jihad ideology activity challenges and a more profligate nuclear age then why should the defence budget be under such pressure? Perhaps it is because defence is seen as an easy, politically acceptable, target. In an economic environment where tax revenues are insufficient to support spending and vast sums are being borrowed to support the banking system, health, education and other government priorities how much money should the military get to protect society, and play its part in supporting government directed national military objectives? More explicitly, where should the military be concentrating it resources?

Whilst Defence Reviews[2] have enabled military planners to match promised resources to tasked output, the amount of cash allocated to support the government's own defined objectives and tasks doesn't always materialize and funding gaps have led all 3 Services to manage 'risks'. Effectively this means that some of the activity required by government tasking can be measured, understood and prioritized in such a way that the activities that are perceived to have the lowest risk get less or, in the worst case, none of the money needed. Risk management can be defined as the process of analyzing exposure to risk and determining how to best handle such exposure. Dr Alan Billings[3] ' this year questioned how the management boards of financial companies overcame their risk management fears to take stupendous and ultimately disastrous risks; he asked "Could it be that the very mechanisms that businesses put in place to identify and evaluate, and so guard against risk, did the opposite?". He went on to ask "There is a human tendency to think that because we can understand something we have brought it within our control. There is nothing like a sophisticated set of figures and tables in a risk register to create the illusion that a risk is fully understood, and simply by being understood, less of a risk". When different teams and boards are responsible for project, programme and operational management elements of risk there is an increased danger that the understanding of the risks may be missed, or simply misunderstood.

Fig 1. Type 45 Destroyer

An example of risk management being affected by funding constraints was the decision, taken to reduce

number of Type 45 Destroyers from the 12 they initially expected to replace 12 Type 42's, down to 8 vessels at 'risk' to secure the government articulated Defence Review requirement for aircraft carriers.

Aircraft carriers require a significant amount of defending, before their offensive capability can be brought to bear. Later funding requirements, with a different Defence Secretary in post, have reduced the number of Type 45's procured to 6. Agreeing to 50% of the original requirement used to protect 90% of our maritime trade and having fewer vessels to protect the aircraft carriers requires

Fig 2. Nimrod R1

the acceptance of considerable risk. Whilst the need for aircraft carriers has come under scrutiny the demise of other capabilities has attracted less attention. For the RAF the indefinite delay to Project HELIX, the replacement for the Nimrod R1, could well lead to the loss of this vital strategic/tactical manned surveillance capability; the current aircraft is due to be taken out of service in 2011!

The Reaper UAS will only continue as an urgent operational requirement; presumably it will now disappear when our forces withdraw from Op HERRICK. Although we know that communications underpin everything our opponents do the Soothsayer communications intelligence programme, which could have played a crucial role in Op HERRICK, will now be axed. Also, the cancellation of Project EAGLE, the upgrading of the E-3D mission system, will reduce its ability to interchange and interoperate with its USAF equivalent in contingency and war fighting operations. With reduced numbers of E-3s and crews funded, its capability could simply wither away. ISTAR was seen as one of the 6 RAF priorities only a few years ago!

There are differences in the way military and civilian equipment is procured. The production and delivery of military 'effect' requires the development of relatively small numbers of capable equipment, suitable people and training. Perhaps most importantly it takes time; it is rarely a quick or instantaneous process and as a consequence once a capability has gone it becomes extremely expensive to regain. Air platforms, touted as being capable of performing swing/multi-roles can become very expensive indeed. For instance the JSF/F35's ability to undertake Intelligence functions, perform surveillance, targeting, close air support, and air defence duties concurrently, across a range of war fighting activities and locations, ranging from counter insurgency to medium scale warfare is not yet fully proven. If, or when, it is sufficiently proven the numbers required will become the focus of attention. Defining how many aircraft are needed to provide all

of the capabilities that are required necessitates mathematical modelling, which should take account of capability enhancements anticipated; this process is relatively easy to undertake.

Fig 3. JSF/F35

However, as time progresses and costs rise, the carefully worked out figures, defining how many aircraft are needed, are likely to be revisited to incorporate a degree of 'risk'. Pressures on government spending often result in 'Savings rounds' which, with the enduring perception that there is fat in the military budget, cause the numbers game to be revisited again and again. Each time a layer of risk is added the ability of the aircraft to perform one or more of the roles it was originally envisaged to perform could be seriously challenged. Reducing the numbers of a defined operational requirement due to lack of resources diminishes operational capability, concurrency or readiness at a stroke.

Perhaps it is time to recognise that risk carried in isolation can be managed but with all 3 Services carrying risk, at various organizational levels, against a significant portion of their operational activity there is a danger that some of the risks being taken will be realised. By continuing to convince itself that it can manage the multitude of risks across the given Defence tasks, programmes and projects the military may be setting itself up for failure. The military outlook is naturally positive; it has a 'can do' attitude and few are willing to say that government defence objectives cannot be satisfied for the money available and feel duty bound to accept the risk that some things will not happen. However, as the number and scale of the risks increase the likelihood that some of them may be realized increases. Many of those responsible for accepting risks in the past will have moved to other appointments or have left the Services; they are unlikely to be held retrospectively accountable for the risks they were happy to accept in their time. Indeed, it may go some way to explain why General Sir David Richards' recent keynote speech to the Royal United Services Institute (RUSI) [4], warned that if the Forces continued to try "to do a bit of everything" then they would risk "failure across the board". Defence arguments centre on whether to continue to maintain a balanced force, with sufficient agility to flex from counter insurgency operations to medium and large-scale war fighting, or to intelligently focus our priorities on likely activity, funding them properly.

The problem for the observers who would like to rack and stack military capabilities against their perception of what is likely to happen is that their views are often wide of the

mark; wars and conflicts are not easily predictable. Who anticipated the Falklands conflict, or that our forces would be spending years in Iraq and Afghanistan? After the actions of Russia against Georgia do we need to re-focus defence to be sufficiently prepared for a conventional war in continental Europe? Indeed, many preconceptions of what, and how, defence needs to change often appear to override subsequent analysis. The IPPR recommendations implicitly suggest a defence budget reduction could be achieved if commitments were reduced, specialisation increased, integration with European defence increased and if defence equipment requirements were reviewed but, ultimately, their own analysis could lead to the view that defence spending should remain fairly constant or that more, rather than less, resource is needed. In particular the effects of climate change are likely to result in an increasing level of media driven, politically determined engagement from stable governments in disaster relief operations, around the world, under the UN concept of 'responsibility to protect'[5] , with the geo-political aim of securing our nations trade.

So, if it is not possible to squeeze any greater efficiency from the military, and the defence budget is insufficient to pay for the tasks the government demands what should happen? Ultimately the government may order another Defence Review, to quantify what it wants to do within the budget it will authorise, though this is unlikely to happen before the next general election. A Defence Review is likely to uncover is a Pandora's Box of risk, so big that actual military capability, when set against articulated tasks is finally exposed. In this context the IPPR report may help drive a change in policy. In the interim General Richards told RUSI "*Our Armed Forces will try with inadequate resources to be all things in all conflicts and perhaps fail to succeed properly in any. The risk is such that it's too serious any longer to be accepted*".

Fig 4. General Sir David Richards

He added that "*I am not suggesting for one moment that the UK should get rid of all its more traditional military capabilities. Far from it…….. We need to possess a deterrent-scale, traditional war fighting capability capability; one that reflects our stated policy of only going to war as part of the NATO alliance or, within a smaller regional context, with an overwhelmingly powerful USA.*" The IPPR thinks that the government should conduct a review of the UK's defence requirements as part of a wider Strategic Review of Security: wider than just defence, focusing on specializing on certain capabilities and reducing commitment to the full spectrum of war fighting capability. If the next Chief of the General Staff believes that the risks of being able to support all current military tasks, within the current Defence Budget are too great, either the budget must grow or a significant degree of rationalization is needed. Until a review of some sort takes place it would be prudent for the 3 Services to work together in identifying where the risks are too great, rather than

conducting in-fighting over a funding pot everyone knows is too small, based on the tasks the military are required to undertake and what is happening in the world right now.

Notes

[1] Martin Innes, Sunday Times 28 Jun 09 **http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article6591202.ece?openComment=true**.
[2] Most recently the 1998 Strategic Defence Review, and its 'New Chapter' edition of 2004.
[3] BBC Radio 4 Thought for the Day, 31 March 2009.
[4] General Sir David Richards speech, 25 June 09. **http://www.rusi.org/events/ref:E496B737B57852/info:public/infoID:E4A4253226F582/**
[5] Resolution 60/1, para 139, World Summit, 2005.