Chapter 12

Innovation, Technology, and Defence Procurement: Reform or Paradigmatic Shift?

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ABSTRACT

In the main arms-producing countries, Ministries of Defence are looking for alternative ways to acquire defence capabilities. Over the past two decades, several reform projects have been experimented to go beyond the model inherited from the Cold War, but they did not succeed in delivering expected results. One may wonder whether such defence acquisition systems correspond to their core mission: supplying boots on the ground with adequate capacities. The research agenda and reforms programmes are biased since they focus mainly on “how” to procure. While reforming existing mechanisms seems to fail or to deliver well below expectations, one may wonder in fact whether the true question should concern “why” and “what” to buy with regard to military needs but also the place that technology takes in conceiving defence capabilities.

INTRODUCTION

In the main arms-producing countries, Ministries of Defence are looking for alternative ways to acquire defence capabilities. Over the past two decades, several reform projects have been experimented to go beyond the ‘arsenal model’ inherited from the Cold War, but they did not succeed in delivering all expected results. The United States, the United Kingdom, France and many European countries are still looking for the ‘silver bullet’ of defence procurement. Beyond reforming today’s acquisition mechanisms, one may wonder whether existing defence acquisition models still fulfil their core mission, that is, supplying boots on the ground with capabilities in due time, in due quantity and with appropriate specifications. Given the demands presently made on defence acquisition are such that transformation change is sought. Hence marginal or in-depth reforms of defence are likely to fail as they miss this true target of transformation.

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The research agenda and reforms programmes are biased since they focus mainly on ‘how’ to procure. While reforming existing mechanisms seems to deliver well below expectations (as underlined by government and independent reports), one may wonder in fact whether the true question should concern ‘why’ and ‘what’ to buy. Armed forces are likely to face a paradigmatic shift in defence acquisition, since the rhythm of evolution around core defence technologies has dramatically decreased since the 1990s. Such a trend is bound to impact acquisition policies.

This chapter assesses to what extent technological factors are involved into the evolution of theoretical grounds that inform defence acquisition. It is argued that reforms of defence acquisition are bound to under-achieve within its present intellectual construction, since they do not critically challenge the appropriate grounds of its core mission. There are two specific challenges. Firstly, if Cold War-based dynamics are no longer sound, then is it possible to return to pre-Cold War grounds? Secondly, given the relentless drive to outsourcing, how will the convergence, at least partially, with civilian public procurement play out?

REFORMING OR OVERCOMING THE COLD-WAR LEGACY?

When dealing with the most suitable defence acquisition system, it appears that North American and European countries have been trying to fix existing systems for at least three decades. Given the perseverance of these governments to continue with reforms over such a time period, combined with mixed results of success, the critical question facing them is not so much ‘if’ it is necessary to reform the defence acquisition, but rather ‘how’ to do so in order to deliver the capabilities that armed forces need.

Unachievable Reforms of Defence Acquisition?

No one can contest that defence acquisition has been facing challenges since the 1970s. Beyond short-term fluctuations of acquisition practices and performances as well as the disruption of acquisition imperatives resulting from the end of the Cold War, the changes in defence spending cannot fully explain the issues encountered for more than three decades. Some reforms aimed at improving the existing model, shared by most Western countries beyond national specificities, have achieved notable results. The introduction of more competition in the selection of suppliers and the implementation of new contract designs helped armed forces to reduce the information asymmetry and therefore the rent that had long characterised the defence industry (Bellais et al. 2014). These reforms were able to eliminate the most obvious flaws of the acquisition system set up during the Cold War. Nevertheless, one can observe that armed forces still experience difficulties to keep programmes under control.

This is obvious in the United States where the Government Accountability Office (GAO) carries annual investigations of various defence procurement activities. Despite the several reforms of the Pentagon and the implementation of innovative approaches in defence acquisition, most programmes continue to drift. Their costs are well beyond initial estimates and programmes encounter major delays. As Gouré (2013) notes:

*There have been more than 100 studies over the years on how to reform the way the Department of Defense does business. There have been countless acquisition reform initiatives, the majority of which simply cycle back and forth between greater and lesser degrees of government oversight and manage-
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