DEFENSE TRANSPARENCY INDEX 2019

Institute on Global Conflict and Cooperation
University of California

The UC Institute on Global Conflict and Cooperation (IGCC) addresses global challenges to peace and prosperity through rigorous, policy-relevant research, training and engagement on international security, economic development and the environment. Established in 1982, IGCC convenes expert researchers across UC campuses and the Lawrence Livermore and Los Alamos National Laboratories, along with U.S. and international policy leaders, to develop solutions and provide insights on the most profound global security challenges.

Why Does Defense Transparency Matter?

In an increasingly volatile world, mutual trust and confidence among defense establishments is critical. Growing arms competition and security anxiety in Northeast Asia, one of the most strategically important but politically volatile regions of the world, is increasing the demand for defense information, not only from governments and militaries but also from businesses, the media, and concerned citizens.

The Defense Transparency Index (DTI), a project of the University of California's Institute on Global Conflict and Cooperation, ranks six countries on their efforts to promote transparency in defense and national security. Included in the Index are the People's Republic of China, Japan, the Democratic People's Republic of Korea (DPRK), and the Republic of Korea, along with the external major powers most involved in the region—the United States and Russia.

What constitutes "defense transparency" is contested, and there is a lack of agreed-upon definitions and standardized means of measurement. The DTI addresses this gap by providing a framework for defining and measuring defense transparency. We rank countries across eight indicators to come up with overall rankings and for each country, providing a rigorous measurement of this essential but contested concept. Countries score well for budgetary disclosures, issuance of defense white papers, and being transparent on their military capabilities.

Defense Transparency Defined

Defense transparency is an ongoing process in which governments credibly transmit timely, relevant, and sufficient information about their military power and activities, budgetary matters, and intentions to allow other states and domestic audiences to assess the consistency of this information with declared strategic interests and institutional obligations to reduce misperception, ensure good governance, and build mutual trust.

The DTI is presented at the annual Northeast Asia Cooperation Dialogue (NEACD), a multilateral forum for track-two diplomacy. NEACD, which was founded by Susan Shirk, seeks to reduce the risk of military conflict in the region and to lay the groundwork for an official multilateral process in Northeast Asia by providing a regular channel of informal communication among the six governments.

2019 Results: How Are Countries Doing?

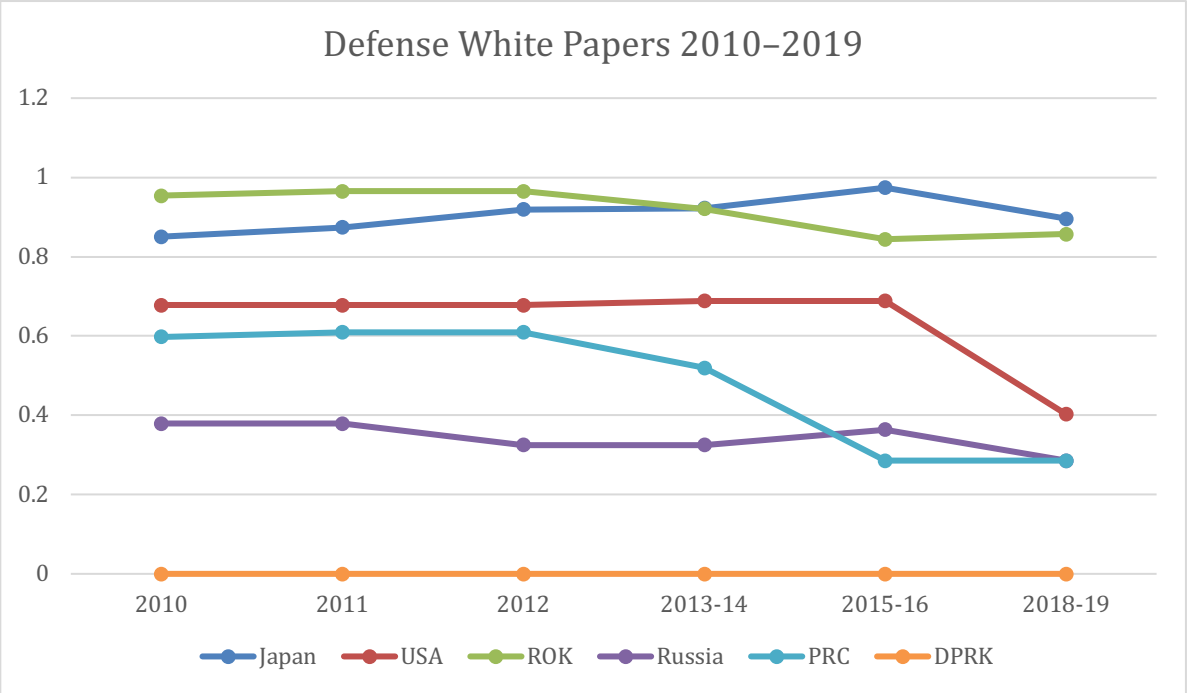
Results from the 2019 Defense Transparency Index show that defense transparency is on the decline among regional powers. Among the six countries ranked—China, Japan, North and South Korea, Russia, and the US—scores decreased on average by 8% compared to 2015-16—marking a significant decrease in transparency, a worrying trend in an era of intensifying regional security tensions, where the potential for miscalculation is growing.

Key results:

- Average score for 2018–19 was 0.496, **down 8%** from 2015–2016 score of 0.541, which represents a **significant decrease in transparency** and is a worrying trend in an era of intensifying regional security tensions where the potential for miscalculation is growing
- Overall, defense transparency has been on a **downward trend since 2012**, although the scores of some countries temporarily increased in 2015–16
- **Japan regained its 1st place ranking in 2018–19**, even though its score decreased by 7.6%. This is because the **U.S. score dropped precipitously** (17.6% decrease) as it no longer makes its full National Defense Strategy public and media access is more restricted
- A decade of DTI reports shows **three bands** for defense transparency in Northeast Asia: Top-tier (Japan, United States, ROK), second-tier (Russia, PRC), and non-transparent (DPRK)
- **Russia is the only country** in the 2018-19 report that has seen a marginal increase in its overall score due to increases in reporting to the UN, budget transparency, and media oversight

Drastic Reduction in Publicly Available Defense White Papers

One of the major drivers of the overall decline in transparency is a reduction in the number or quality of defense white papers—documents that disclose government strategy doctrine, and information about forces and employment, acquisition and procurement of armaments, defense management and resources, and access and oversight. The most drastic declines are those shown by the United States and China. One caveat is that the DTI was completed in June 2019, but China issued its latest defense white paper in July 2019.



The sharp decline in U.S. white paper transparency is due to the replacement of the publicly available Quadrennial Defense Review with the National Defense Strategy. The Quadrennial

Defense Review, or Quad, was first published in 1997 and a total of five were released between 1997 and 2014. Beginning in 2018, however, the Quad was replaced by an unclassified summary of the National Defense Strategy. While the last Quad (2014) was 88 pages, the publicly available summary of the 2018 National Defense Strategy is a mere 14 pages.

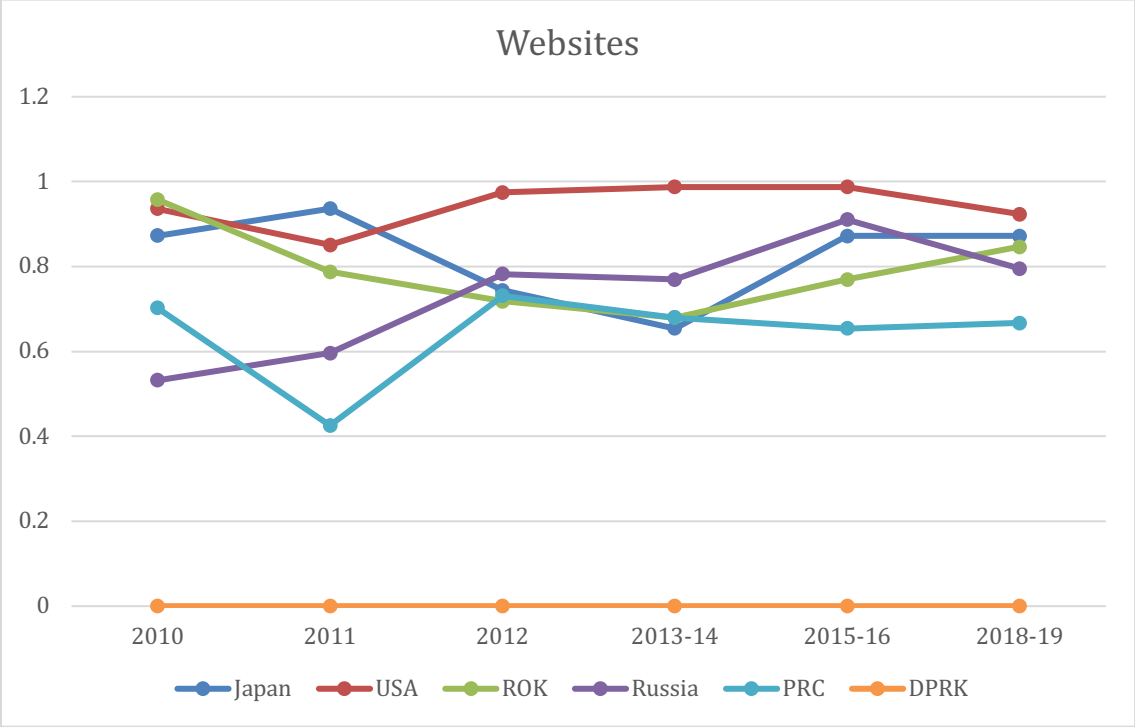
The drastic reduction of publicly available U.S. strategic guidance leaves countries guessing about the number of forces; and quantities of armaments and planned future procurements. While Congress felt comfortable mandating a declassified Quadrennial Defense Review in the post-Cold War years, it seems to have removed this mandate with the re-emergence of great power competition over the last few years.

The People's Republic of China, likewise, has been less informative in its white papers than in past years. Unlike the U.S., Japan, and South Korea, China does not have a set timing pattern of when it releases its strategic guidance. The most recently available white papers—"China's Policies on Asia-Pacific Security Cooperation" (2017) and "China's Military Strategy" (2015) were used (other seemingly relevant documents were over five years old). Like the U.S., China's more recent strategic guidance has omitted information on the missions and plans of action for its Army, Air Force, and Navy. The number, location, and organization of these forces are likewise not found—despite the fact that such information had been available in white papers in the past.

At a similar level of transparency—or lack thereof—is Russia, although this is consistent with its past practices. Russia's strategic guidance is based on the "Foreign Policy Concept of the Russian Federation" (2016) and the "Russian National Security Strategy" (December 2015). Russia continues to give out little information regarding the chain of command, organization, or strategy of its armed forces.

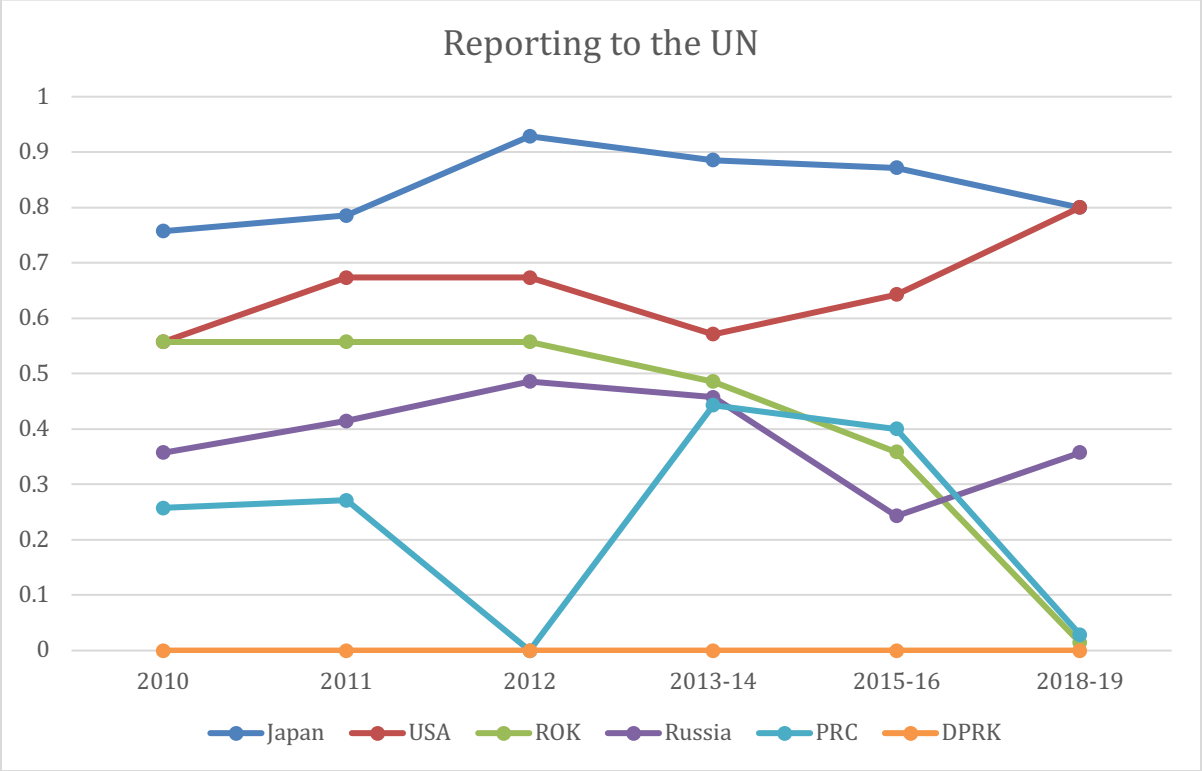
Unlike China and the U.S., Japan and South Korea have remained relatively stable over time with very high levels of defense transparency in the white papers, which are several hundred pages long and released at least once every two years. North Korea too remains stable in its white paper transparency, but in the opposite position of continuing to not release any kind of publicly available strategic guidance.

Defense Ministry Websites



Overall scores associated with transparency provided by defense ministry websites decreased by 2.1%. The score for the U.S. decreased due to exclusion of information that was available in 2015–16, such as total quantity of equipment, civil-military relations, and list of peacekeeping operations. The Japanese and South Korean English language websites contain far less information than that available on the platforms in their native language versions—taking this into account led IGCC to increase the website score for both countries. Russia's Defense Ministry not only provides information in Russian and English, but also in Spanish, French, and Arabic. Despite this attribute, its website structure is complicated and information is hard to access. In general English and other non-native language versions of websites of most countries contain far less information, making them less valuable to external audiences. This is a global problem which, if addressed, would significantly increase overall defense transparency.

Reporting to the United Nations

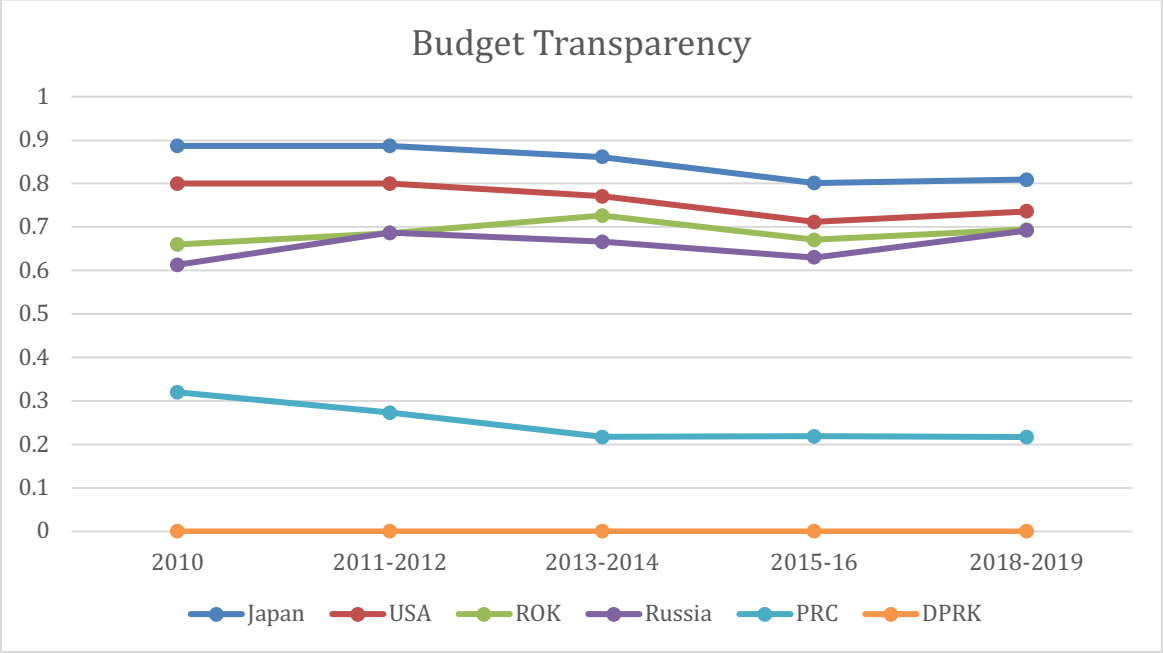


Overall the average score of UN reporting fell by 20% compared to 2015–16 with notable falls by Japan, ROK, and China, while the U.S. and Russia improved. Scoring for UN reporting was based on four documents:

1. Standardized Instrument for Reporting Military Expenditures
2. Register of Conventional Arms
3. Report on National Legislation on Transfer of Arms, Military Equipment and Dual-Use Goods and Technology
4. Report on Conventional Arms: Information on Confidence-Building Measures

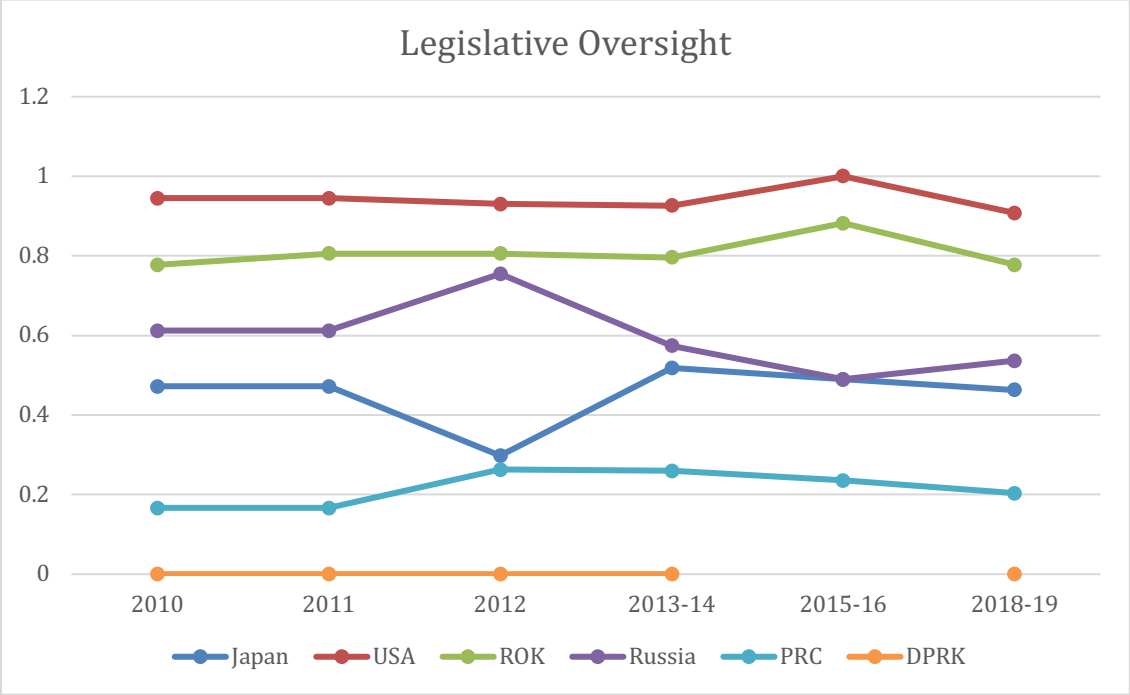
South Korea, North Korea, and China all failed to report to the UN in 2018.

Budget Transparency



Budget transparency has remained relatively constant over time for all countries, although there has been a slight downward trend over time. This relative consistency is due to the relatively stable nature of democratic transparency (or lack thereof) in the six countries. Russia's budget transparency is similar to the levels of the U.S., ROK, and Japan, while China has significantly less budget transparency. Budget data comes from *The Military Balance 2018,* published by the International Institute for Strategic Studies, and transparency scores are from Transparency International's Government Defense Anti-Corruption Index.

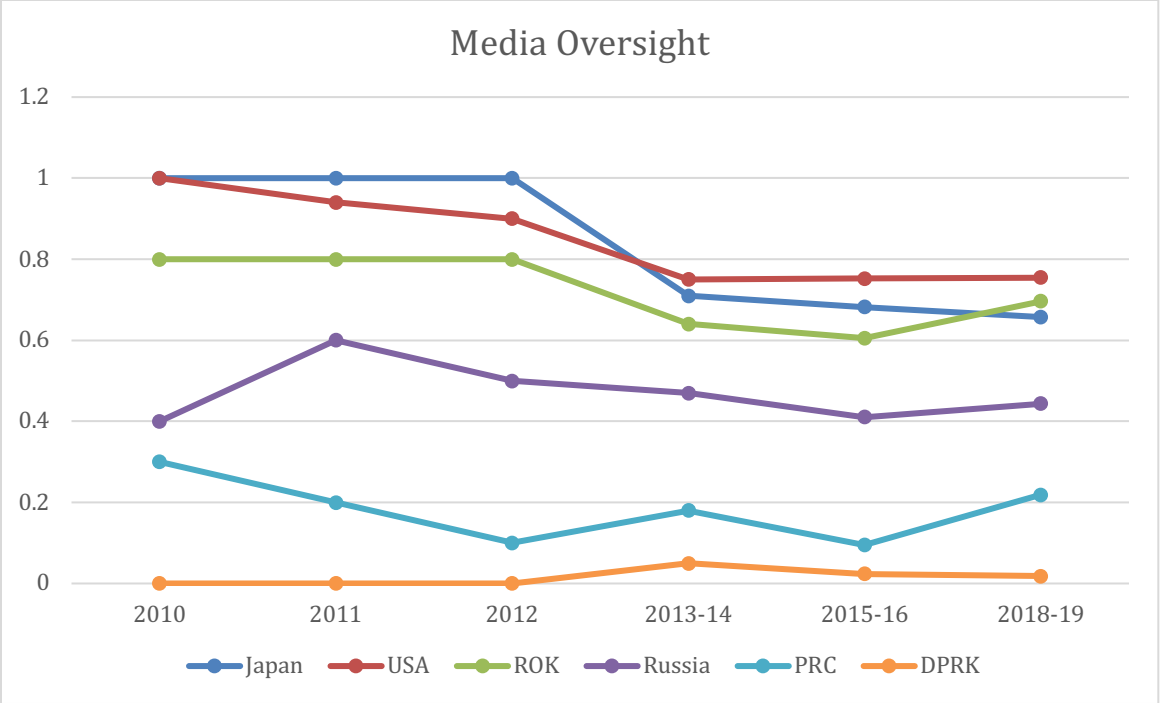
Legislative Oversight



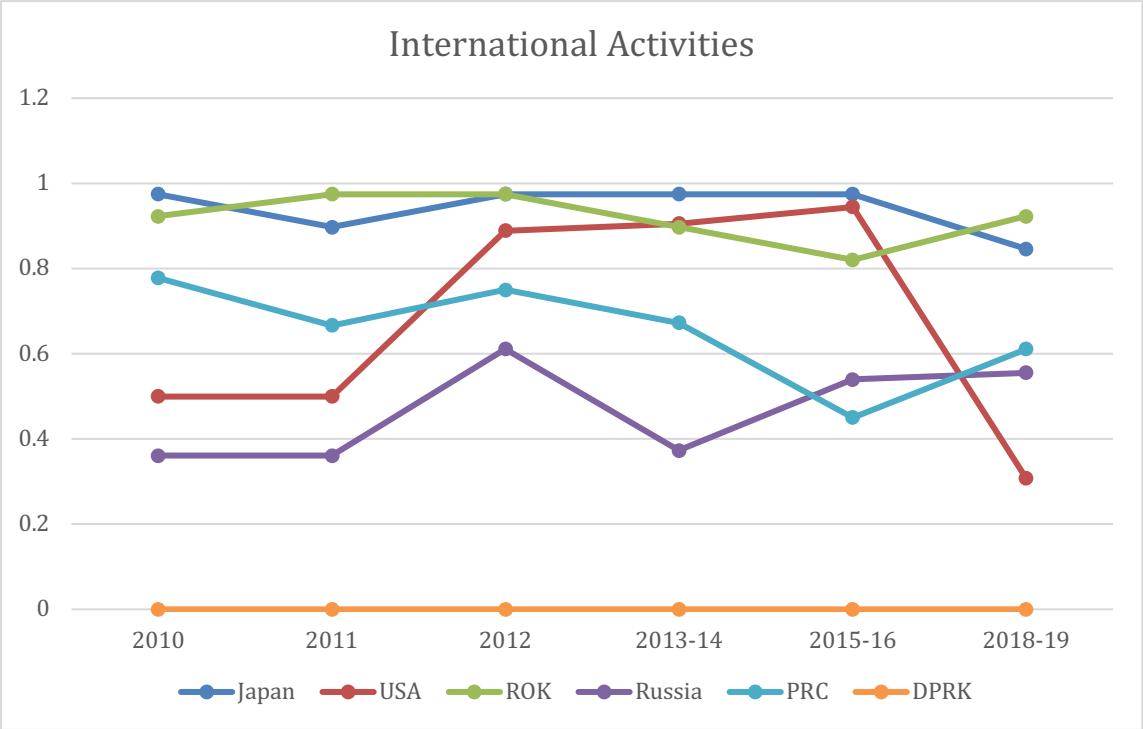
Legislative oversight has remained stable across all countries (apart from Russia and Japan) over time, and the rank order has not changed over the past decade. Overall stability is due to the relative lack of change in political institutions in these countries over the past decade. Factors included in the score include: whether legislative committees hold public hearings on the individual budgets of central government administrative units, whether the legislature has the legal authority to amend the budget presented by the executive, whether there is collaboration and competition among political parties within the law-drafting committees in regard to defense matters, and whether the legislative branch issues independent reports on military and defense issues.

Media Oversight

Media oversight of defense establishments decreased among the states active in Northeast Asia. While the autocratic regimes of Russia, China, and North Korea have maintained their traditionally low scores in this category due to low press freedom, the United States saw a large decrease over the period as well. A clear example of this is the more than year-long absence of a Pentagon press secretary for the Department of Defense.



Publication of International Activities

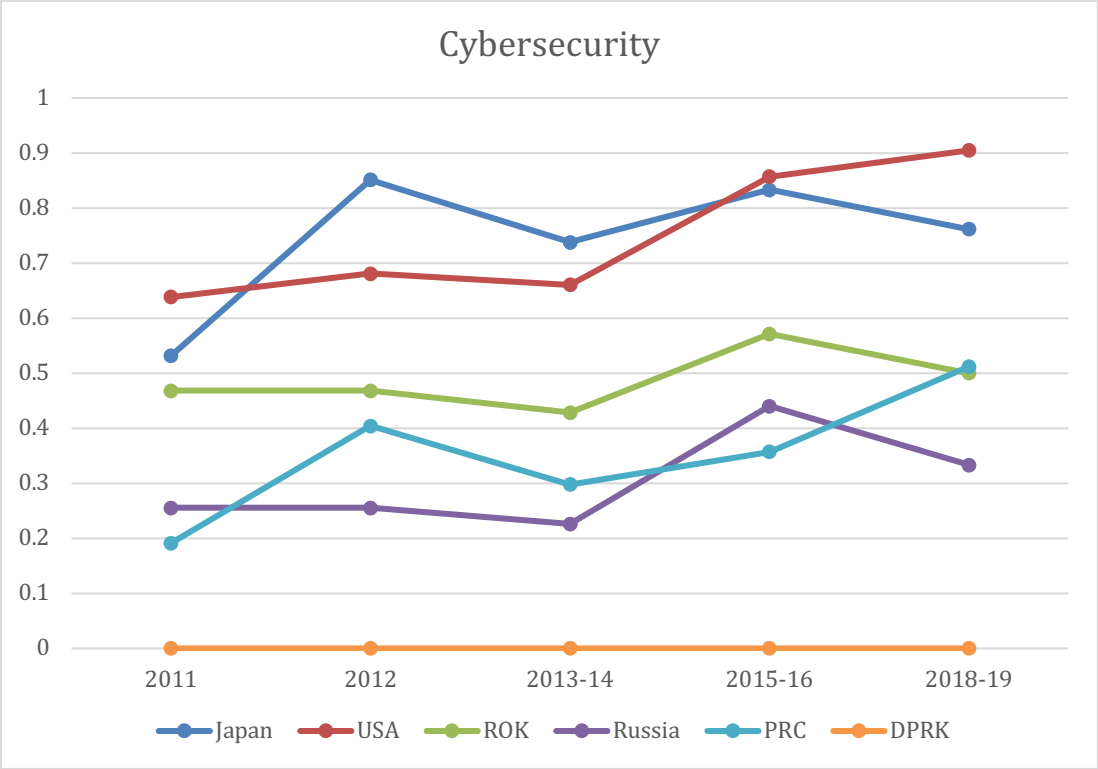


While most states showed relatively little change in their publication and acknowledgment of international activities overt the past decade, the United States exhibited a substantial decrease from 2016 to 2018. This notable decrease for the U.S. is due to the discontinuation of

Quadrennial Defense Review and the release of a mere summary of National Defense Strategy—which lacks detailed information on international activities such as number of personnel deployed in international missions. China's score decreased in 2015 due to construction of artificial islands in the South China Sea, which is inconsistent with its declared intentions. Its score recovered in 2018, but there is little detailed information regarding military exchanges and international missions. For Japan, undisclosed information about its military relations with foreign countries is the main reason for its scoring decline.

Cybersecurity

One area of increased transparency, interestingly, is in cybersecurity. While at the beginning of the decade cyber operations tended be conducted on an ad hoc basis with little transparency, today many states have published formal, public cyber strategies. The publication of the U.S.'s. *National Cyber Strategy* in 2018 by the White House led to a strong improvement in the U.S. score, which contains previously missing information, such as cyberspace doctrine.



China, likewise, has reportedly continued to conduct many offensive cyber activities but also published its first *National Cybersecurity Strategy* in 2016. Russia also provided considerable information in its official documents, especially its *Doctrine on Cyber Security*. A number of cybersecurity-related documents have been published in the ROK, but they are not as detailed as those of the U.S. and Japan.

Given the recent surge in tensions in the region—increased competition between the United States and China over trade, Taiwan, the South China Sea, and other areas, the formal termination of the INF Treaty between the United States and Russia, and continued tensions on

the Korean Peninsula—the simultaneous decrease in defense transparency is not surprising, but nonetheless concerning.

DTI Methodology

IGCC's Defense Transparency Index has been maintained since 2010 and includes subscores for transparency indicators in eight different areas: disclosures in defense white papers, information available on official defense websites, reporting to the United Nations, openness of defense budgets, the robustness of legislative oversight, the robustness of media independence and reporting, disclosures of international military activity, and disclosures related to cybersecurity activities. Scores for white papers are based on the depth of information contained in the most recent strategy document(s) released by the respective countries. The information available on the websites of the defense ministries of the respective countries is also scored—with attention to both the English and native language versions of the websites. UN reporting is not only scored for completeness but also for timeliness. Budgetary transparency scores are based on the publicly available information regarding the financial resources devoted to the countries' militaries, with particular attention paid to the particularity and specificity of the accounting entries. Legislative oversight is judged by NGO reports, official government publications, academic writings, and media reports. Media oversight is likewise judged by the level of press freedom found in the country, primarily as reported by third party NGOs. The publicity of international activities was judged by the announcement and recognition of such activities by states in white papers, on their websites, in press briefings, and in press releases. Lastly, the index of cybersecurity transparency is based not only on officially published cyber strategies, but also on pertinent portions found in the white papers and on the websites of the respective countries focusing on such activities. Overall transparency scores are based on the equal weighting of all eight subindices.

DTI Indicators

1. Disclosures in defense white papers
2. Information available on official defense websites
3. Reporting to the United Nations
4. Openness of defense budgets
5. Robustness of legislative oversight
6. Robustness of media independence and reporting
7. Disclosures of international military activity
8. Disclosures of cybersecurity activities