

Article Review: The End of the Military = Industrial Complex, How the Pentagon is Adapting itself to Globalization

Reviewer: Raagini Sharma
(RIEAS Analyst)

Copyright @ <https://www.foreignaffairs.com> (Foreign Affairs Magazine) - posted at RIEAS on 2 October 2022.

Title of Article Review: The end of the Military-Industrial Complex, how the Pentagon is adapting itself to globalisation

Author: William J Lynn III

Source of Article: Foreign Affairs, Vol 93, No. 6 (November / December 2014), pp 104 - 110

Published By: Council of Foreign Affairs

Preserved By: JSTOR (short for Journals Storage), a digital library established in 1995 primarily to store the back issues and contents of books.

The Essence

The author through this article highlights the nuances of the **Military-Industry Complex, MIC**, a term coined by Dwight Eisenhower, and how it is not effective anymore to ensure the technological edge that the US military has been enjoying for the last seven decades. At one hand, the **critical defence technologies** are no longer the sole province of the US-based defence companies and at other, the Department of Defence (DoD) has failed so far to tap the technological advancements accrued of globalisation.

The author cites the four eras of procurement of defence equipment, the **first era** spanned from 1787 to 1941 wherein the government owned the arsenals and shipyards supplemented by the commercial industry only in times of actual conflicts like World War I. The **second era** witnessed the establishment of the War Production Board in 1942 by President Franklin Roosevelt, thus creating the largest industrial enterprise meeting the demands raised by the hike in defence expenditure to 40 per cent. After World War II, major companies like AT&T, GE, IBM and others joined in as the funding got a boost from Pentagon and long production runs favoured the companies. They were the pioneers of state-of-the-art technologies like Night Vision Goggles, Precision Guided Weapons, Drones etc.

The **third era** commenced with the end of the cold war in 1990 and saw a shrinking of US defence budgets and the MIC shifted from diversified conglomerates to a handful of companies focussing on defence manufacturing only and these traditional companies still dominate the defence production. The world is zipping with the technologies emerging at a breakneck pace. And few of these technologies are very important for the defence related production. US MIC is found to be lagging behind the global tech-companies for the last

few decades, primarily at the outset of 21st century, in niche technologies such as 3D printing, cloud computing, nano-technology, robotics, and artificial intelligence (AI) to name a few. Now, commercial IT embedded with a convergence of various technologies dominate national security in an unprecedented manner. US defence budget spending was a mere 3.2 per cent of the GDP (Updated - O'Hanlon, 2019) in R & D whereas turnover of these non-traditional companies range between 6 to 8 per cent. There is no way the Pentagon is going to catch the global companies in innovations and harnessing of smart technologies and US DoD has to act swiftly to be aligned with the global tech-companies to regain its supremacy in the world in defence production reaping the benefit accrued by exploiting cutting-edge technologies.

The tough procurement processes of DoD are perceived as alien, unfamiliar and daunting to non-traditional companies. Add to that, the issue of Intellectual Propriety Rights (IPR) of which DoD is very restrictive. The Byzantine procurement procedures have to pave the way for lowering the barriers through loosening the stringent IPR, streamlining audit and accounting requirements and shortening the development cycles. An example of the F-35 Joint Strike Fighter has been cited as a remarkable achievement possible due to international collaborations.

According to the author, the US DoD has not been able to take advantage of the technology shift because of the vested interests of a few and the fear of US citizens losing their jobs which is not true. The US defence industry has to align itself with the technological advancement happening at break-neck speed globally in different companies. ***The first era lasted for 150 years, the second 50 years and the third mere 20 years. If the US DoD does not initiate to attract and make non-traditional companies as their allies and win their trust to invest in defence production, US is going to lose the advantages of the fourth era.***

The Evaluation

William J Lynn III is a former US Deputy Secretary of Defence and is well recognised for his professional contributions. Through this article, he wants to bring out that the US DoD must change its approach towards defence production by inviting non-traditional companies into the folds of defence related production and thus reap the benefit of their expertise in the niche fields of Artificial Intelligence (AI), Cloud Computing, Virtual Reality (VR), Simulations etc so that US retains the technological edge vis-a-vis the other countries. These traditional companies may not necessarily be of the US origin as there are global players in the field of advanced technologies. And, to invite and attract such players for defence production and invest in defence related technologies, there is an inescapable requirement to amend the Byzantine processes of defence procurement immediately and radically.

The concept of MIC originated just after World War II and became established in 1960s. It is an informal alliance between the nation's military and defence industry regulated by the state public policy. Both sides got benefitted, one side from receiving the weapons the other being paid to supply them. However, for last two decades with the advent of globalisation, internet and convergence of technologies, this concept which has been harbouring and protecting the traditional companies is hit badly as the US is loosing its grip on producing arsenal which is futuristic exploiting the niche technologies and the traditional companies would never be achieve to harness these niche technologies in the current and futuristic scenario.

The author could have presented the option viz **option I** - US maintaining the status quo thus loosing its dominance in production of state-of-art weapons and ammunition and wait for the crisis to build up and shock the system; **option II** - cultivate the present arrangement in such a manner so that traditional companies invest heavily on innovations and thus bridge the gaps between the technologies available globally and with them and **option III** - attract the new agile, dynamic and technological savvy non-traditional companies to MIC and exploit the expertise available with them. This way the author could have been more successful in driving his point of view better even to the laymen.

The author has written on a very live and contemporary subject on which he has tremendous knowledge being secretary in Defence under two Presidents as also dealing with public policy for decades. The answers are not easy as there are stake holders in form of federal government, traditional companies and the lobbyists who will resist the change as long as possible. To attract the global companies to invest in defence technologies will also be a hard task because at one hand the procurement procedures would require opening up in a radical manner and on the other hand to woo these non-traditional companies to commit themselves fully for the cause.

In essence, the article is comprehensive, written in lucid style and well articulated and the reader will come to know the nuances of MIC and defence production and procurement.

Conclusion

MIC till date has been a highly consolidated base of few traditional companies who have been the prime contractors to US DoD for decades and the system has been impervious to the big, small, agile, diversified and global non-traditional companies which can provide the solution to US military to exploit the niche technologies available in the global market and thus retain the technological edge the US has been retaining for the decades. The author William J Lynn III has done full justice bringing forth the various issues pertaining to the subject and making the reader wiser.