

The links between the purchase of JAS-39 Gripen fighters and the security of ČR (by Ivan Gabal)

## 1. Decision-making and competencies over matters of national defense

1.1. It isn't often that Czech Parliament decides a matter of strategic importance to national defense and defense capability. It will, however, in the case of a state-guaranteed credit to finance the purchase of JAS-39 Gripen supersonic fighters. So far the Parliament has only discussed geopolitical matters and general guidelines of national security (such as accession to NATO, peace missions, annual defense budgets, etc.), always leaving implementary and financing matters in the hands of the executive (Defense Ministry (MO) and Czech Army (AČR)).

1.2. Monopoly powers of the executive over practical matters of defense have been with us for a long time, and one of their consequences are ministerial decisions exempt from direct parliamentary control and a Parliament directly unaccountable for national defense capability. As a systemic flaw, high geopolitical principles (such as fulfillment of commitments to NATO membership) have consistently and with increasing frequency collided with practical performance of national defense and with expenditure by MO of amounts in the billions of crowns. With a functioning Parliament oversight and with a government and MO accountable for cases of corruption, incompetency, pretense or circumvention of defense priorities, and gross rearmament deficiencies, we wouldn't have come to a point where we have no major rearmament program (staff information system, logistics, tank upgrading, parachute upgrading, L-159, etc.) that hasn't flopped, worsened our defense potential, and complicated our relations with NATO.

1.3. ČR can't fulfill its military upgrading commitments towards NATO. It hasn't been able to fulfill them and has consequently received poor marks from NATO for two years running (before then, it wasn't rated by NATO standards). The reason is wrong upgrading

strategy and money squandered on unneeded or unsuccessful upgrading programs. Yet NATO performance depends more and more on how member countries fulfill their commitments, on their specialization and ability to complement one another and cooperate within a high-performing whole. September 11 ended a near-complete U. S. responsibility for military deterrent only symbolically complemented by European allies. Our participation in collective defense must be effective and benefit NATO as a whole. That way alone can ČR secure an all-round efficient defense for itself as a member country.

1.4. The passing of the supersonic plane credit decision to Parliament represents a desirable change. A maneuvering executive heavily influenced by political parties will thus get under parliamentary control. Deputies and senators will assume their share of responsibility knowing their decision will have a far-reaching strategic influence on both national defense capability and on how enormous amounts of taxpayer's money are spent to incorporate ČR into collective Atlantic defense. The Parliament has a chance to weigh up a rather large number of strategic problems and data which the government was not ready to assess, subordinating its decision, rather, to the political and economic payoffs of a plan to buy the supersonics from a single select maker.

1.5. The government plan essentially is to buy a consumer good on credit and delay its cost as a burden on future governments and taxpayers. Any such plan favors arguments for, rather than against, the purchase, because the price is not payable at the moment of purchase. Purchases made on credit are by definition less cautious and careful than purchases paid on the spot. If the goods purchased are weapons, the risk of a rash decision is even higher. If the weapons purchased on credit are destined for us, the going really gets tough. If the contract for the weapons purchased on credit is to be signed before elections, the odds are pretty high that it will be an object of selective short-term manipulation and its risks incalculable.

1.6. By casting a vote the deputies and senators will assume individual responsibility for the decision and its implementation and consequences. Unlike decisions made by anonymous bureaucrats, this decision will be transparent and personal and can be a turning point in the evaluation of strategic aspects of the plan and its relevance to national security.

## 2. Why supersonic fighters?

2.1. According to MO, the service life of available fighters will expire at the end of 2004, and so will our supersonic air defense. Obsolete planes and weapons raise question marks over the efficiency of such a defense. A modern supersonic air defense is a complex whole of which airplanes are only one part, a part, moreover, depending on information, air, and ground support systems. Now we have almost no such systems, not even properly trained pilots. In fact, we have been without an advanced supersonic air defense for several years already.

2.2. The Gripen would greatly increase the efficiency of our air defense. It would be used mostly, and perhaps exclusively, to defend our territory, however. Collective NATO actions, such as the strikes at Yugoslavia, or massive invasions and collective defense of our territory or that of other member countries, would probably leave „our“ Gripen grounded because of its lower degree of interoperability with main NATO forces.

2.3. We should thus carefully consider potential endangerments of our territory. If Slovakia is invited this year to enter NATO, we'll be practically enclosed by NATO space. Excepting neutral Austria, our neighbors will all be NATO countries protected by both collective and individual air defenses. This does not completely eliminate but substantially reduces our endangerment from the air. Expert studies should measure the reduction and specify the risks and the requisite structure and focus of our own air defense. Traditional military endangerment of our territory has dramatically diminished since our

induction into NATO, but recently there has been a shift of risks towards unconventional asymmetrical threats (terrorism).

2.4. The L-159, a subsonic fighter just being delivered to our air force, actually can't and isn't designed to even „pursue“ civilian aircraft. A fact less well known is that it won't carry weapons effective against military targets, either on the ground or in the air, before 2004. The supersonic fighters are in fact to share their weapons with the L-159, for which, by the way, trainers were not contracted either.

2.5. Another argument in favor of supersonic fighters is no NATO country having its own army is without a supersonic air force. This argument is indebted to the Cold War era, however. Since the end of that era, NATO countries have only been upgrading their dated aircraft rather than buying brand-new products, let alone buying brand-new planes intended only for defense of own territory and disallowing use in collective operations. Radical switch to new equipment has so far been postponed by our allies, for many serious reasons.

2.6. Some politicians listen to the argument that a real state needs an expensive armed force to demonstrate its power and sovereignty, in particular a force with supersonic defense capacity. This argument is oblivious of the time when we had advanced and costly supersonic aircraft which, far from a symbol of our sovereignty, were an instrument of its suppression. Fighters surely shouldn't be equated with national sovereignty. More important, before our induction to NATO we promised the citizens and taxpayers that collective NATO defense would be more effective because each member state wouldn't have to procure a full assortment of weapons. Now's the time to utilize the advantages of collective defense and carefully weigh the economic costs of alternative air defense systems, including the option of contracting our defense, temporarily or in the long term, from our allies. It hasn't been closely studied and calculated yet, nor discussed with our allies. Politicians still haunted by the symbol of Soviet

generals should be reminded of the advantages of real collective defense.

2.7. Another argument of military experts is that discontinuing the training and combatworthiness of air force personnel will be expensive. Do we really dispose of a modern supersonic defense system today, however, given our supersonic planes are badly dated? In practice, all our air personnel would have to be retrained to advanced fighters, including their language skills and combat techniques. No calculation of the costs of buying and arming brand-new fighters in fact sufficiently takes the cost of further investment in human resources into account.

2.8. It's our own problem what weight we give to the opinions of our new allies. We are understandably sensitive to any hint of patronizing, which was the backbone of the subordinate position of our army and defense within the Warsaw Pact. In the position of a new and minor ally which so far has mostly benefited by rather than contributing to NATO, however, we should listen more closely not only to its recommendations but to its assessments of how we fulfill the tasks we were assigned by it. It does no harm to repeat this: with respect to purchase of supersonic planes, NATO has repeatedly and unequivocally said it is not one of our priorities and advised against it. Moreover, it has repeatedly criticized our army upgrading and training record. To be sure, NATO doesn't issue directives but bits of advice and ratings of both practical and paperwork results. The question seems legitimate, though: do we really believe we are able to assess in objective and impartial fashion our security situation and do we still remember why we entered NATO in the first place?

### 3. Supersonic package and national defense capability

3.1. Even accepting the BAE-SAAB offer won't free us from our duty to pay all the seventy-two L-159s on the disadvantageous terms contracted by MO. BAE-SAAB will take at most half of them and attempt to sell them elsewhere. It won't rid us of our duty to pay, however, nor is it clear if it won't offer to barter the planes for ground

force equipment, rather than paying their price. Further, MO intends to borrow a few billion from the consortium to make the first payment, incurring further debt.

3.2. The costs of introducing the L-159 to AČR are steadily rising. It appears it will take some time yet before the plane is up to normal duty and all the problems which still have it grounded have been solved. It isn't even clear if the L-159 will ever be able to fulfill the combat duties envisaged for it and won't end up a practice plane. These circumstances decrease its commercial value and sales prospects.

3.3. The Gripen offer includes deferred payability. The introduction of the plane to AČR will be preceded by a costly investment, upgrading, and training program, whose costs will have to be paid immediately, however. The upgrading of air bases, buildup of logistic, information, and operation support systems, staff training, and Gripen operations, etc. will cost billions of crowns. Payments on the plane itself will follow within a few years, right when the ČR nears the euro zone and is wanted to reduce its indebtedness.

3.4. If we buy the Gripen, we'll make an astronomical Kč 130-170 bil. investment, counting in the L-159, within eight years in an all-domestic air defense system whose usefulness to NATO is highly questionable. Moreover, talk begins about an obsolete antirocket defense system whose upgrading will demand further investment on the order of tens of billions of crowns.

3.5. There are various ways, naturally, to consider investment in air defense upgrading. The most serious risk is, however, there won't be enough money left for the planned conversion to an all-professional army, whose costs are still to be figured out and are estimated on a comparable order.

3.6. Suspension or collapse of the conversion to professional status, work at which hasn't even begun yet, would no doubt decrease our defense capability far more than the Gripen might increase it, for two

reasons. First, the AČR ground force, especially the officer corps and enlistment of the young male generation in compulsory draft, is in a state of stagnation or disintegration, and its obsolete equipment is all but uncombatworthy. Second, slowing the reform and conversion to professional army for the sake of upgrading air defense will broaden the divergence between NATO military plans and the actual state and development of AČR. The NATO-AČR gap will widen: we'll go on investing money in what collective NATO defense doesn't need and, conversely, what we might contribute to the collective NATO mission will further erode. If the Prague summit is to discuss effective specialization and division of duties between member countries, as well as strategic response to September 11, we shouldn't go on disregarding this problem.

3.7. A military reform to downscale AČR and turn it into an all-professional force is a high priority of our defense planning, because, on one hand, it is unavoidable, given the poor state of our armed forces and their incompatibility with NATO, and, on another hand, it is a clear commitment of our top political representatives and institutions.

3.8. The government, the president, and democratic parliamentary party leaders have voiced clear support for an AČR upgrading and professionalization plan, thus assuming responsibility for putting this commitment into practice as a basis of national defense policy and a prerequisite to participation in collective defense. That can't be said, on the other hand, about the acquisition of supersonic fighters. Without thorough calculation of the financial costs of military reform, the acceptability and bearability of the air-force investment, and therefore the acceptability of further debt, can't be calculated either. Without assessment of its impact on military reform, Project Gripen is a gamble on national security. The responsibility of the constitutional officials enumerated above is beyond dispute.

3.9. The professional army budget should be analyzed in detail by both ČR and NATO so as to become a binding and verifiable project clearly defined in terms of objectives, time, progress, and costs. The

poor results of most of the large investment projects so far undertaken demonstrate that planning can't be trusted entirely to MO or AČR. The same applies to the counseling firm hired for the envisaged supersonic package, for it holds a financial stake in its realization.

#### 4. Offset programs

4.1. There are two contradictory opinions on the offset programs. One says they are a trick to optically reduce the whopping cost of the planes in the eyes of the taxpayer, or a vehicle to bring industrial interests into weapon expenses. In any case, the offset programs don't rid the state of a duty to pay. The costs won't zero one another out. Also, the offsets may turn into unfulfilled commitments and promises, because they are all immaterial investments (know-how, etc.) And if this kind of commitment is legally enforceable should be seriously doubted. The other opinion says such offset programs have already been carried out in some western countries. It adds a caveat, however, that they are very difficult to verify – a serious matter in our corrupt environment. They may also force additional investments and ultimately further raise, rather than lower, the supersonic package budget. In sum, offset programs advise caution rather than carefree anticipation. The offsets won't cheapen the cost of the planes to state but may well do the opposite.

4.2. Offset programs were a condition of the Czech government which expelled from the tender all cheaper alternatives (buy or lease of dated planes), and because of them the BAE-SAAB offer can't be compared with alternative bids of the competition.

4.3. The government request of offset programs also excluded from the tender makers who don't or can't offer offset programs. Probably concerned about offset program manipulation, all makers other than BAE-SAAB demonstratively withdrew their bids. The tender, low on legitimacy and credibility, as well as its handling by the Czech side are heavily reminiscent of other AČR tenders, whose unsatisfactory-

to-disastrous results only confirm the importance of a transparent process.

4.4. Intransparent business groups, in fact, have already come near this tender, sensitive in terms of national security, which have no interest to reinforce the Atlantic course of Czech security and defense policy. Through offset programs these groups can gain a considerable influence in other sectors of the economy.

4.5. The offset programs have also been used as an argument which relates the acquisition of planes to social and economic recovery of some regions, creation of job opportunities, industrial restructuring, infrastructure projects, etc. The social interpretation of the offsets is an immorality which makes political and economic capital on the social difficulties of some regions. For one thing, far from intending to create new jobs, the offset programs are only intended to support the sale of supersonic planes, for investment allocations are decided by their makers. For another thing, some of the offsets have already been exposed as fictitious programs destined for nonexistent firms. If anybody really wants the planes to serve a social purpose, he should buy none and combine the saved costs with European funds. Direct investment of Kč 100 bil. or more in regional development would surely make a change for the better.

## 5. Conclusions

5.1. Any decision to secure Czech air defenses must follow from an assessment of possible risks of air attack. Such assessment will crucially depend on a NATO decision to expand the ranks of the alliance and invite additional candidate countries in. Of special importance would be an invitation to Slovakia, which would change the protected-frontier compass of ČR. Both alternatives should be assessed, and decision therefore should be suspended till the Prague NATO summit.

5.2. The terrorist attacks at the U. S. compel a finer division of the defense capacity of European NATO members and a narrowing of the

technological gap between U. S. and Europe. Therefore it's likely that NATO will decide to enter on the way of upgrading and specializing its member countries and that we'll be assigned a specific position and role. Heavier emphasis on buildup and upgrading of a mobile ground force should be anticipated in our case, rather than buildup of a costly supersonic air force to span the entire area of Europe, for other allied countries already have the latter and are going to upgrade it. This is another item to be discussed and decided by the Prague summit, and another reason, therefore, to wait and delay a rash decision. NATO should be consulted about this point.

5.3. The involvement of ČR in collective NATO defense hasn't been considered seriously enough by our defense planners yet. AČR still does as if we were to fully rely on our own forces and means. The importance and opportunities of collective NATO defense should figure far larger in our defense planning, in terms of both defense capability and the efficiency of fund expenditures. NATO membership must fully reflect in our military upgrading and reform. Project Gripen, by contrast, only distracts our attention.

5.4. The reform and professionalization of AČR, as proposed by the government, bears systemic importance as far as strategic development of our defense capability within collective NATO defense is concerned. Conversion to professional army and acquisition of planes are alternatives, rather than compatible or complementary projects. Much indicates that we'll either have a supersonic air force or a professional army. If the planes are given precedence, the ground force will probably further degenerate and digress from our commitments to NATO. Verbal proclamations that our commitment to professional army will be fulfilled are only an electoral promise which shouldn't be taken seriously before the professional-army project has been calculated down to scheduling and budgetary details. Only then shall we know if both projects can be not only financed but organized and implemented. Without a clear and binding financial calculation and time schedule of the AČR reform, the supersonic package can't be approved but as a national security gamble.

5.5. Our air defense doesn't crucially depend on the purchase of Gripen fighters. We have maneuvered ourselves into this situation with an ill-conceived and intransparently executed tender which roused much international doubt and disapproval. By approving the purchase the Parliament would only confirm it assumes a share of responsibility for very irregular choice of both an aircraft maker and an advisor for the deal.

5.6. We have no doubt there are other ways to secure our air defense than the offer in question. Nor do we doubt that we have enough time to consider all of them and compare them in terms of both their impact on collective NATO defense and their financial costs to the taxpayer. The option should also be taken into account that ČR will temporarily or for a rather long time ahead have no supersonic capacity of its own and rely on collective defense. Further options are to build a joint defense with Slovakia and to buy or lease dated planes from our allies for domestic uses.

5.7. The plan to acquire supersonic aircraft has surfaced for the first time and in articulate fashion a crucial problem of our present defense and security policy: a consistent divergence between Czech authorities (government, MO, and AČR General Staff) and NATO political and military planners about the future development and securement of our defense. This difference should be clearly perceived and formulated. Czech Parliament will be the body to either resolve this matter or suspend it till further and deeper assessment.

5.8. Based on the record so far of MO and AČR weapon upgrading and acquisition programs, on decisions made so far about the supersonic fighter purchase, on our key force upgrading commitments, and, not least, on an opinion of the top NATO authority coresponsible for our defense, a decision to buy twenty-four JAS-39 Gripen fighters is incorrect and contrary to our national defense priorities.