



The 8th International Scientific Conference
**“DEFENSE RESOURCES MANAGEMENT
IN THE 21st CENTURY”**
Braşov, November 14th 2013



UTILIZATION OF MARGINAL COST OF WARFARE IN NATIONAL DEFENCE STRATEGY

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Abstract:

The idea of this work is to identify and highlight an aspect of the warfare, that may be used as one of the core principles for designing a National Defence Strategy – the marginal cost that an aggressor incurs during the stay in a host country. The use of this feature by the oppressed nation may be the key to its independence and in-advance-organization of defence forces with the purpose of making invader pay as much as possible, may strengthen defence capabilities of a country, as well as preserve its resources.

Key words: Marginal cost; National defence strategy; Outsourcing; Nation; Organization; Priority; Partisan warfare.

1. Introduction

Prior to moving on to the main concept of this work, it is necessary to state, structure and define some assumptions. If you look for “military capability” over internet, the first link you will encounter mostly, will be Wikipedia, where the definition of military capability is taken from the Australian Defence Forces as follows – “the ability to achieve a desired effect in a specific operating environment”. It is different from definition of capability which is “the ability to perform actions”. Not to be too general and also not too narrow, I will use a moderate definition of the military capability - The ability to achieve a desired effect.

Since the military organization has to achieve some objectives/desired effect/conditions that are prolonged in time, its capabilities should not be measured according to actions of its units and achieving punctual results for these actions, but they should be measured according to the ability to change a specific situation, in a specific region and the sustainment of the final condition. Mistaking priorities results in emphasizing military **action** capabilities instead of **organizational** ones and leads to modern military giants in order to heavily subsidize modernization of narrow concepts such as the ability to transport 1000 tons of goods/hour/miles and the ability to destroy 1000 enemy tanks/hour and then to rely on outsourcing resources, to sustain the achieved effects in a specific region. This outsourcing of logistics and security, taken together with administrative and added costs of operations, compose marginal cost of warfare.

2. How much is it?

No one really knows the exact numbers associated with costs of prolonged warfare campaign in the modern world. If you think only about outsourcing activities - “...by both

UTILIZATION OF MARGINAL COST OF WARFARE IN NATIONAL DEFENCE STRATEGY

journalists and elected officials-but some in Congress estimate that up to 40 cents of every tax dollar spent on the war goes to corporate war contractors”[1].

Here are some presumed statistics, provided by the University of Denver, Private Security Monitor website [2]:

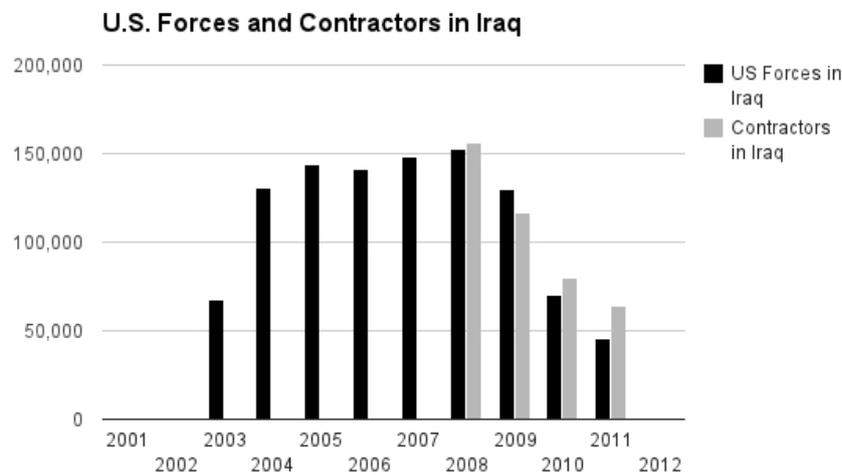


Fig.1 Number of U.S. Forces and Contractors in Iraq

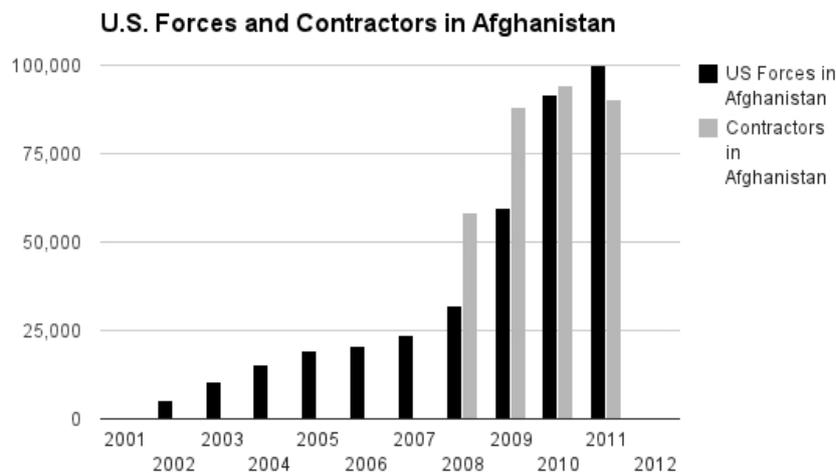


Fig.2 Number of U.S. Forces and Contractors in Afghanistan

The statistics shown above show us that in spite of spending several percent of GDP on military uses, nations still have to outsource security services during military campaigns and that when trying to guarantee security and stability in a region one of the most valued resource is personnel.

"You're talking about an industry that really didn't exist until the start of the 1990s," says Peter Singer, the author of *Corporate Warriors: The Rise of the Privatized Military Industry*." And since then, it's grown in size, in monetary terms to about \$100 billion worth of revenue a year. In geographic terms, it operates in over 50 different countries. It's operated on every single continent but Antarctica." Singer says three trends coalesced during this time that drove the industry's growth: the end of the Cold War, leading to

UTILIZATION OF MARGINAL COST OF WARFARE IN NATIONAL DEFENCE STRATEGY

military downsizing not only in the U.S., but around the world; a global increase in smaller conflicts; and the ideological shift towards privatizing government functions in general. The Pentagon's use of private contractors has increased dramatically between the two Gulf wars: During the first Gulf War in 1991, there were 50 military personnel for every one contractor; in the 2003 conflict the ratio was 10 to 1. According to a report from the British-American Security Information Council, "Reportedly, exhausted American and British Special Forces personnel are resigning in record numbers and taking highly-paid jobs as private security guards in Iraq and Afghanistan" [3]. This trend suggests that costs of outsourced personnel - contractors are increasing, meaning that in the future hiring a contractor for a year may end up as costly as hiring a normal military servant for 5 to 10 years at home.

3. Is it important? Or not?

As today's world is driven by economics, a question arises: How can you utilize marginal cost of warfare in the means of defence strategy? Is it possible to compose a defence strategy based on the idea of having invader pay as much as possible, not only in blood but also in money? How effective will it be? The answer will be different for every country and for every situation, but totally neglecting the usefulness of MCoW (marginal cost of warfare) while building a defence strategy will always be a mistake.

For a nation that doesn't have ambitions and means to play a major role in global politics, is it rentable to have capabilities needed to take part in large scale operations? Modern technologies, like drones, magnetic fields generators etc. create possibilities for small operational units to perform better than larger ones in certain situations. In the nearest future, which will be more effective – Having a fighter plane, with the cost of its pilot or just a little drone? The best resource allocation for defence of such a nation may be investing only in capabilities and training needed to launch small scale operations and partisan warfare, as well as in designing force structure as horizontally integrated as possible, to minimize the risk associated with malfunction of command nodes.

For example Georgia didn't have theoretical or practical means to stop Russian invading army in 2008. In case of commencing normal military operations against such a force, Georgians would just lose equipment and lives of its soldier and be totally defeated in the end. On the other hand, if Georgian armed forces could commence well organized, prolonged in time, partisan warfare (as the terrain of the country is tailored for such activities) they could achieve huge success in turning the invasion not profitable for Russia in any means. There are plenty of examples of such defending strategy being the most efficient: USA spent about 140 billions in Vietnam (according to inflation started from 1965, more than a trillion nowadays), some say that resource spending of USSR in Afghan war played a major role in its collapse, during winter war in Finland in 1939 "The Soviets possessed more than three times as many soldiers as the Finns, thirty times as many aircraft, and a hundred times as many tanks" [4], but due to the resistance they had to sign Moscow Peace Treaty.

4. Costs and returns.

Changing priorities for military capability investments: emphasizing small scale independent units able to plan/perform on their own, in preparing troops for partisan warfare, in making the force structure more horizontal, is going to cost more, not that much in terms of money, than in the will of a nation to prepare for the needed fight. The results of such defence strategy priorities may be seen during first period of their

UTILIZATION OF MARGINAL COST OF WARFARE IN NATIONAL DEFENCE STRATEGY

implementation, but the most value will be harvested in longer time, by accumulating experience of this kind of warfare gained through years, decades and maybe centuries.

When a country doesn't have enough resources to stop enemy's force, but on the other hands it has means to cripple invader's economy, the enemy will still think twice before making a move of aggression. This factor gives small nations the strength to maintain higher level of political independence resulting in increased stability and lower economical risks, in the end letting the nation get stronger by time.

5. Conclusion

In the history of mankind, nations emerged, got stronger, conquered other nations, enlarged their country to the level of empires and in the end they collapsed. On the other hand there still are nations and countries that, due to some geopolitical and cultural aspects, couldn't achieve significant level of power, but they survived. There are always counterweights to every action and making use of them sometimes gives unprecedented outcomes. This paper was written to try and identify such counterweight in the modern world of nations struggling to survive as a separate identity. Strive for unification and independence is the feature that makes small nations sustain their culture.

References:

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