The Military Industrial Complex and its typology in the context of its political framework

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“Military Industrial Complex” refers to the partnership between the military and the industry of a given country. The earlier industrial advancement in the western world, and a need for the sophisticated technologies for military to improve its capabilities laid the ground of a complimentary partnership between the military and industry of the western countries. An actualization of such a partnership occurred in the 20th century during the two world wars. However, after the end of colonialism in mid-20th century, the emergence of new countries on the globe stimulated the industrial infrastructures and technological advancement. The partnership between the military and industry has led to the emergence of two different forms of “Military Industrial Complex” in two contrasting political systems i.e. Democratic & Authoritarian. So, the central objective of this study is to put forth an explanatory research into a typology of the phenomenon of “Military Industrial Complex”. For that matter, it’s also imperative to analyze the nature, structure and dynamics of the Military Industrial Complex in two contrasting political frameworks.

Keywords: Complex, Country, Dynamics, Enterprise, Evolution, Industry, Military, Milbus, Nature, Typology, Structure


INTRODUCTION

Military Industrial Complex (MIC) as a terminology explains the phenomenon, processes, structure, and myriad transactions that occur between the military and the industry of a given country. To project MIC as an objective reality, it is defined as a structural network between its armed forces and the politico-economic complex in which there is a regulated yet relatively intense flow of technology, finance, services and products (Qureshi, 2018). A structural network involves multiple layers of networking, in the case of MIC, it comprises multi-layered networks between the public or private enterprises, industrial or commercial entities, government and the military. Such a politico-economic network lays the ground for a composite superstructure that becomes the MIC. An advanced MIC can also outgrow into a much more complicated “Military-Industrial-Academic-Media complex”. It shall be noted that the word “Industry” in the terminology “Military Industrial Complex” doesn’t solely refer to the manufacturing industry that is part of ‘mode of production’ in an economy. Therefore, the word “Industry” acts as a catalyst in the terminology of “Military Industrial Complex” and refers to a comprehensive engagement of the armed forces in the politico-economic affairs of a nation-state.

The origin of the term is credited to President Eisenhower’s 1961 farewell speech, even though as a
caution to the American people about the ill-effects of a nexus between the military and industry. He remarked, "...In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military industrial complex. The potential for the disastrous rise of misplaced power exists and will persist."

(Military-Industrial Complex Speech, Dwight D. Eisenhower, 1961). Moreover, John A. Alic has traced the evolution of MIC in the USA within an institutional framework comprising the armed forces, Department of Defense (DoD), the defense firms and the defense industry (Alic, 2014). A sudden emergence of an autonomous and military-led institutional framework was even feared by Eisenhower administration as it could have led to a friction between the democratically elected government and the US military. This set of events occurred at a time when the Soviet Union emerged as a formidable challenge to the USA and the free world. The original idea that originated about the MIC was that it was a coalition of vested interests involving the military and industry. Such a coalition can become dangerous for democratic setup of the USA as the actors involved could be more inclined to protect their vested interests, and probably at the cost of national security (Dunnes & Sköns, 2011). Given that the MIC emerged in the USA in the context of cold war, but it wasn’t a localized phenomenon only. In-depth research and detailed studies were also conducted on the Soviet MIC. In 1972, Vernon V. Aspaturian clearly identified the four major components of the Soviet MIC that included the Soviet armed forces, the defense industries complex, the heavy industries and the conservative wing of the communist party along with the membership from military ranks (Aspaturian, 1972). Moreover, after the cold war ended, many more MIC emerged in different countries within the contrasting political frameworks. The emergence of MIC can be correlated with the intense militarization of the countries in the context of cold war. It’s not feasible to classify all types of MIC that exist today in a single research work. Hence, it’s important to analyze the MIC as an objective entity at first and then classify it on the basis of its political system that governs the nature, structure and dynamics of a MIC. Since the beginning of cold war, MIC has evolved on a temporal trajectory and on a spatial scale. On a temporal trajectory, it has evolved through many small-scale and large-scale conflicts and wars on a historical timeline, whereas on a spatial scale it has spread to other parts of the world’s geographical spread. Currently, it has comparable variations with respect to its differential nature, structure and dynamics governed by the type of regimes that envelope a MIC. The governance in the nation-states can be broadly classified into the democratic regimes and the authoritarian regimes (Ahlers & Stichweh, 2017). As MIC has evolved in both the political frameworks, there exist a quintessential difference in the nature, structure and dynamics of MIC under the democratic and authoritarian regimes.

The hypothesis of this research is that the MIC has a comparable typology across the countries with two different sets of political frameworks i.e. democratic and authoritarian, but it is necessary to have a generic rudimentary outline of the MIC. To address the question, "What is a Military Industrial Complex?", It is required to deconstruct the MIC in objectively. MIC involves transactions, exchanges, coordination, cooperation, compliance and complementariness between the military machine and the industry. Although a basic understanding of MIC doesn’t shed light on its nature, structure and dynamics, it only gives a basic existential idea of the MIC. The nature, structure and dynamics of a MIC is governed by the political framework in which it originates, evolves and functionalize. A MIC is enveloped by a political entity that gives shape to the nature, structure and dynamics. Therefore, while the MIC remains an objective & a physical entity but it’s "nature, structure & dynamics" are subjective and conditional to the politico-economic framework that envelops a MIC. The political entities have a differential typology (Ahlers & Stichweh 2017), so, the ‘nature, structure and dynamics’ of MIC shall also have differential typology on the basis of differential political systems.

STATEMENT OF THE PROBLEM

MIC is understood to be a subjective phenomenon, and the research work on the MIC that exists today has traced its aspects subjectively in specific circumstances and places. This approach helped the scholars in contextual studies about the MIC. According to the subjective understanding of MIC, it emerged in the USA and continues to remain active till today, which has evolved into a more complex system. Although the interlinkages between the military and industry has grown stronger over time, not only in the western world but also in other countries with different political values and framework. In the USA, the MIC grew during the cold war and then later under the guise of the Public-Private Partnership (PPP) model (Skaff, 2012). But it’s exclusivity was not confined to the USA, it emerged in other parts of the world especially in countries that were actively involved in the cold war politics. Even though the MIC in the USA was in an advanced stage relatively but it didn’t have exclusive American origins. It showed up in countries with a strong military and industrial base simultaneously. Hence, it can be argued that the phenomenon of the MIC did not emerge in the USA alone. Eisenhower’s cautionary reference to the MIC was a prima facie observation of the MIC phenomenon that was brought into the public domain for the first time. Therefore, the subjectivity surrounding the MIC...
forecloses the objective factors that could have been responsible for its emergence. Also, the subjective outline of the MIC that focus on its political, historical, and economic history fails to explain the widespread emergence of the MIC on a global level. After the end of cold war, now there are ample studies based on the MIC of China, Pakistan & Russia too. It doesn’t mean that the MIC phenomenon spread to the other countries from the western countries. Rather, the MIC emerged as an “objective reality” against its subjective understanding of evolution and origins. It originated and evolved in different countries at different period of their history. It can be argued that the evolution of MIC was accelerated during the cold war.

However, it doesn’t mean that MIC has become a universal phenomenon. But it exists in countries where the armed forces have crucial stakes in their countries internal or external affairs along with the MIC in western liberal democracies. Though it doesn’t mean that every country which has a military and an industry possess a MIC. But it depends on the role of military in the industrial projects and vice versa. It’s difficult to identify the threshold of military-industrial relations that gives birth to a MIC. But, a MIC can be identified on the basis of increased quantum of its geographic spread. By an increase in the quantum of its geographic spread means that many more active MIC have propped up since the cold war in various countries. The MIC phenomenon is not exclusive only to the great powers. Many developing countries have active MIC now whether democratic or authoritarian regimes. Hence, it demands an objective understanding of MIC to identify, assess and analyze the nature, structure & dynamics of the MIC without bringing subjective factors. An inward-looking approach to study a country’s MIC helps in detailing out its causes and effects in the context of the same country. But if a new outward-looking approach is applied on the MIC then it can be fairly propounded that MIC has become inevitable in an age of technological development along with the modernization of the armed forces.

According to this research hypothesis, the nature, structure and dynamics of a MIC differs according to its political framework, therefore, the MIC of democratic countries like the USA, France, the UK and Japan etc. cannot be like the MIC of countries with an authoritarian regime or a history of such regimes like Russia, China, Iran, Egypt or Pakistan respectively. While aiming to examine the variation in nature, structure and dynamics of the MIC as an objective phenomenon, the need to identify a typology of the MIC emerges naturally. A typology of MIC can be made by analyzing the functions of MIC in its overarching political value systems and a political framework. Moreover, it can provide insights into the political antagonism between the democratic countries and the countries with authoritarian regimes.

Keeping in view the explanatory nature of this research, qualitative research methods were used to address the research question with the substance “Typology of the Military Industrial Complex in different political frameworks” and the form “What.”.

Military-Industrial Complex: Not exclusively a western phenomenon

An objective understanding of the MIC is required to explain the MIC phenomenon out of the American and Western political sociology. In an attempt to conceptualize the MIC, American sociologist Charles C. Moskos identified the MIC as a main trend of the American political sociology that was derived from an anti-Marxist, Weberian and neo-Machiavellian Western European socio-political thought. (Moskos, 1974). He further conflated the concept of western political thought with “western bourgeois social science”, in particular laying his emphasis on the Weberian model of bureaucracy in which bureaucracy comprised of highly efficient power elites (ibid). A powerful bureaucracy was capable of acquiring a considerable degree of decision making in the executive hierarchy of the western modeled liberal democratic state (ibid). Although it is very close to an objective conceptualization of a MIC it doesn’t explain the growth of MIC outside the western countries as it remains rooted in an American socio-political thought. The emergence of MIC in the erstwhile communist Soviet Union and China sheds light on the presence of the MIC beyond the Western borders. Today, there exist detailed studies conducted about the MIC beyond the Western borders for example Chinese MIC (Jencks, 1980), Egyptian MIC (Chatterjee, 2011), Jordanian MIC (Marshall 2013), Brazilian MIC (Hilton, 1982), Saudi Arabian MIC (Shay, 2018) and Pakistani MIC (Siddiqa, 2007) etc. These studies vary over a period of time but they were conducted after multitudes of research and studies were present about the American MIC. It can be reasoned that the MIC is not an American phenomenon exclusively. Today, it can be observed in many countries, even though its scale, scope and intensity may not be as huge as the American MIC.

Therefore, there arises a need to observe MIC from an objective lens in a context of its emergence in the non-western world, which is not rooted in any particular militarism, political economy and political sociology of any particular country. Even though the spread of the MIC can be attributed to a combination of cold war politics and globalization. The MIC in the non-western world have an apparent political discontinuity with the MIC in America and the Europe. A political discontinuity has its roots in different political values and the types of regimes. There are many countries that lack democratic political systems and they have advance MIC like China, Russia, Pakistan, Egypt or Saudi Arabia etc. So, it’s clear that a democratic
political framework is not indispensable for an advanced MIC where the liberal market dynamics could be easily utilized by the defense corporations for their own benefits. There are powerful critiques of the American MIC which have analyzed the roots of its MIC in the country’s political economy (Lens, 1970). However, the whole MIC structure in America has evolved and functioned in a democratic framework. It's not the same as the advanced MIC in authoritarian regimes with a history of military dictatorships.

Evolution of the Military Industrial Complex from temporal and spatial lenses

Although there is no specific timeline evolution of the MIC, it is understood to have originated in the mid-20th century with the world war II in an orthodox scenario (Lens, 1970). The MIC is understood to be a modern phenomenon, the ground for its evolution was laid during the industrial revolution in the Europe and America subsequently. The development of sophisticated technologies for the commercial purposes were understood to be handy for the military as well as it seeks to improve its capabilities and efficiency. However, there was not any networking between the military and industry of the sort that came into existence after world war II in the USA. So, the actual MIC came into existence after the world war II in 1950’s when the US Army, Airforce and the Navy turned to the private firms for the purpose of seeking sophisticated technologies (Alic, 2014). The “temporal and spatial” lenses to analyze evolution of the MIC sheds light on the fact that the MIC was not an American phenomenon quintessentially, it also lay the ground for propounding a typology of the MIC according to its political framework.

Temporal Lenses

By using temporal lenses, historical dimension of the MIC can be traced that had its origin in world wars and it grew during the cold war. The emergence of the MIC was a result of the world wars, but its growth and expansion gained momentum after the Cold War had begun (Dunnes & Sköns 2009). The Cold War scenario invigorated the MIC evolution due to politico-economic dynamics of the cold war. Firstly, the cold war resulted in an arms race between the USA and the Soviet Union, and secondly, the defense sales witness a spike at the International level (Sandler & George 2016). Massive sales of arms & equipment were a direct outcome of a large-scale production by the defense industries using cutting edge technology. Such defense sales also invigorated the MIC evolution in the recipient countries along with the deepening of the Military-Industrial relations in domestic sphere. It also paved the way for the development of direct linkages between the military and national economy. Even though American MIC remained superior to the Soviet MIC, but the MIC phenomenon was not exclusive to America only. The arms race between the USA and the Soviet Union led to large “Research & Development” investments by the state in the defense industry especially. Also, there was a spike in the ‘demand and supply’ of the arms and defense equipment at a global level. In an “Intra-national” context, it created a complex network of exchanges between the military and industry. Although concentrated in the West, this phenomenon was not particular to the USA and allies only. Generally, the cold war military machines tried to lay a firm hold over the domestic industry for securing internal supply lines and capacity building. Even though the internal MIC dynamics played out differently in countries due to their different political frameworks. The temporal evolution of the MIC phenomenon occurred in three phases.

Phase I - The first phase of the MIC evolution started during the world war II when the Military-Industrial relations were stimulated in the background of an arms race between the Allied and the Axis powers. It continued during the cold war, in another round of an arms race between the USA & the Soviet Union. Supplementation of arms and funds for the R&D to the allies helped in invigorating the MICs of recipient countries. It was not only the USA but also the Soviet Union that also possessed a robust defense industry with a capacity of massive production of sophisticated weaponry. By 1980’s, the Soviet Union became the largest arms exporter to the allies and even to countries from the non-communist bloc (Laird, 1984). Therefore, until the end of cold war, two major MICs were meeting the demands of dozens of other smaller incipient MICs.

Phase II - The second phase in the evolution of MIC phenomenon started after the end of cold war and continued until the 9/11 attacks in the USA. The USA’s MIC witnessed considerable cuts in the military budget and procurement along with a reduction in the number of defense contracts (Wayne, 1998). Similarly, newly born Russia was struggling to manage the sluggish economy that it inherited from the disintegrated Soviet Union. The impact of the Soviet collapse on the Russian MIC was evident as Russian arms exports went down considerably with a decreased production capacity also due to outdated defense industry (Gidadhubli, 2002). Meanwhile, the Chinese MIC was already on a modernization trajectory (Jencks, 1980). Also, many developing countries already had a considerably large MIC by the end of the 20th century.

Phase III - The third phase started with the infamous 9/11
attacks, it brought a paradigm shift in the security strategy of the USA (Johnson & Madin, 2008). The American MIC’s power was rising again under the garb of Bush doctrine that envisaged increased military spending along with other related measures, the number of defense contractors increased exponentially in lieu of the war in Afghanistan and Iraq (Cox, 2014). The third phase is still in continuation, with other major MIC of countries like China, India, Pakistan, Russia etc. have also shown considerable technological advancements and upgradation.

Spatial Lenses

By using the spatial lenses, the geographical dimension of MIC can be analyzed. The geographic spread of the MIC phenomenon carries insights about the typology of the MIC. Although the MIC originated and evolved in the USA and then Europe during the cold war. Objectively, the MIC as a phenomenon can be observed in the nation-states with a strong industrial base and military. Nonetheless, it exists in the non-western part of the globe, also it has different politico-economic dynamics that govern its nature, structure and dynamics. Its mechanisms and manifestations are different in different countries (Siddiqa 2017). Even though the geographical spread of the MIC is inseparable from its history. But the spatial dimension of MIC needs to be relooked for the objective understanding of the MIC. Spatial lenses on MIC shed light on its different forms that can be observed in countries with distinguishable political systems i.e. democratic & authoritarian. The geographical spread of MIC occurred due to the process of militarization over the years beginning from world war II but mainly accelerated during the cold war period and the period beyond. The militarization in the USA was a result of its fight against communism and “Cold war coalitions” (Brenes, 2014), whereas the Soviet militarization took place under Stalin in an environment of global political competition (Mastny, 1984). There is a continuity in the global militarization since the cold war where the militarization gained momentum due to the process of Globalization (Mirković, 2015). Ultimately, today there exist many powerful MIC as a result of the militarization in continuity since the last century. The spread of MIC covers every continent of the world. The widespread emergence of the MIC can be attributed to the emergence of powerful defense Multi-national Corporations (MNCs) and indigenous defense industrialization programs launched by the emerging states (Kurç & Neuman, 2017). As the MIC have become a widespread phenomenon, a MIC can be distinguished on the basis of its political framework. Also, such a typology can be helpful in highlighting the difference in the nature, structure and dynamics of MIC that are governed either by democratic or an authoritarian regime.

Military Industrial Complex in Bi-polar political systems: Democratic and Authoritarian

After the demise of the Soviet Union and the end of Cold War, the political regimes around the world can be generally categorized into “Democratic and Authoritarian” (Ahlers & Stichweh, 2017). The phenomenon of MIC plays out differently in two contrasting political systems. The balance between civil-military relations is much more profound in the democratic regimes in comparison to the authoritarian regimes. In addition to the institutional checks & balances, the oversight of a vibrant civil society comprising of politically conscious civilians provides a balancing act against the military. However, the authoritarian regimes lack such institutional democratic checks and balances on the armed forces. It creates two different political environments for a MIC. Although, the MIC was first observed in a democratic country i.e. the USA, today it equally exists in many countries with non-democratic & authoritarian political frameworks. The nature, structure and dynamics of the MIC certainly differ in its types of political framework. Hence, two dissimilar forms of MIC can be observed in two contrasting political frameworks. In democratic countries of the west, there are no commercial enterprises directly owned by the army. Whereas the armed forces have direct commercial interests in the countries like Pakistan, China and Russia. However, in democratic countries of the West, retired army personnel are often employed in the “Private military and security companies” and the defense corporations engaged in production. But, a commercial niche originates for the armed forces in the authoritarian regimes that change the dynamics of its MIC. Direct commercial interest in the national economies makes the military to adopt its structure in compliance with the commercial interests it holds in the national economy. A commercial niche for the active military personnel is a feature of countries where the MIC operates within an authoritarian political framework. It allows a greater degree of autonomy to the armed forces to intervene in the economic setup. “Military Business” or shortly referred as “Milbus” becomes characteristic of a MIC in an authoritarian regime. The quantum of “Milbus” in a country’s economy depends on the political influence of its armed forces (Siddiqa, 2007). The demand for military expenditure is higher in the authoritarian states than the democratic states (Bove & Brauner, 2014). In the authoritarian regimes, the civil-military relations lack the “objective civilian control” (Huntington, 1995). The democratic institutions in the authoritarian regimes are absent or weak. To the contrary, civilian institutions provide a balance against the militarism in a democracy.
Checks & Balances vs. Freehand

The largest MIC in the world is found in the USA. Out of 25 defense Multi-National Corporations (MNCs), 14 defense MNCs are based in the USA (Dhiraj, 2016). The armed forces don’t have any direct stakes in the USA’s defense firms or other democratic countries in the west. Although, the transactions between the armed forces and defense firms take place through contracts but active military personnel don’t involve in private commercial activities. There are legislative controls and institutional checks & balances, rules and regulations that govern the commercial interests related to the armed forces in democratic countries. Also, the commercial exchanges and transactions involving armed forces in democratic countries are solely based on national interests. Also, there are no profit-oriented personal stakes of the armed forces in defense corporations and other commercial enterprises. However, in the authoritarian states where the civilian-military balance is not ideal, there is not enough transparency on involvement of the commercial stakes of the armed forces personnel in the defense industry. Moreover, the armed forces in authoritarian states can own major commercial enterprises that form a significant portion of capital in the national economies. The effects of the army’s business ventures on national economies are counter-productive as it nullifies competition in the market and seeks to create a monopoly. The state machinery is also favorable to the business ventures of the armed forces in the authoritarian states as they enjoy relatively greater authority than any other organized entity within the state. For an instance, Pakistan’s military is the most politically influential organization in the country and its MIC has stakes in all three sectors of national economy i.e. Agriculture, Manufacturing and services sector (Siddiqqa, 2017). It runs its own commercial enterprises through its four economic subsidiaries i.e. Fauji Foundation, Army Welfare trust, Shaheen Foundation and Bahria Foundation (ibid). These four economic subsidiaries have various decentralized commercial enterprises under their umbrella. It clearly demonstrates that Pakistan’s MIC is not solely focused on its primary role of safeguarding the national territory but it’s also a stakeholder in Pakistan’s economy. It’s due to its difference from a MIC under a stable democratic regime. Therefore, it’s armed forces have a greater stake in the public policy. A freehand to Pakistan’s armed forces out of their primary role is only because of an absence of institutional checks and balances that helps in maintaining a balance in the civil-military relationship. Therefore, the MIC in democratic countries has institutional checks and balances against it whereas the MIC in authoritarian countries has a free hand to expand.

The Military Industrial Complex and Commercial Enterprise

Commercial Enterprises are part of both types of the MIC, but the main difference is that the armed forces don’t participate actively in commercial entrepreneurship in a democratic regime. Whereas, in authoritarian regimes, the armed forces have their own commercial enterprises that function in an arbitrary and opaque manner. Although, the retired military personnel usually serve in private defense corporations in democratic countries. The military’s commercial interests in democratic countries are managed by private commercial enterprises including the private defense corporations and private contractors. Thus, giving shape to a MIC that works under checks and balances. In the authoritarian regimes, such a scenario is absent in lieu of checks and balances where the armed forces possess their own commercial enterprises in countries like Pakistan, China and Russia etc. Additionally, there is not enough transparency over the stake of armed forces in the commercial enterprises. These dynamics of MIC differs from MIC under democratic regimes, the military build their stakes in the national economies through their commercial enterprises. Having stakes in the economy lends disproportionate bargaining power to the military in the sphere of public policy. It may also hamper the democratization efforts or democratic transitions. Therefore, democratic transition is difficult in countries where the MIC with a free hand acts as a counter-weight to the democratic sustainability.

Conclusion & the “typology of the Military Industrial Complex”

A typology of the MIC can be made on the basis of the binary political systems i.e. Democratic and Authoritarian and on the basis of the fact that Military Industrial Complex has different nature, structure and dynamics in two different political systems. The MIC in a democracy is a “Controlled MIC” whereas the MIC in authoritarian regimes is an “Uncontrolled MIC”. A typology of MIC can shed light on the divergence of political & economic values, causes of state-to-state conflict and unsuccessful democratization. A typology in lieu of two contrasting political systems evolves from an objective lens applied to observe the nature, structure & dynamics of the MIC. The two different forms of MIC also explain that both the forms are evolving in two different directions. It can also be observed that the bilateral relationship between the countries having two different types of MIC, is not cordial most of the times.

Using temporal & spatial lenses to delineate the nature of MIC shed light on the objective nature of MIC. As, it can be fairly observed that MIC doesn’t solely originated
and evolved in the west, particularly the USA. Parallelly, it also came into existence in the Soviet Union in the initial period of the cold war. Subsequently, the MIC phenomenon spread into other countries as well. Today, MIC has become a common feature of countries with powerful militaries. "The binary political systems" approach applied to analyze the MIC gives insights over the differential MIC structures. A "Controlled MIC" defines the civil-military relations in the democratic countries whereas an "Uncontrolled MIC" defines the civil-military relations in the countries with an authoritarian regime. "Controlled MIC" is under democratic checks and balances whereas the "Uncontrolled MIC" have a free hand in politico-economic spheres. Now, the Eisenhower's MIC has shrunk to less than 1% of the US economy (Thompson 2017) whereas in Pakistan's "Uncontrolled MIC", the "Milbus" is thriving more than ever with an unaccounted disproportionate share in the country's economy (Siddiqa 2017). Hence, the dynamics of the two forms of MIC differ in the way it concurs with the economic and commercial dynamics of a country.

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