
The Problem of Training and Educating Defense Officials in International Armaments Cooperation

By

Mr. Richard Kwatnoski

[This article is a reprint of an August, 1991 study done in support of the Economic and National Security Program of the John M. Olin Institute for Strategic Studies, Harvard University. The article represents only the views of the author. It does not represent Department of Defense policy, or approved plans or policy of the Defense Systems Management College.]

INTRODUCTION

In June 1985, the Secretary of Defense issued a memorandum to the Military Departments, the Joint Chiefs of Staff, Directors of Defense Agencies, and the Under and Assistant Secretaries of Defense, placing renewed commitment and emphasis on NATO armaments cooperation.¹ The Secretary requested seven new steps be taken; the seventh such step, involving education, is the overall topic for this chapter. This step requested an education program ". . . to develop and maintain appreciation for the significance of the individual role in furthering of collective security through armaments cooperation." There was bad news and good news in the education objective. The bad news was that the request for education was placed as the final step on the list; the good news was that it finally made the list. This chapter will discuss what has been done in armaments collaboration training during the last five years, what we are doing currently, some parallels with international education in the private sector, and where we believe we should go from here.

To avoid confusion over the various kinds of international defense programs in which the U.S. participates, this chapter will address primarily cooperative programs. These are programs where the U.S. and at least one other NATO nation, or other designated ally, make an equitable contribution to the full cost of the program and participate in joint management of the program. The projects may be for research and development, testing, evaluation, or joint/concurrent production (including follow-on support) of defense articles.² These exclude direct commercial sales of defense articles and foreign military sales under the Security Assistance Program. Furthermore, the terms cooperation and collaboration will be used interchangeably.

At this time the Defense Systems Management College (DSMC) at Fort Belvoir, Virginia is the only educational institution in the Department of Defense (DOD) offering courses in armaments cooperation. These are the Multinational Program Management Course, our baseline course in international armaments cooperation; and our new Advanced International Management Workshop, which focuses on international negotiation and acquisition management of cooperative programs. More will be said about these later in this chapter.

THE PAST

In August 1987, DSMC completed a survey of 155 past graduates of our Multinational Program Management Course to assess our responsiveness to the needs of our customers and determine whether improvements should be made.³ These were students who had graduated from

¹Memorandum from the Secretary of Defense, Subject: Emphasis on NATO Armaments Cooperation, June 6, 1985.

²Memorandum from the Secretary of Defense, Subject: NATO Cooperative Projects, January 28, 1986.

³*Multinational Program Management Survey Report*, Richard Kwatnoski, DSMC internal document, August 1987.

the course from one to no more than two years prior to conducting the survey. Eighty four percent of those surveyed were Department of Defense (DOD) military and civilians, eight percent were students from industry, and seven percent were from allied nations. The results of that survey indicated that DSMC had been responsive to the needs of its customers; however, due to changes occurring around that time, especially the Nunn⁴ and Quayle⁵ Amendments, and the evolving nature of international defense programs, many additions and improvements could be integrated into future international activities of the DSMC. The majority of former students felt that the most useful aspect of the course was a broadening in perspective—imparting an understanding of both the variety of viewpoints and the difficulty of problems in the international arena. This led us to conclude that this course was an excellent baseline from which to expand and incorporate many of the suggestions from the survey and other sources. We found the former students to feel overwhelmingly favorable toward the utility of foreign guest speakers, speakers from international program management offices, and classroom discussion. The survey report also made ten specific recommendations, the majority of which DSMC has been able to implement. These recommendations were:

- Subsequent surveys should include questions on organizational affiliation for statistical purposes and to avoid ambiguity.
- Drop or supplement the traditional multinational case study with more contemporary exercises (i.e., Nunn/Quayle Amendments).
 - Develop ways to increase interaction of participants.
 - Complete existing initiative on a European offering.
 - Expand the publicity effort for this unique course.
 - Obtain speakers to address additional suggested topics.
- Seriously consider all suggestions and comments from the survey respondents not specifically addressed above (there were 24 more).
- Explore the possibility of a three week offering of the MPMC (at this time there were one and two week offerings).
- Consider the possibility of offering more focused short courses/seminars on international topics. Also, consider tailoring this approach to specific DOD customers.

Two years later the College initiated another survey of armaments cooperation educational needs.⁶ This time it was directed to Program Management Offices, selected DOD personnel, and attendees from a seminar held in London that DSMC had conducted. This survey obtained 177 responses, at a remarkable rate of over 60 percent. The results indicated a very strong need for

⁴Public Law 99-145, Section 1103 of the DOD Authorization Act, "Cooperative Research and Development." November 8, 1985; FY 1987 Defense Authorization Act, Section 1105, "Cooperative Research and Development with Major Non-NATO Allies."

⁵Public Law 99-83, Section 115, Amendment to the Arms Export Control Act, entitled: "North Atlantic Treaty Organization Cooperative Projects. 1985; Public Law 99-145, Section 1102, FY 1986 DOD Authorization Act, entitled: "Acquisition of Defense Equipment Under North Atlantic Treaty Organization Cooperative Projects;" Public Law 99-661, Section 1103, FY 1987 Defense Authorization Act, "Cooperative Projects."

⁶*Multinational Program Management Questionnaire Report*, Michael G. Krause, DSMC internal document, May 1989.

education or training in international program management. Only 12 percent of the respondents felt that existing educational opportunities were adequate. Eight specific areas of knowledge or understanding were identified by more than 30 percent of the respondents as being essential to their jobs. Three areas stood out as being *very necessary* to all respondents as well as being rated as essential to over 40 percent of the respondents with international involvement. These were:

- DOD policy related to technology transfer.
- DOD policy related to international security.
- International Memoranda of Understanding.

The topic of establishing contractual arrangements also ranked very high. In fact, the Program Management Office respondents with international involvement rated this area highest. Closely following these important areas came four additional ones which were considered *necessary* to all respondents, and rated essential by at least 30 percent of those with international involvement. These were all related to the DOD policy for:

- Foreign Military Sales.
- License Arrangements.
- Coproduction.
- Codevelopment.

Conversely, the areas of knowledge clearly determined to be least necessary to the respondents with international involvement were the following:

- NATO Organization and Functions.
- Acquisition of Foreign Weapons Systems.

How DOD responded to these survey findings will be discussed later in this chapter.

A more recent examination of the topic of armaments cooperation education was conducted by a committee of participants at the "Bonn Seminar on Armaments Cooperation" in July 1989.⁷ Educational issues were among the topics addressed by the committee, and their report included a recommendation for management resolve to educate a dedicated corps of international armaments cooperation experts. This committee, consisting of representatives from the United Kingdom, Germany, France, Norway, and the United States, felt that education resources were inadequate or non-existent when viewed in relation to the overall number of people who needed the training, including: offices of defense cooperation, security assistance offices, research and development support groups, ministry/department of defense staffs, international program offices, industry personnel, educators and the public. The committee concluded that the national schools should:

- Evaluate current courses taught in the national schools to determine how education can be used more effectively to achieve better armaments cooperation. (The committee made specific recommendations about resident instruction, an entry level course, mid-level courses, and a senior-level short course.)

⁷*Bonn Seminar on Armaments Cooperation*, proceedings, co-sponsored by DSMC, the Royal Military College of Science, and the Federal Academy of Defense Administration and Technology, July 17-21, 1989.

- Develop a "how to" cookbook on international armaments cooperation procedures, processes, organizations, and guidelines.

- Develop correspondence courses.

The committee further concluded that:

- Trained and experienced armaments cooperation personnel should be identified in the work force, and their careers managed to insure repeated international assignments and career growth.

- There should be oversight of the education system by high level managers who are responsible for international armaments cooperation.

- Universities should be encouraged to include armaments cooperation issues, policies, and processes in their international curriculum.

- Professional associations should be encouraged to sponsor seminars on international armaments cooperation issues.

A subsequent examination of the question of training in international armaments cooperation came during exhaustive interviews of six international program managers as part of a comprehensive research study of international program factors for success.⁸ The following question was posed: "Could you or a member of the Program Management Office (PMO) staff have benefitted from training in the management of international programs; and, if yes, what area/topics would have been useful?" The question was posed to the Program Managers for the NATO Anti-Air Warfare System, the Autonomous Precision Guided Munition (155MM), the Modular Standoff Weapon, the Rolling Airframe Missile, the Multiple Launch Rocket System (Terminal Guidance Warhead), and a sixth program which provided responses on the basis of non-attribution. Five of the six responded "yes," whereas the one who responded negatively said that "good people with a good work ethic" were more important. Of course, "good people" might imply experience and/or training. Four of the five positive respondents identified training in the area of allied nation processes, such as decision making, funding, contracting, tax structure, and acquisition.

The analysis of surveys in armaments cooperation over the years has helped modify education programs. A discussion of accomplishments and future directions follows.

THE PRESENT

TRAINING AND EDUCATION IN THE GOVERNMENT SECTOR

As previously mentioned, the Defense Systems Management College is the only DOD educational institution which offers coursework in international armaments cooperation. The DSMC program was described in detail in articles in the January 1989 issue of *Program Management Magazine*⁹ and the Spring 1989 issue of *The DISAM Journal of International Security*

⁸Interviews conducted by Lt Col C. Michael Farr, USAF, unpublished, circa summer 1989.

⁹"Educational Initiatives in International Armaments Cooperation," *Program Manager Magazine*, Richard Kwatnoski, January-February 1989.

Assistance Management.¹⁰ The following is a brief description of our current educational program. It has three major components:

1. The Multinational Program Management Course (MPMC)
2. The Advanced International Management Workshop (AIMW)
3. The International Defense Educational Arrangement (IDEA)

The first, the Multinational Program Management Course, is the foundation of the DSMC international armaments cooperation educational program. It is the baseline course for all those entering this field. Key national, DOD, and service policies on international codevelopment, coproduction, and logistics are explored. This course is offered six times a year: three times at the DSMC campus (at Fort Belvoir, VA), once each year at our Huntsville, AL and Boston, MA regional sites, and once each year in Europe.

Our second offering, the Advanced International Management Workshop, is a focused and advanced workshop on international negotiation and acquisition management. Participants gain detailed knowledge of and practical skills in:

- International Memoranda of Understanding.
- Preparing, negotiating, and staffing international agreements.
- Specific negotiation issues.
- Factors resulting in successful international programs.
- Congressional interaction in cooperative programs.

This workshop has received considerable interest and support from the Office of the Secretary of Defense (OSD) and all the services. Nearly a quarter of a million dollars was invested by OSD and the services in workshop development and materials. DSMC spent over a year, with contractor support, in developing the workshop. Our first production offering was during the week of June 18-22, 1990, and was recently described in *National Defense*.¹¹ We are currently offering three workshops per year exclusively at the DSMC campus.

The third, the International Defense Educational Arrangement, is a grouping of national defense educational institutions with similar goals whose mission is to improve the economy, efficiency, and effectiveness of international training and education for acquisition management. Current members are the United States (represented by DSMC), the United Kingdom (represented by the Royal Military College of Science), and Germany (represented by the Federal Academy of Defense Administration and Technology). Additional national defense educational institutions sharing these goals are encouraged to join.

There are several other government organizations which offer short courses which could be beneficial to someone in a cooperative defense program. The Defense Institute of Security Assistance Management (DISAM) offers extensive training in foreign military sales procedures and the U.S. Security Assistance Programs. Several of the DISAM courses include two or three hours

¹⁰"Educational Initiatives in International Armaments Cooperation by the Defense Systems Management College," *The DISAM Journal of International Security Assistance Management*. Richard Kwatnoski, Spring 1989.

¹¹"DSMC Launches New Workshop in International Acquisition Management," *National Defense*, April 1990.

of training in international cooperative programs. The 13-day Security Assistance Management Course—Overseas recently added an optional two day track on international cooperative programs for those whose overseas duties will be concentrated in this area rather than in materiel management or training management. The U.S. Office of Personnel Management (OPM) offers courses on foreign policy, national security policy, and technology transfer, as well as occasional seminars on trade and foreign policy issues. Some additional specialized courses exist, such as the NATO Staff Officer Orientation Course at the National Defense University and the Cross Cultural Communications Course at the USAF Special Operations School.

No summary of training opportunities in international armaments cooperation would be complete without mentioning those which are offered by our Allies. The first is the Management of International Projects offered by the Royal Military College of Science in Shrivenham, United Kingdom. This is a five-day course for senior managers with responsibilities involving international programs and who are from the staff of the Ministries of Defense of NATO or the defense industry. Topics covered are concepts of collaboration, memoranda of understanding, international management structures, industrial and technical issues, and contracts and finance. It is offered three times each year.

The second training opportunity offered by our allies is the EURO/NATO Weapons Systems Management Course by Industrieanlagen-Betriebsgesellschaft mbH (IABG), a company working with the Germany Ministry of Defense, located in Ottobrunn, Germany (a suburb of Munich). This is a two week course for middle and senior management personnel in the field of project management as practiced in the development, procurement, and utilization of defense materiel. Course objectives address the management of NATO armaments programs, international armaments cooperation, life cycle tasks and decisions, and exchange of experiences among NATO partners. It is offered only once each year in the early Fall. It is open to all NATO nations on a quota basis. This course is offered in English only.

The third training opportunity offered by our Allies is conducted in German by the Federal Academy of Defense Administration and Technology in Mannheim, Germany. A translation of the course title, which preserves its meaning into English, is International System/Project Management: the word *system* serves to connote technical skills, and the word *project* connotes acquisition knowledge. This is a two week course to prepare mid-level acquisition personnel for beginning responsibilities in international programs. It is last in a series of four two-week courses comprising a training program on German defense acquisition roughly equivalent to DSMC's 20-week Program Management Course. The official policy of the Federal Academy is that one should have taken the other three courses prior to taking the international course.

PARALLELS WITH THE PRIVATE SECTOR AND THE ROLE OF ACADEMIA

The roles of government and industry in armaments collaboration are quite different, but may be mutually supportive.¹² The government role is to establish the framework for collaboration with allied or friendly governments through an agreement normally called an international Memorandum of Understanding. The industry role is to develop and produce the defense product, while realizing an adequate profit. The private sector, therefore, focuses on international business and the training of international business managers. Much has been written about this business training,¹³ but there is little which is directed toward defense officials.

¹²This mutual support has varied considerably over the years. Current thinking within the Executive Branch is supportive of most defense sales to allied and friendly nations.

¹³"Culture Shock," *Training & Development Journal*, Jean McEnery and Gaston DesHarnais, April 1990; "The Key to Expatriate Success," *Training & Development Journal*, Gary W. Hogan and Jane R. Goodson, January 1990;

There are some parallels between the efforts at the Defense Systems Management College in international training for defense officials and what is occurring in the private sector. A recent article in the *Training and Development Journal* presents a statement that ". . . most business leaders say that intercultural skills training is essential, but few do anything about it."¹⁴ Citing a survey of 55 presidents and chairpersons of *Fortune* 500 firms, all agreed that "most business firms (domestic as well as multinational) will be directly or indirectly affected by economic and political developments in the international scene. Businessmen will therefore need to understand and anticipate these efforts." However, another survey of multinational U.S. companies indicated that only 12 percent of U.S. firms said they offered seminars and workshops on cross-cultural aspects of doing business in foreign countries. This dismal picture was reinforced by a more recent article in the *Management Development Report*.¹⁵ An executive survey reported that 40 percent of respondents said that international business is currently a significant part of their overall business, and 60 percent reported that international business will increase over the next three years. However, the article further stated that, "numerous studies report that 70 percent of American business people who are sent abroad are given *no* advance training or preparation." Regrettably, no similar set of statistics exists for international acquisition personnel in the government.¹⁶ There may be no need for such statistics if one believes that defense acquisition personnel respond to governmental policy, rather than market forces. Defense policy has been determined in the past primarily by our national security interests. Recent trends in business globalization suggest that the way DOD approaches acquisition may become more influenced by economic forces, both domestic and international.

Academia is responding to the international needs of business either by increasing the integration of international aspects into basic classes or adding specifically international courses. The situation and trends in academia are well summarized in a recent article in *North America International Business*.¹⁷ There are varying approaches taken which are exemplified by certain universities.

The fully internationalized approach has an international component to all courses, a focus on international research, and overseas visits and exchange programs. This is exemplified by the University of Pennsylvania's Wharton School of Business and the American Graduate School of International Management in Glendale, Arizona. No government institution utilizes this approach for armaments cooperation education or training.

The approach of adding international courses to a basically American program is becoming more and more common. The George Washington University's associate Educational Services Institute offers two courses which are directly related to armaments collaboration: one on international contracting and the other on offsets.¹⁸ This is the approach favored by the government educational institutions as well.

Multinational Corporate Policies for Expatriate Managers Selection, Training, Evaluation," *SAM Advanced Management Journal*, Dr. Gurudutt M. Baliga and Dr. James C. Baker, Autumn 1985.

¹⁴"Preparing the New Global Manager," *Training & Development Journal*, Madelyn R. Callahan, March 1989.

¹⁵"Why Aren't American Firms Training for Global Participation?" *Management Development Report*, Marcia Kirkpatrick, editor, Summer 1990.

¹⁶The term "acquisition" in the defense department refers to the research, development and procurement of defense systems. Acquisition personnel are therefore analogous to business personnel in the private sector.

¹⁷"The Making of a Global Manager," *North American Business*, Patricia M. Carey, June 1990.

¹⁸Offsets are industrial and commercial compensation practices offered or demanded in connection with the purchase of defense goods and services.

Another approach is to focus on international research. The Harvard University's John M. Olin Institute for Strategic Studies is vigorously pursuing research in armaments collaboration (this article being an excellent example), and is the only university known to be active in studying the government aspects of collaboration. However, they do not as yet offer courses in this subject.

The Defense Systems Management College is the only educational institution known to combine courses in international armaments collaboration with an international research program.

THE FUTURE

There is a new Congressional requirement for the Secretary of Defense to establish a Defense Acquisition University structure (to include the Defense Systems Management College).¹⁹ The purpose will be to provide professional educational development and training for the acquisition work force, and to perform research and analysis of defense acquisition policy issues from an academic perspective. This new Defense Acquisition University will be the Department's senior level institution for acquisition education, and as such will provide a senior course for personnel serving in critical acquisition positions. The implementation of this program is governed by a board created by the under Secretary of Defense for Acquisition in November 1990.²⁰ At the time of this writing, little is known regarding the specifics of the integration of international acquisition considerations into the senior course. However, it is known that these considerations are being addressed in the preliminary planning documents. One can only hope that the international acquisition considerations will exceed the anemic one percent found in the current 20-week intermediate level course for program management education and training. The "Defense Acquisition Work Force Improvement Act" requires the Secretary of Defense to submit an implementation plan to Congress by October 1, 1991, and to implement that plan by August 1, 1992.

The future will pose a number of challenges in the training and education of defense officials.

- There will be a need for integrating international aspects into all basic domestic acquisition courses, especially those of the newly created Defense Acquisition University.

- There will also be a clear need for more, mid-level international courses. Specifically, three opportunities stand out:

- A course on technology transfer, defense product export control, and international security.

- A course on the government aspects of international defense business management, particularly focusing on

- * contractual aspects

- * financial aspects

- * licensing arrangements, and

- * offset agreements

¹⁹Public Law 101-510, FY 1991 Defense Authorization Act, "Defense Acquisition Work Force Improvement Act."

²⁰"Defense Acquisition University Coming," *National Defense*, J. Gerald Land, January 1991.

•• A course on allied nation processes for

* defense acquisition

* decision making

* contracting

* funding

* taxation

• A brief executive level offering also might be useful for senior personnel who have recently become part of the international process, or wish to be refreshed on current topics.

• All of the above should be combined with the Defense Systems Management College's existing baseline Multinational Program Management Course and advanced courses/workshops, such as the Advanced International Management Workshop, into a complete international acquisition management curriculum, including a certification program in international defense acquisition. This could be used to supplement the training and education of our emerging domestic acquisition corps.