CHALLENGES OF THE SECURITY ENVIRONMENT BEFORE THE CORRELATION "RESOURCES-CAPABILITIES - EFFECTS"

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Abstract: *In the complex and controversial security environment characterized by dynamic changes and the trend of increasing resource limitation, there is the disbalance between the projected capabilities and the maintenance of the existing ones on the one hand, and on the other - the need for the defense capabilities to be adaptable to the parameters of the changing environment. This necessitates compliance to one of the fundamental principles for enhancing the effectiveness of the defense policy – the principle of improving management as a process and structure for the management of defense resources and related defense products. Moreover, maintaining a stable level of defense spending as a proportion of gross domestic product, is the basis for building the necessary defense capabilities in accordance to the imperatives of the modern armed forces. It is of utmost importance to achieve a balance in the correlation "resources-capabilities-effects". This, in a security environment which is marked by terrorism provoked by the actions of the "Islamic State" and the permanent threat they impose, by the migration flows that create conditions for serious alteration of the morals and traditions of the "Old continent" and its economic stability, by the danger of spreading and instilling radical Islamism and "redrawing" of state borders, and by hybrid war, is the challenge which provokes the scientific research of the author.*

Keywords: defence resource management; defence capabilities; security environment.

1. Introduction

In the dynamic changes of the security environment, considering national security as a complex social system with imperative powers requires perceiving the processes and phenomena that constitute it in their unity, integrity, interconnection and controversy.

Security can be presented on one hand as an unquestionable value without which life is impossible, while on the other – as a widely discussed concept that has undergone multifaceted interpretations since ancient times.

The word security itself covers a wide range of meanings, from "feeling safe" - to "feeling protected" or "state without risks and anxieties". Hence the comprehensive

and complex concept "security" defines a problem with too broad a scope, which allows for different interpretations that most often depend on the interests (every so often not only scientific) of the participants in the discussion. Nevertheless, security is directly dependent on the challenges of the security environment, which in today's globalized world and the promotion of civil society, is accompanied by explicit political uncertainty, bolstering terrorism and frequent threats to world order. And if until recently the prevailing opinion was a real threat to world peace did not exist, in the last few years security has been facing serious, and unconventional in their nature, challenges, threats and risks. This is what defines the dynamic, indefinite, sometimes

poorly predictable nature of the security environment and its often unpredictable dimensions. Moreover, it is increasingly difficult to set clear boundaries when defining the concepts of external and internal security. Various factors affect the security, as the paramount ones are: globalization, terrorism, proliferation of weapons of mass destruction, climate and health problems, demographic, environmental and energy issues; asymmetric risks and threats, threats to information security, regional conflicts, weak statehood, Euro-Atlantic integration, the efforts of the international democratic community to maintain peace and stability. [4]

To all of the abovementioned, we should add the development of "hybrid war", the activities of the terrorist organization "Islamic State", the unresolved security issues in the Western Balkans, the frozen conflicts in the Black Sea region, the ongoing conflicts in Afghanistan, the Middle East and North Africa, the illegal migration and the trafficking in human beings, arms and drugs [5].

All more often this requires that we find an answer to the question whether our defence capabilities are adequate and sufficient enough in order to respond to the challenges of the security environment; whether our economic potential is capable of providing the necessary defence capabilities; how much these cost the taxpayers; how, when and where they are to be provided. And the answer can be found in the theory of management and in the best practices in resource management for security and defence in terms of budgetary constraints and dynamic changes in the security environment. Moreover, "security is a feature of any system and it is its ability to protect itself when a change of environment conditions and circumstances on which it depends occur; to function and develop optimally, i.e. to achieve the set correlations and purposes at the lowest possible cost of resources" [6]. And this is the starting point for our further reasoning in support of the dependence of the security

capabilities on resource capabilities of the member countries of the Euro-Atlantic structures in the dynamically changing security environment.

2. Resources-capabilities-effects

At present security has both military and non-military (humanitarian) aspects. Despite of its wide scope, economically it is a "public asset", available equally to every member of society. This means that the creation of this asset is dependent on the available resources and the potential of the national economy in compliance with the required proportions between the military and public needs. Moreover, in accordance with them forming the military potential requires optimum balance between capacity and defence resources of a purely economic potential. [1]

Each organization in the security sector, regardless of its position on the domestic level, its purpose and involvements and the objectives it pursues in order to exist and develop, must necessarily receive certain resources from the external environment. At the same time, it has to deliver its product (goods, services, public assets or social products) to the external environment. Moreover, the public sector organizations provide the civil society the public goods it demands.

A confirmation of this is the Global Peace Index (prepared by the Institute for Economics and Peace in London, the study covers 163 countries where 99.7% of the population of the planet lives), the economic cost of violence in the world in 2012 was 9.46 trillion, or 11% of the global GDP, while in 2015 it was already 14.3 trillion, or 13.4% of the global GDP, where the death toll from terrorism has increased by 80% in comparison to 2014, and a terrorist attack was not registered only in 69 countries

The world military spending on armament grew and in 2015 it amounted to 1.676 trillion dollars. On 26 July 2016, *Nation* magazine wrote "the world may be in chaos, but the American arms industry

benefits from this", since, if two decades ago it was accountable for a third to a half of the global arms market, in 2011 it already accounted for 70% and the upward trend continues.

It is the goods, services, public assets or products produced by different types of organizations and provided to the external environment that link each of the organizations with their external environment that justifies their existence.

Market society analysts often argue that on the market the buyer assumes the role of "king" because they buy only what they like, of course, to the extent they can afford it within their disposable income and depending on their preferences, tastes and belonging to a particular consumer culture.

Therefore, in the market economy only products for which there are buyers should be produced. In this context, it is imperative to present and analyze what the buyer (citizen and civil society) pays for, since **security** as a product is the starting point in defining the strategy of individual organizations in an integrated national security sector.

On the other hand, the expensive "sale" or delivery of the public asset **security** is largely a result of the activities of a number of organizations as direct producers of security using limited resources (capacities, means and methods). A similar point of view, brought in within the armed forces that directly produce the defence product, is extrapolated adversely, especially in terms of our very limited national resources.

Unlike the business sector, the products of the security sector are not particularly varied. On the contrary, because of production and technological reasons, and because of their collective and even public consumption, the defence products are generally homogenous. Considering the current trend of intensifying of various threats, including the asymmetric ones, it is imperative that the product "security" is internally restructured and made more

complex, taking into account that its collective use is carried out under different circumstances.

There are sufficient reasons to argue that the national security policy and the strategic management of organizations in the security sector should consciously work towards providing the civil society with products of adequate and socially beneficial public authority.

Now more than ever, this necessitates the implementation of an adequate system for planning, allocation, disbursement, accountability and control of the resources for security and defence and adapting their management to the changes in the external and internal environment. This is supported by the fact that achieving competitive advantage and defence capabilities for any social system, and particularly for the system of security and defence, depends on the resources, which for the management process are divided into material, financial, human and information. They are at the entrance of each system, and the manner of their use and "dynamic deployment" [7, 8] predetermines the final output of the system and its benefits. And this is what lies in the basis of strategic management and the adjustment of any system to the changes in the environment.

The planning and allocation of resources for security and defence at the national level is subordinate to the idea of reducing the share of expenditure on defence and security in the GDP and their restructuring in favor of the capital expenditures for restructuring and modernization of the Armed Forces. The goal is a smaller share of GDP to achieve a greater effect on the management of defence resources and defence processes. And that in itself is strategically targeting the taxpayers resources in a way that "is able to transform the available defence capabilities into effects for the security and economic development of the country" [3].

Planning and resource allocation at the departmental level is related to the planning

and evaluation of the existing and future capabilities of the Armed Forces; operational planning in response to the possibility of crises and a choice of options for action; planning needs according to financial constraints and resource planning. This answers the question of how to efficiently spend all the available resources (financial, material, human and information) in order to achieve the required operational capabilities of the Armed Forces.

Hence the priorities [2] of the resource management, whose ultimate goal is to achieve a reasonable balance between stated intentions and provided capabilities, are the following:

- ✓ systematic development of defence capabilities and optimum use of the Armed Forces by carrying out a collective, regional and bilateral defence policy in line with the changes in the security environment and its unpredictability;
- ✓ modernization of current weapon systems with sufficiently long life cycle and investment in new ones;
- ✓ joint research and program development with NATO member states - there is a huge potential inherited in this area;
- ✓ ensuring political and social security - to this end, attention is focused on employment through development of the military education system, the professional capacity of military and civilian personnel, elevating the status of servicemen, social adaptation of discharged military personnel, increasing the overall culture of the population and the attitudes towards the defense processes;
- ✓ improvement of the of the defence resources management system through enhancement of the legal framework, the

structures, functions, accountability and transparency of spending, and through eliminating the prerequisites for improper and inappropriate diversion of budgetary resources. In relation to this, there is still no exact idea what part of the military budget accounts for funds that actually become defence security. Furthermore, ½ of it is subjected to a secondary allocation in the form of taxes and excises, as supplies for the purposes of the Ministry of Defence, unlike the NATO practice, are not exempt from VAT and other taxes. In other words, the legal framework still does not comply with the specifics of the armed forces activities. Overcoming all these drawbacks (and it is the prerogative of the legislature to do so) is a prerequisite not only for streamlining the management of resources for security and defence, but also for improving the quality of life of employees in the defence system;

- ✓ managerial accounting of expenditure for defence towards maximum efficiency and effectiveness;
- ✓ specialization of the Armed Forces, which is in direct connection with the economizing the process in defence as a result of resource constraints;
- ✓ participation in the Euro-Atlantic structures Connected Forces initiatives;

The implementation of these priorities of resource management is the foundation for the development and adoption of strategic decisions on the resource framework of defence capabilities acquisition in accordance with the Capability Targets in building technologically advanced, balanced, interoperable, mobile and expeditionary forces in response the dynamic changes in the security environment and global defence standards.

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