

FROM THE EDITOR...

Culture and Security

Culture operates on a multitude of levels. Consider the individual organization. Perhaps the most important duty of anyone who leads an organization or institution is to nourish a culture favorable to the mission of that organization or institution. Leaders and managers cannot do everything themselves. Nor can they be everywhere at once, monitoring their colleagues to satisfy themselves that the work of the organization is proceeding efficiently and professionally. What they can do is twofold. First of all, they can ensure that the organization is well-prepared from a material standpoint to accomplish its goals. Each member of the team must have the tools necessary to execute his or her

duties. The second function of leadership, more subtle and more interesting than the first, is to build up and manage the human capital that sustains a vibrant enterprise. Leaders assemble a team and shape the attitudes of team members toward the organization and its mission. Forceful, inspirational leadership equips team members to perform well on their own initiative, regardless of whether someone is looking over their shoulders.

In short, leaders and managers imprint a culture on a group of disparate individuals. Business and the military have sunk considerable energy and resources into the study of organizational culture. Accordingly, one of the standard works in the field, *Organizational Culture and Leadership*, comes from Edgar Schein, a veteran professor at MIT's Sloan School of Management. Declares Schein, culture is a "pattern of shared basic assumptions that the group learned as it solved its problems...that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."¹

He maintains, furthermore, that "one of the most decisive functions of leadership is

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¹ The references to Schein's work are drawn from Edgar H. Schein, *Organizational Culture and Leadership*, 2d ed. (San Francisco, CA: Jossey-Bass, 1992), 3-5, 47, 211-53.

the creation, the management, and sometimes even the destruction of culture." How are cultures created, managed, and destroyed? The founder of a group, says Schein, plays the predominant role in fashioning its culture. The founder has an idea and surrounds himself with a core group of like-minded individuals. Together this core group comes to grips with the internal and external challenges that beset any fledgling organization. The prevailing culture, then, springs in large part from the principles, beliefs, and assumptions espoused by the founder. Over time, as the group adds new members, it begins to build a common history. If the group remains stable, and if the founder's ethos demonstrably helps the group succeed in its field of endeavor—business, warfare, academic inquiry—its members develop common assumptions about the organization, its environment, and how it should conduct business in order to survive and thrive. The act of founding, then, biases the group's reaction to the external environment, as well as its efforts to integrate itself internally.

Managing organizational culture takes effort. Schein lists a variety of methods that leaders typically use to propagate their assumptions throughout the institution and to reinforce these assumptions. The staff sees, for instance, what the organization's leadership pays attention to, measures, controls, and funds on a regular basis. How leaders react to critical incidents and crises says much about their priorities and philosophy. Deliberate efforts to teach, coach, and lead by example are an obvious technique for embedding culture within an institution. How leaders recruit, promote, and fire members of the team provides inducements to conform to the reigning culture. The design and structure of the organization, the systems and procedures that govern its work, its narrative—the stories, legends, and myths that pervade any institution—and formal statements of the organization's philosophy and creed all work to reinforce culture.

Once formed, cultures are resilient. While they bind together a team, helping the team excel under often high-stress conditions, ingrained assumptions tend to lag behind circumstances that, more often than not, are in flux. For leaders, consequently, managing change is a challenge of a high order. The responsibility of top leaders is to comprehend when the organization has gotten out of sync with its environment and to readjust

the organizational culture to new realities. Deft, visionary leadership helps an institution flourish amid continuous change.

The authors in this issue of *The Monitor* consider the role of culture in a variety of areas, while paying due heed to the dynamics analyzed by Ed Schein. Argues Laura Holgate, the Nuclear Threat Initiative's Vice President for Russia/New Independent States Programs, organizational culture or "security culture" can constitute a bulwark against the proliferation of fissile materials and the equipment needed to construct nuclear or radiological bombs. Says Ms. Holgate, "all the hardware and software in the world will not prevent nuclear catastrophe" unless "the perceptions, judgments, and actions of human beings, individually and in groups," can be yoked to the ideal of security. Pointing to the nation's gold reserves at Fort Knox, she urges governments and the international community to embrace a similar "gold standard" to protect weapons-related substances and technology.

Kenneth Luongo, Raphael Della Ratta, Maurizio Martellini, and Derek Averre relate the findings of their ongoing research into the Russian biotechnology sector. The team of authors takes a broad approach to biosecurity, examining security culture at the governmental, facility, and individual levels. On the governmental level, for instance, they observe that the "suspicious and unsupportive attitude taken by some Russian government officials—an attitude which extends to other parts of the political establishment, including the State Duma—remains a major hurdle to the delivery" of programs designed to stem the proliferation of dangerous pathogens. Engaging with Russian agencies and shifting the emphasis from assistance to investment in the Russian biotechnology sector are two of their recommendations. On the facility level, rethinking strategies for commercialization is crucial. And, on the individual level, analyzing the motivations of bioweapons scientists will help policymakers estimate the risk that these personnel will put their skills to uses inimical to Russian and international security.

Helen Spencer, Portfolio Manager (Biology) for Defence Research and Development Canada, explains how her country has—almost without trying—developed a biosecurity culture. Ms. Spencer focuses in particular on the Canadian government's Chemical, Biological, Radiological, and Nuclear Research and Technology

Initiative, or CRTI, a post-September 11 venture designed to promote new investment in R&D and to put the nation's existing scientific and technological capabilities to work in the counterterrorist effort. The relatively modest sum that has gone into the CRTI—\$170 million, compared to the billions spent by the U.S. government—has compelled the Canadian biotechnology sector to be innovative and efficient. An increasingly robust biosecurity culture has been a welcome offshoot of the Canadian government's effort to mount an effective defense against catastrophic terrorism.

Igor Khripunov, Associate Director of the Center for International Trade and Security, warns that terrorist groups are intent on targeting the U.S. chemical industry. First, the scale of the chemical sector, especially as compared to the nuclear sector, makes it an attractive target for these groups. Thousands of facilities handle toxic chemicals; security precautions are not nearly as stringent as they are at nuclear facilities, where the hazards of theft or diversion are widely acknowledged. Toxic substances, moreover, are routinely transported along the nation's roadways and railways, subjecting them to theft, diversion, or sabotage. Second, and closely related, chemical sites house a variety of substances that, released in sufficient concentrations, could endanger nearby urban areas. Dr. Khripunov concludes that, if anything, security culture is more critical in the chemical sector than it is in the nuclear sector, which is relatively well-equipped from a material standpoint to withstand external assault or sabotage. He prescribes a set of measures designed to upgrade security culture within the nation's wide-ranging chemical complex.

Dmitriy Nikonov, also of the Center for International Trade and Security, relates organizational culture to export controls. Dr. Nikonov points out that "the export control domain increasingly encompasses several 'gray areas,' such as catch-all policies, intangible technology transfers, and deemed exports," in which "the personal and professional qualities of export control officials and personnel are even more important than they are in the more traditional processes used to control strategic exports." Consider the catch-all principle, a relatively recent innovation intended to assure that items that are not found on national control lists but could be used to construct weaponry are put to legitimate end-uses by legitimate end-users. "What is significant here," says the author, "is that catch-all policy

implementation and enforcement go beyond clearly defined control lists, relying on the discretion of the export control enforcement officers." Catch-all controls stand or fall by the prevailing culture within the export control community.

Finally, we close with two pieces that take a grand perspective on the role of culture in security. Barry Adams of the American Councils of International Education postulates that, after over a decade of security cooperation, NATO and Russia are developing a joint perspective on security. The tenets of this emerging culture? Mr. Adams contends that NATO-Russian culture rests on partnership; on efforts to extend the relationship beyond purely defense-related matters; on giving the relationship a more civilian character; and on making cooperative efforts between the two actors more professional and interoperable. David Law, a Senior Fellow at the Geneva Centre for the Democratic Control of Armed Forces, diagnoses the problems encountered by security-sector reform in the Euro-Atlantic area. The reform process, he says, is "unfinished business." Reform is one of the keys to building a regional culture of security. Mr. Law urges governments and the international community among other things (a) to take a view of the security sector that encompasses not only armed forces but all actors capable of wielding force; (b) to fund the security sector, both its hard and soft components, in line with new realities; and (c) to expand and reinforce the various cooperative programs instituted within the Euro-Atlantic world.

We think this issue of *The Monitor* represents a novel approach to the challenge of national and international security in these unsettled times. We commend it to you. ■

The State of Security Sector Reform in the Euro-Atlantic Region

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I. Introduction¹

The Euro-Atlantic region has a number of important characteristics conducive to security-sector reform (SSR). The region includes 19 of the world's 24 most affluent economies, a long experience with multilateral defense reform, and the largest concentration of institutions involved in security-sector activities, including leading state-level and nongovernmental actors. In addition, it is the only geostrategic region that enjoys a multilateral, politically binding Code of Conduct on the Politico-Military Aspects of Security, approved by all members of the Organization for Security and Cooperation in Europe (OSCE) in 1994.

However, SSR in this region has been on the whole unsatisfactory and inconsistent, and as a result the region continues to encounter difficulties in projecting stability beyond its borders, and even preserving it within them. This should not be surprising. Few countries and even fewer multilateral institutions seem to appreciate the need to take a comprehensive approach to the various actors with the capacity to use force and to the different bodies that manage and oversee the activities of these actors. That is, they seemingly fail to grasp the core notion behind security-sector reform. Even in the United States, where a huge effort has been made since 9/11 to rethink and reorganize national security, the approach remains fragmented and in part uncoordinated.

Against this background, this article will review the factors that have shaped thinking about SSR in the Euro-Atlantic region. It will then examine the structure of the national and regional security systems, before turning to a discussion of key institutional actors in regional SSR activities. Finally, several policy approaches will be proposed to reinforce ongoing and future reform efforts.

II. The Evolution of Security Sector Perspectives in the Euro-Atlantic Region

During the Cold War, concern with the security sector was largely limited to two factors: in development circles, the impact of military spending on development; and in security circles, whether one's military and those of one's allies were capable of defending against the opposing bloc. Neither

group tended to pay much attention to the question of democratic control of the military and other security actors. After the end of the Cold War, however, as local wars began to emerge with new energy, Western development donors realized that unless they could ensure that the entire security sector—including paramilitaries and other actors with the capacity to use force—was adequately resourced, trained, and subject to democratic accountability, their efforts in support of development would likely prove moot. Around the same time, the experience of post-communist states transitioning to democracy began to show that the prospects for successful reform were dependent upon rethinking and reorganizing the roles and structures of the whole range of security institutions, from customs and border control to intelligence institutions.

More recently, the strategic changes at the beginning of the 21st century have engendered a paradigm shift in threat perceptions on the magnitude of the changes from the 1920s and 1930s to the Cold War. It has been demonstrated not only that the world's largest military power is vulnerable to attack from relatively small and resource-weak non-state actors, but that all nations that are strategically or economically connected to the United States must now fundamentally reassess their security situations. This means that SSR can no longer be seen as just an issue for developing and transitional countries. The onus is now on developed countries to reform as well. In the new security environment, risk and responsibility have been democratized.

There are common threads running through all of these policy experiences. First, security is inseparable from economics. Not only do security crises affect national and world economies, as in the post-9/11 economic disruption, but pathologies in the funding mechanisms of security sectors can affect national security itself. Underfunded security sectors may not be able to perform essential functions such as border protection, while overfunded security sectors can have negative consequences for non-security-related parts of the economy. Another danger is the overfunding of certain sectors to the detriment of others, such as when hard-security instruments like the military receive massive fiscal priority over soft-security tools like diplomatic resources. This is bound to affect policy. For instance, the official 2006 U.S. budget estimate

¹ This paper was prepared with the assistance of James Stocker, a research assistant at DCAF.

of \$416 billion for defense has been estimated to actually run as high as \$860 billion, including costs for maintaining a nuclear arsenal and the war in Iraq,² while the State Department and other key foreign-affairs programs, including foreign aid, will receive only around \$33.6 billion in total.³

Second, a lack of democratic control and accountability can lead to a situation in which security forces impose their interests on the nation in the name of national security. For example, legislation such as the Patriot Act in the United States and similar laws in a number of EU member countries that have been designed to increase the powers of the state to address strategic terrorism have not been accompanied by corresponding efforts to ensure that such measures are not abused. As a result, these measures risk unnecessarily undermining the rights of the populations of these countries, as well as the freedom of movement of people and goods and services on which our livelihoods and prosperity depend. If this can be a serious problem in a developed democracy, it is even more so in countries that are less advanced economically.

III. National and Regional Security Sectors in the Euro-Atlantic Region

A. The National Security Sector in the Euro-Atlantic Region In the Euro-Atlantic region, security sectors can be identified operating on a number of levels. In terms of national security, there are five different dimensions that can be discerned. First, there are actors that have the capacity to use force. Some of these groups have statutory authority, as do the military, the intelligence services, the police, and the border guards. Others lack statutory authority. These groups can be more or less benign (e.g., private military organizations) or malign (e.g., terrorist groups). The second dimension is comprised of the civil management bodies that govern the use of force. The third consists of the legislature that oversees these bodies. The fourth dimension embraces the legal and constitutional frameworks that govern the security sector and defend the rights of individuals working within it, including such varied institutions as court systems and human-rights

commissions. Civil-society bodies such as the media and nongovernmental organizations that monitor the security sector constitute the fifth level.

In practice, the actual composition of these dimensions varies widely in the Euro-Atlantic region, depending on the situation in each country. Some nations, such as the post-communist states of Central Asia, tend to have overdeveloped executive branches at the expense of legislative prerogatives, while countries that encountered conflict after the end of the Cold War may have competing security forces that must be brought under the control of civil management bodies and legislatures. In Central and Eastern European countries where security sector institutions remained largely intact after the changes in government, the main challenge has been to reform these organizations and restructure their interrelationships. The prospect of joining institutions such as the European Union and NATO has provided enormous incentives in this respect. Then there are developed Western countries that have robust security sectors. These need to focus on rebalancing resources and refocusing mandates. In addition, countries in this group that relied on other states for security in the past may find that more extensive efforts are necessary, and that both qualitative and quantitative challenges are on the agenda.

B. The Regional Security Sector in the Euro-Atlantic Region In a strategic environment in which hardly any security problem can be solved by national means alone, it is essential to think in terms of regional security. In the Euro-Atlantic area, there are a regional security sector and three subregional sectors of note: the Commonwealth of Independent States (CIS), the European Union, and a third that may be emerging in North America if Canada, the United States, and Mexico continue to increase their cooperation on security matters, as was the case in a March 2005 meeting of the three heads of state.

The regional sector can be conceived of as structurally similar to the national model described above, though it is strikingly underdeveloped in relation to the threats that it must address. Not only are the statutory security forces too few in number, but policing and intelligence capacities are inadequate to deal with the peace-support operations that Euro-Atlantic countries have assumed, let alone to be able to cope with the fallout from a major transnational or sub-regional civil emergency. Furthermore, the regional

² Robert Higgs, "Bush's New Defense Budget," February 14, 2005, Independent Institute Website, <<http://www.independent.org/newsroom/article.asp?id=1464>>.

³ U.S. Department of State, "International Affairs--FY2006 Budget," <<http://www.state.gov/r/pa/prs/ps/2005/41898.htm>>.

legislative dimension, with the partial exception of the European Parliament, is largely underdeveloped. Lastly, elements of a transnational civil society in the Euro-Atlantic region are still in an embryonic state.

IV. Who's Who in the Euro-Atlantic Security Region

Within the Euro-Atlantic sector, there are three categories of actors that seek to put SSR on the international agenda. First, there are the national governments, whose efforts have largely determined whether and to what extent SSR has been undertaken in the countries of the Euro-Atlantic alliance. Second, nongovernmental organizations such as the Geneva Centre for the Democratic Control of Armed Forces (DCAF) have played an increasingly important role in supporting SSR as part of the civil-society dimension of the Euro-Atlantic area. Finally, much national-level SSR is carried out through regional and international institutions and donors. It is on these organizations that this section will focus.

The mandates of regional and international organizations broadly fall into one of three categories: those with an emphasis on growth and development, such as the UN Development Program, the Organization for Economic Cooperation and Development, and the World Bank; those with a democracy vocation, such as the Council of Europe; and those that take a comprehensive approach, such as the European Union, the Stability Pact for South Eastern Europe, and the OSCE. There are also differences in the main instruments that these organizations tend to use. Some, such as the OSCE, are only charged with developing norms, while others, such as the World Bank, offer project financing, and still others, such as NATO, focus on project implementation. Sometimes organizations combine one or more of these roles; the European Union, which performs both financing and project implementation functions, is one such organization. Organizations also differ in geographical focus, with some concentrating on a specific region or country and others being active worldwide. Finally, while some organizations restrict their activities to either developing or transitional countries, others deal with both.

Several aspects of this institutional lineup stand out. One is that none of these institutions work on SSR in developed democracies. Another is that there are no multilateral SSR efforts of note in North America or the CIS area. In addition, the Euro-Atlantic region lacks a developed tradition of inter-

institutional dialogue and cooperation. This shortfall derives in part from a longstanding lack of cooperation between the development and security policy communities. In general, the organizations concerned with development have not been able to benefit from the experience of actors working on security-sector issues.

An example of this failure to coordinate is the relationship between the European Union and NATO, where there is a serious issue of policy fragmentation. Each organization takes a partial approach to SSR. NATO focuses on defense reform and democratic control issues, while the European Union, having only embryonic experience with military issues, concentrates on border, policing, and immigration issues in member and would-be member countries. Neither institution has a single body that is responsible for shaping its SSR agenda. Furthermore, there is little or no coordination between the two organizations on the processes of enlargement that both have been undergoing, or on their partnership programs with regions such as Central Asia and the Caucasus.

This lingering lack of coordination poses a risk to upcoming projects such as the rapid-reaction forces that both organizations are developing. In particular, this can be seen in issues such as the lack of common training standards, the waste that arises from overlaps in functionality, and the lack of clarity in arrangements for distributing double-allocated resources. Furthermore, until the major NATO and EU countries come to approach SSR as a criterion that must be met in their own countries, progress among their memberships as a whole will remain limited. However, some cases, such as the handover of command arrangements in Macedonia and now in Bosnia, provide grounds to hope for the future development of a tradition of cooperation. Also promising is the Ohrid Process, in which NATO, the European Union, the OSCE, and the Stability Pact have worked with western Balkan countries on border management reform.

V. Policy Issues and Conclusions for Security Sector Reform in the Euro-Atlantic Region

As this article has argued, SSR in the Euro-Atlantic region remains unfinished business. Some countries, particularly those which have joined NATO and the European Union, have made much more progress than others, including

those with a weak tradition of state control and those which suffered major conflict after the end of the Cold War. Now that the most recent waves of enlargement to these institutions have occurred, there is a risk that reform may be relegated to the back of the queue of reform challenges in other policy sectors. The agenda for all Euro-Atlantic states should now be to make national and regional security sectors more capable of addressing the changing strategic environment.

While the nature of the reforms will differ depending on the security sector, there are some common parameters that can be posited. First, the role of individual security-sector actors and civil management bodies needs to be reviewed against changed strategic requirements. Second, interagency cooperation needs to be improved in order to facilitate information sharing, analysis, and decisionmaking authority. Sometimes, the creation of new bodies may be required, but this can be disruptive and counterproductive. The onus should be on forming synergies across traditional jurisdictional dividing lines rather than on creating new institutions. Finally, the oversight functions of parliaments, ombudspersons, courts, the media, and civil society need to be thoroughly examined and reinforced wherever necessary.

These three parameters need to be evaluated for the state, sub-regional, and Euro-Atlantic levels. They should be analyzed on the sub-state and global levels as well. Within this complex system of policy environments, there are a number of points of priority importance. First and foremost, there is a need for a holistic approach to SSR.

Second, the distribution of resources must ensure a proper level of funding for the security sector, as well as balanced allocations for hard and soft security instruments. Third, more and better education and training are needed for those who are professionally involved in the security sector. Fourth, the various partnership programs developed by the Euro-Atlantic institutions need to be reinforced and extended, especially in view of the (almost) parallel enlargement of NATO and the European Union. Finally, SSR has to be embedded in a coherent and comprehensive overall strategy for creating new poles of cooperation between the Euro-Atlantic region and other parts of the world. This is essential not only to convince elites but also to convince an ever-more-interconnected "street level," and to dispel the image that Western countries are speaking with a forked tongue, following double standards in their policies, or preaching the acceptance of democracy abroad while ignoring the causes for the dwindling credibility of democracy at home. Here, the Euro-Atlantic region not only has the responsibility, but also the opportunity, to take the lead. ■

A longer version of this article, entitled "Security Sector Reform in the Euro-Atlantic Region: Unfinished Business," appears in chapter form in Alan Bryden and Heiner Hänggi, eds., Reform and Reconstruction of the Security Sector (Münster: Lit Verlag, 2004), available online at <http://www.dcaf.ch/publications/e-publications/SSR_yearbook2004/Chapter_2_Law.pdf>.



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