

Establishment of Demand-driven Military Resources Allocation Mechanism From the System

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Abstract: To solve the contradiction between supply and demand in military construction, we not only need to increase the scale of military expenditure supply and improve the supply structure, but also gradually give play to the dominant position of demand in the allocation of resources, and optimize the feedback mechanism for the actual demand of resources. Only by promoting the shift from supply-driven to demand-driven military support can the pressure on military security be effectively alleviated. The purpose of this paper is to analyze the ways to gradually promote the demand-driven military investment from the point of view of system.

Keywords: institutional arrangements; national security; demand-driven; military spending

1. Introduction

Under a certain military financial system, the military expenditure allocated by the state has the function of distribution and use and the guidance and operation mode required to play this function. That is, the mechanism of allocation of military resources. The mechanism of allocation of military resources includes the operational mechanism of military expenditure allocation, the mechanism of increasing the scale of military allocation and the mechanism of optimizing the configuration structure. At present, it is constrained by the scale and structure of military expenditure. The allocation mechanism of military resources is still a supply-driven mode in general, and the demand-driven mode, which can better reflect the military construction demand and construction planning, is the development direction of the military expenditure in the future.

2. The Composition and Influence Factors of The Allocation of Military Expenditure Resources

2.1. Purpose and Form of Military Resources Allocation

In a broad sense, military expenditure, that is, the expenses of the state for military purposes. In order for a country to defend itself against external aggression and to safeguard the interests of its rulers, it must rely on an organized and systematic instrument of violence. As can be seen, The existence of military objectives, on the one hand, aims at the narrow survival and security of the State, on the other hand, for the security of economic,

political and diplomatic interests in a broad sense, which constitute the concept of national security. Therefore, the ultimate purpose of the allocation of military resources is to maintain national security. In addition, the allocation of military resources is generally reflected by the investment and amount of military expenditure.

2.2. Institutional Arrangements for The Allocation of Military Resources

Institutional arrangements refer to a set of rules of conduct that constrain the actions of people in the particular socio-economic sphere, and also to a principled arrangement governing the manner in which cooperation and competition among economic units are governed. That is, equivalent to institutional arrangements. Military resources need to go through certain institutional arrangements before they can be transformed into military forces needed to safeguard national security, and the performance level of the operation of the system will directly contribute to the scale of investment in military resources. On the one hand, the system reflects the consideration of national defense security according to the cost-benefit principle as the relationship between the demand and supply of military expenditure. Input is the result of a balanced supply and demand of military resources under certain institutional arrangements, rather than a reflection of unilateral supply or demand. On the other hand, The system converts the demand of national security for the size and structure of military forces into the scale and structure of military investment. Therefore, as a result of the balance, military spending should include not only the scale of military spending, but also its structural setting. The system arrangement of military expenditure can

be divided into three parts according to the strategic choice of military expenditure, the arrangement of military expenditure decision-making and the output performance of military expenditure: international system, national decision-making system, and control system of military expenditure allocation.

2.3. Factors Affecting the Allocation of Military Resources

The ultimate purpose of military spending is to safeguard national security, and changes in the country's external security environment have also stimulated changes in the demand for military spending. The main influencing factors include the following three points: first, the security environment. From the point of view of national sovereignty, The impact of the security environment is mainly reflected in the influence of the external environment on military investment, including historical and ethnic factors, geopolitical factors, international political factors, etc. Second, military strategy. Military strategy can be divided into expansionary types. The military strategy is a part of the national strategy. Its formulation is based on the national interests and fundamental basis. The correctness and appropriateness of the military strategy will directly affect the national strategy. The fluctuation of the state of national security. Moreover, military strategy determines the basic level of the development of military power, and is also the basis for a country to weigh the scale of military expenditure. Third, military construction. On the one hand, from the narrow sense of "military spending," The objective of the allocation of military resources is the building of the army, which itself should be the embodiment of the military building in the form of funds and the form of financial support. On the other hand, the army is the basic force for maintaining national security. Under the general requirement of strengthening national defense construction, the maximization of combat effectiveness becomes the only goal of national defense and army building. Therefore, from the point of view of the generation of combat effectiveness, the structure of military expenditure is essentially a battle. The incremental configuration structure of many elements reflects the value form, therefore, the military construction factor is also an important consideration of military expenditure and even the premise of decision-making.

3. Analysis About The Path of Realizing The Demand-Drivenmodel of Military Resources Allocation Mechanism

Although the realization of national security can be achieved by various means, such as diplomacy, politics, economy, etc., but the building of military power is the most basic, long-term and overall approach. From the point of view of the issue of military spending, In order

to gradually establish the demand-driven allocation of military resources from the system, it is required, first of all, to take national security as the fundamental driving direction of demand, so that it can be communicated efficiently into the decision-making of state power, and then form the demand for the construction of military power. Finally, according to the needs, the military construction framework with the main body of military expenditure allocation, scale growth and structural optimization is formed and implemented. At the same time, the national security caused by the military force construction is also needed. The change of the situation is evaluated and managed to obtain efficient and accurate feedback on the demand. Each subject and process of influence can be shown in the following diagram.

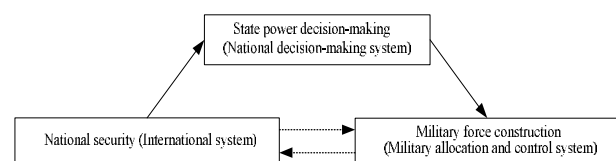


Figure 1. The Path of Demand-Driven Model of Military Expenditure.

The realization of the dominant position of demand in the allocation of military resources can alleviate the pressure on the scale of military input supply, while at the same time achieving the purpose of streamlining the scale of demand and optimizing the structure of demand. Therefore, under the reality that the increasing pressure of military expenditure is gradually increasing, the military expenditure will change from supply-driven mode to demand-driven mode.

4. Countermeasures and Suggestions For The Construction of Demand Led Military Resources Allocation Mechanism

4.1. Appropriate Military Strategic Options Based on Feedback From the International System

The international system is the result of the balance between the international social order and the power structure, and can also be regarded as a contractual relationship of interests among countries. It includes three parts: international organizations, mechanisms and practices. Sovereign states should safeguard national security. The international system must be used as a strategic framework to define the scope of national interest. Although the international system often becomes an instrument of strong States, military forces remain behind it as a guarantee of its formulation and implementation, Moreover, the ultimate force to resolve the conflict of state power is often the military force. However, the appropriate military strategic choice, within the framework of the international system, can bring less conflict resolution costs and

The external influence, and as far as our country is concerned, is in line with the current military strategic policy of active defense, and therefore is undoubtedly an excellent means of coordination.

President Xi Jinping proposed at a meeting of the National Security Council that military reform should establish a "general national security concept." in view of this, the formation of an appropriate military spending strategy requires an accurate estimate of the national security situation under the international system. Define exactly the requirements for national defense security maintenance, so as to arrive at a correct and efficient strategy for building military forces. For example, in different periods, the US military will determine the national interests according to the specific conditions facing the country, and carry out military strategic planning on this basis. Including the inclusion of national interests in quadrennial defense review reports, national military strategy and defense reports, and other documents to form systematic guidance for building military forces. For example, the U.S.DOD got accurate handling of collective security thinking and big country thinking in the national security strategy, including its active policies of military industry cooperation and defense cost sharing, such as the F-35 "lightning" project, had effectively alleviated the pressure on military construction. It also maximized the effectiveness of military investment brought about by the deployment of defense forces and the guarantee of general purpose.

4.2. Efficient Military Military Decision-Making Arrangements Based on The National Decision-Making System

The national decision-making mechanism refers to the relationship between the decision-making organs of the state power and the institutional arrangements for their operation procedures. As a collective act, the decision-making of the state is usually carried out by political diplomacy. Military and economic groups... Although the size, type and structure of military forces are directly dependent on the definition of the needs of military forces required by decision makers for the maintenance of national security and on the decision-making arrangements for building up military forces, However, the scale and structure of military investment still come from the judgment of the demand for military power construction. Therefore, the efficient military decision making arrangement should be based on the accurate estimation of the situation of national security. The accurate demand for the construction of military forces makes the decision of military resources investment aim at the need of future support, thus reducing the opportunity cost and improving the efficiency of converting military resources into defense forces.

President Xi Jinping pointed out: to study military issues, we need to accurately grasp the new trend of world military development, establish a system of resource allocation, and have a comprehensive and open "overall view of resources." in this regard, we must form efficient military spending decision-making arrangements. It is also necessary to establish a dynamic policy implementation feedback mechanism. Estimates of national security cannot always be put in place. In this case, inefficient communication mechanisms will lead to duplication of construction, waste and even mutual restraint, and will not achieve the effect of reflecting real needs. This requires timely feedback and a new decision on military spending according to the overall allocation of resources and new deployment requirements. For example, the U.S. DOD had many large-scale advanced weapons procurement projects because of the early mistakes in judging the national security strategy, they had to give up in the middle and late stages. For example, the Army's "Future Combat system" (FCS), which cost \$19 billion and the RAH-66 "Comanche" stealth armed reconnaissance helicopter, which cost US \$8 billion for 21 years. And, nearly \$2 billion had been spent on XM2001 Crusaders and so on, and the abandonment or partial abandonment of these projects has wasted a lot of sunk costs. However, for the development of these weapons and equipment, The U. S. DOD had formed a suspension mechanism based on the Federal acquisition regulations, the Federal acquisition regulations, the Department of Defense supplementary regulations and other documents. While any projects bi what the new strategic plan is required from the interests of the state, it is timely to rectify and stop the loss in time.

4.3. Improving the Quality and Efficiency of Military Spending Based on The Military Spending Allocation And Management System

Military resources form proper military strategy in the national construction, and the corresponding decision-making arrangements, also needs the specific configuration and management to military units formed the ultimate goal of national security required - military force. The military expenditure allocation system refers to a series of procedures, the allocation of state budget method, constraint rules and the system composition of the military resources through the constraint allocation to various military departments, the formation of military forces. While the military management control system is a management control system for military use instead of the configuration process, the control of the military, the allocation of the standard quota management, accounting, evaluation Supervision, etc., to increase the efficiency of military output, that is, the formation of military power. Specifically, on the one hand, it is necessary to optimize the military expenditure allocation. One is to improve the

efficiency of the military resources allocation system. The inter-departmental military spending decision-making behavior is consistent with the overall goal of national security in the allocation of military resources. Second, it is necessary to improve the efficiency of the military resources allocation procedures. Military spending is arranged from the initial decision to the final formation of military force, in which the budget is drawn up. The process of power negotiation and approval, appropriation of funds, write-off of final accounts and other procedures will result in the leakage of the total amount of military resources and the delayed cost of time. Therefore, it is necessary to streamline the allocation procedures and form highly efficient funds. The overall efficiency of the military resources allocation system depends on the choice and optimization of the resource allocation mode. Including the selection of military budget form and military budget method, as well as the improvement and perfection of work implementation method.

On the other hand, it is necessary to strengthen military expenditure management and control. First, it is necessary to do a good job in calculating the demand for military expenditure standards and the amount of money used, and properly handle the total and structural contradictions in the use of military expenditures, so as to restrict the size of military expenditures. If the expenditure plan is far away from the actual use, it will inevitably lower the overall economic benefit of the expenditure. For example, in the case of tight equipment expenditure, the maintenance cost of the equipment costs is too high. It will make the purchasing funds of advanced weapon and equipment system and the funds for its equipment scientific research insufficient, so that a considerable number of scientific research achievements will be limited by the time factor of output and no longer have the leading advantage, resulting in the waste of the investment in the past period. It is to strengthen the consistency of powers and responsibilities in the work of military expenditure supervision, evaluation and accounting, and to implement perfor-

mance management. By promoting standardized construction, standardized supply, and standardized management of funds, we should properly handle the structural contradictions between categories when funds are allocated. In order to achieve the transparency and standardization of funds management and control.

5. Conclusion

In general, the international system, the national decision-making system and the military allocation and management system need to cooperate effectively, and build the circulation loop from national security, military strategic decision to military power construction, so as to form a demand-driven military security model, only in this way can we push the allocation of military resources to a streamlined and efficient mode.

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