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## Policy Briefs

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### Authors

CHEUNG, Tai Ming  
WILSON, Jordan

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**IGCC White Paper on Defense Transparency  
in Northeast Asia  
2013–2014 Edition**

**Tai Ming Cheung and Jordan Wilson**

UC Institute on Global Conflict and Cooperation

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## **INTRODUCTION**

The 2013–2014 Northeast Asia Defense Transparency Index (DTI) measures transparency in defense activities in one of the most strategically important but politically volatile regions of the world. In the fifth year of this Index, its central goal remains to provide a rigorous, quantitative-based measurement of this essential but contested concept.

Improving trust, confidence, and credibility in Northeast Asia’s security environment is becoming ever more pressing as arms competition intensifies among major regional powers and security interests become increasingly entangled. In this climate of growing security anxiety, the demand for timely and relevant defense information has grown, not only from governments and their militaries but also from many other quarters, including the general public, media, and business community. But while the case has been made by policy and academic experts that increased transparency could potentially meet some of these demands and strengthen mutual trust between states, defense transparency lacks agreed-upon definitions and standardized means of measurement. The Institute on Conflict and Cooperation (IGCC) has sought to address this analytical gap to provide a general framework for defining and measuring defense transparency, specifically for the six states covered in the DTI: the Democratic People’s Republic of Korea (DPRK), Japan, the People’s Republic of China (PRC), the Republic of Korea (ROK), the Russian Federation (Russia), and the United States.

The brief begins by presenting the methodology used by IGCC to initially develop the DTI, then highlights changes made to improve the process in this latest edition. This is followed by the final scores achieved by states in the 2013–2014 DTI, which are compared with previous years. The Analysis section examines what brought about scoring changes for these states from the previous editions of the index. Finally, the Country Assessments and Recommendations section summarizes trends for each of the six countries.

By taking a comprehensive approach to defense transparency and continuing to refine our methodology, we want to ensure that the DTI will remain an informative, relevant and adaptive tool for measuring defense transparency going forward, enabling comparison both across states and over time.

## **METHODOLOGY**

### ***Theoretical Foundations and Indicators***

Academic literature on transparency typically falls into three general areas of focus: 1) a state’s information-sharing process, 2) its domestic institutions and hierarchies, and 3) the signals and intentions that transparency seeks to convey. The DTI seeks to unite these approaches by using the following definition of defense transparency:

An ongoing process in which governments credibly transmit timely, relevant, and sufficient information about their military power and activities, budgetary matters, and intentions to allow other states and domestic audiences to assess the consistency of this information with declared strategic interests and institutional obligations to reduce misperception, ensure good governance, and build mutual trust.

The DTI uses eight indicators to measure this process, each of which highlights a different theme:

- 1. Disclosures in defense white papers:** Subcategories include strategy and doctrine, forces and employment, acquisition and procurement of armaments, defense management and resources, and access and oversight.
- 2. Disclosures on defense ministry websites:** Subcategories include defense policies, news reports, acquisition and procurement of armaments, defense ministry information, key personnel, force structure, and website features.
- 3. Reporting on defense matters to the United Nations:** The UN reporting instruments assessed are the Standardized Instrument for Reporting Military Expenditures, Register of Conventional Arms, Database on National Legislation on Transfer of Arms, Military Equipment and Dual-Use Goods and Technology, and Information on Confidence Building Measures.
- 4. Openness of defense budgets:** Subcategories include budget proposals, public access, budget reports, and auditing of general budgets, as well as accuracy, oversight, detail, secrecy, and completeness of defense budgets.
- 5. Legislative oversight of defense issues:** Variables in two subcategories (general oversight, based on the Open Budget Index, and defense oversight, based on variables measured by IGCC) include legislative branch independence, subpoena powers, public hearings, legislative reports on defense issues, and oversight of central government administrative units.
- 6. Independence of defense media reporting:** Variables in six subcategories (one on general defense reporting, measured by IGCC, and five from the Reporters Without Borders (RSF) Press Freedom Index) include control of defense media, coverage of defense issues, legal status of media organizations and journalists, pluralism and editorial independence, legal doctrine and practice, and levels of internet monitoring.
- 7. Disclosures regarding international defense activities:** Variables include strategy and doctrine, security cooperation, military exchanges, arms sales, membership in security-related international institutions, and consistency of international military activities with declared intentions.
- 8. Disclosures regarding cyber activities:** Variables include strategy and doctrine, capabilities, cyber-related defensive and offensive measures, definitions of cyberspace terms, cyber-related policies and organizations, and consistency of cyber activities with declared intentions.

Additionally, each of these indicators aligns with one of the prevailing theoretical areas of focus found in academic studies of transparency, as shown in Table 1.

**Table 1.** Alignment of DTI indicators and academic literature foci

| Indicator                                     | Scoring Composition  | Sources  | Variables                                    | Academic Literature Focus             |
|---|--|--|--|---------------------------------------|
| 1. White Paper Transparency                   | 100% for information derived from Defense White Papers                                     | Defense White Papers                                 | 77 variables in 5 categories                 | Information-Sharing Process           |
| 2. Website Transparency                       | 100% for information derived from Defense Ministry websites                                | Defense Ministry websites                            | 78 variables in 11 categories                |                                       |
| 3. United Nations Reporting Transparency      | 100% for information derived from United Nations reports                                   | United Nations documents                             | 8 variables in 4 categories                  |                                       |
| 4. Budget Transparency                        | 80% from Open Budget Index scores<br>20% from IGCC-crafted, defense-focused scores         | Open Budget Index<br>External research               | 50 variables in 4 categories<br>5 variables  | Domestic Institutions and Hierarchies |
| 5. Legislative Oversight Transparency         | 44% from Open Budget Index scores<br>56% from IGCC-crafted, defense-focused scores         | Open Budget Index<br>External research               | 8 variables<br>10 variables                  |                                       |
| 6. Media Transparency                         | 80% from Open Budget Index scores<br>20% from IGCC-crafted, defense-focused scores         | Reporters Without Borders Index<br>External research | 142 variables in 5 categories<br>9 variables |                                       |
| 7. International Activities Transparency      | 75% for information provided, minus $\leq 25\%$ for inconsistency with declared intentions | Defense White Papers, websites<br>External research  | 39 variables<br>7 variables                  | Signals and Intentions                |
| 8. Cyber Activities Transparency              | 75% for information provided, minus $\leq 25\%$ for inconsistency with declared intentions | Defense White Papers, websites<br>External research  | 42 variables<br>6 variables                  |                                       |
| 9. Maritime Activities Transparency (Planned) | 75% for information provided, minus $\leq 25\%$ for inconsistency with declared intentions | Planned  | Planned                                      |                                       |

### ***Changes in the 2013–2014 Index***

IGCC made the following structural changes to the DTI in 2013–2014:

**New section added to Budget indicator:** While all the variables for this indicator were previously derived from the International Budget Partnership’s Open Budget Index (OBI), we developed and added five additional questions that now count for 20 percent of the total possible score. This was done based on concerns that the OBI’s focus on budget transparency in general, with only a few questions dealing with defense spending specifically, could reduce our index’s sensitivity to year-on-year changes in defense budget transparency that might occur separate from national trends. The new section adds variables in five key topics in defense budgeting: 1) accuracy of declared military spending; 2) oversight by legislature of secret budget items; 3) the level of detail to which defense budgets are broken down; 4) the percentage of spending marked as secret; 3) and the level of off-budget defense expenditures. Annual assessments from the Stockholm International Peace Research Institute (SIPRI) Yearbook and International Institute of Strategic Studies (IISS) Military Balance are used as sources for the first variable, and Transparency International’s Government

Defense Anti-Corruption Index is the source for the other four. With these changes, the DTI now draws upon the strength of multiple high-quality outside reporting instruments and is able to measure defense budgeting more specifically within this indicator.

**New sections added to International Activities and Cyber Activities indicators:** As noted earlier, processes, institutions, and signals all matter for transparency. While the index measures processes (white paper, websites, UN reporting) and institutions (budget, legislative oversight, and media) well, we determined that an improvement could be made in the third category. Even if we effectively capture the quantity of a state’s disclosures and the quality of its institutions, the question of whether its statements are actually believed must still be addressed. As the International and Cyber Activities indicators are best aligned with the signaling aspect of transparency,<sup>1</sup> as shown in Table 1, we decided to add sections to assess how states’ strategic intentions in these areas were perceived. Scores can now be reduced by up to 25 percent for inconsistencies in the following areas:

***International Activities:*** Points are deducted for reduced transparency if a state is verifiably perceived as having engaged in activities since the publication of the last DTI that are beyond the scope of its stated intentions. These activities are broken down into variables for international missions, foreign military sales, weapons procurement levels, weapons procurement types, military exercises, unannounced military activities, and unilateral establishment of defense-related zones or territorial boundaries.

***Cyber Activities:*** Since the publication of the last DTI, if a state has used CNE (computer network exploitation) or CNA (computer network attack) in a way that is beyond the scope of its declared intentions and capabilities, or has engaged in training personnel or preparing resources for cyber warfare in a way that likewise goes beyond these stated intentions or capabilities, points are deducted for reduced transparency.

Gauging transparency along these lines is a valuable addition to the index, but adds a layer of challenge that must be acknowledged: the activities for which points can be subtracted are often the subject of intense disputes between states or may even be met with outright denial. However, outside perceptions regarding disruptive international activities, and instances of cyber hacking where substantively attributed, are often verifiable.

IGCC has established the following sourcing requirements for these variables: 1) Two or more sources from 2013–2014 must be found verifying this perception (for International Activities) or occurrence (for Cyber Activities); 2) Sources must be of high quality, to include sourcing from reputable media outlets, articles in leading academic journals, or official government statements; and 3) The evidence behind this occurrence as presented in the source must be of a high quality, as judged by IGCC.

A number of other minor adjustments were also made:

- **Change to scoring for United Nations indicator:** We altered the way reports submitted on an intermittent rather than annual basis are penalized in this section, with 20 percent of the

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<sup>1</sup> A third indicator in this category, Maritime Activities, is planned for the next DTI, also intended to include a “signals and intentions” section.

original score received for a submission now subtracted for each intervening year in which a new report is not submitted, rather than 100 percent as before. This “depreciation” method acknowledges that reports continue to retain some value for transparency in the ensuing years after their submission, while maintaining our emphasis on timeliness as an important part of the transparency process.

- **Change to sourcing for the Legislative Oversight indicator:** Sourcing for this section, which requires judgments on levels of defense oversight in states’ political systems, was standardized to establish official government publications, academic writings, and media reports as acceptable sources.
- **Change to sourcing for Cyber Activities indicator:** Sourcing for this section was expanded to include all government documents, as this field spans a state’s entire government structure and cyber activity doctrines and disclosures are not limited to defense white papers and websites.
- **Updated variables for Media indicator:** Major changes to the Reporters Without Borders (RSF) Index in 2013 necessitated a reworking of this section, which uses RSF scores for 80 percent of its total. Variables were replaced with the new data collected by RSF in its questionnaires, and scoring ratios were updated.
- **Improvements to DTI data file:** IGCC made improvements to the data file itself, ensuring sources were recorded for every data point, providing explanations for formulas and notes throughout the spreadsheet, and making it available for download from our website.
- **Streamlining selection of variables:** As part of our preparation process, IGCC examined all variables used to ensure that the selection was relevant, properly weighted, and without redundancies. Based on this review, ten variables were removed from the White Paper indicator, one from Legislative Oversight, and five from Cyber Activities, resulting in a few slight scoring changes but improving accuracy overall.
- **Reexamining documents used in prior versions of the index:** IGCC undertook a comprehensive review of all white papers and other documents that were used for previous indices but still applied to 2013–2014, usually because a new paper had not been published. This was the case for the ROK and Russia in the White Paper section. This review resulted in the 2013–2014 score sometimes differing from the 2012 score for the same document if a researcher found information that was previously missed or judged previously counted disclosures to be inadequate in light of new cross-country comparisons. These changes were mostly minor and helped to improve the accuracy of these assessments.



## RESULTS

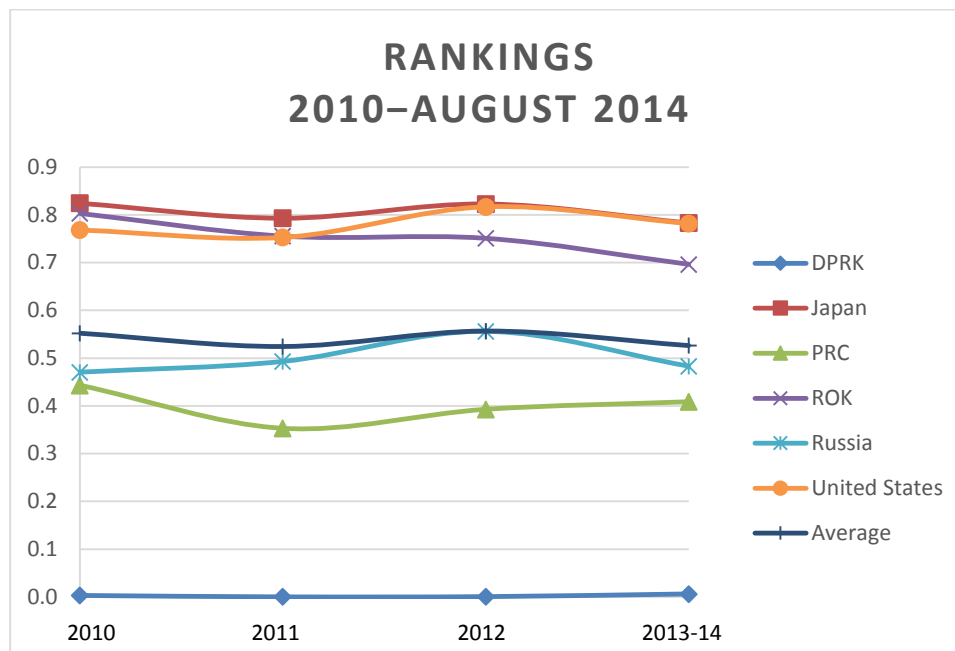
With all data recorded according to the methodology outlined in the previous section, Table 2 shows the final scores and order of ranking for the six countries measured in the 2013–2014 Defense Transparency Index.

**Table 2.** 2013–14 rankings compared with 2013

|                      | 2013–14<br>Total | 2012<br>Total | 2013–14<br>Rank | 2012<br>Rank | Trend |
|----------------------|------------------|---------------|-----------------|--------------|-------|
| <b>Japan</b>         | <b>0.780</b>     | 0.823         | <b>1</b>        | 1            | ↓     |
| <b>United States</b> | <b>0.776</b>     | 0.817         | <b>2</b>        | 2            | ↓     |
| <b>ROK</b>           | <b>0.691</b>     | 0.751         | <b>3</b>        | 3            | ↓     |
| <b>Russia</b>        | <b>0.472</b>     | 0.556         | <b>4</b>        | 4            | ↓     |
| <b>PRC</b>           | <b>0.412</b>     | 0.393         | <b>5</b>        | 5            | ↑     |
| <b>DPRK</b>          | <b>0.006</b>     | 0.001         | <b>6</b>        | 6            | ↔     |

By a fine margin, Japan finished first in defense transparency again in 2013–2014 with a score of .783, or 78.3 percent of points available. The United States finished just behind at .782, followed by the ROK at .696, Russia at .483, China at .413, and the DPRK at .006.

The Rankings graph shows how these countries have scored on the DTI over time, for a fuller picture of regional trends.



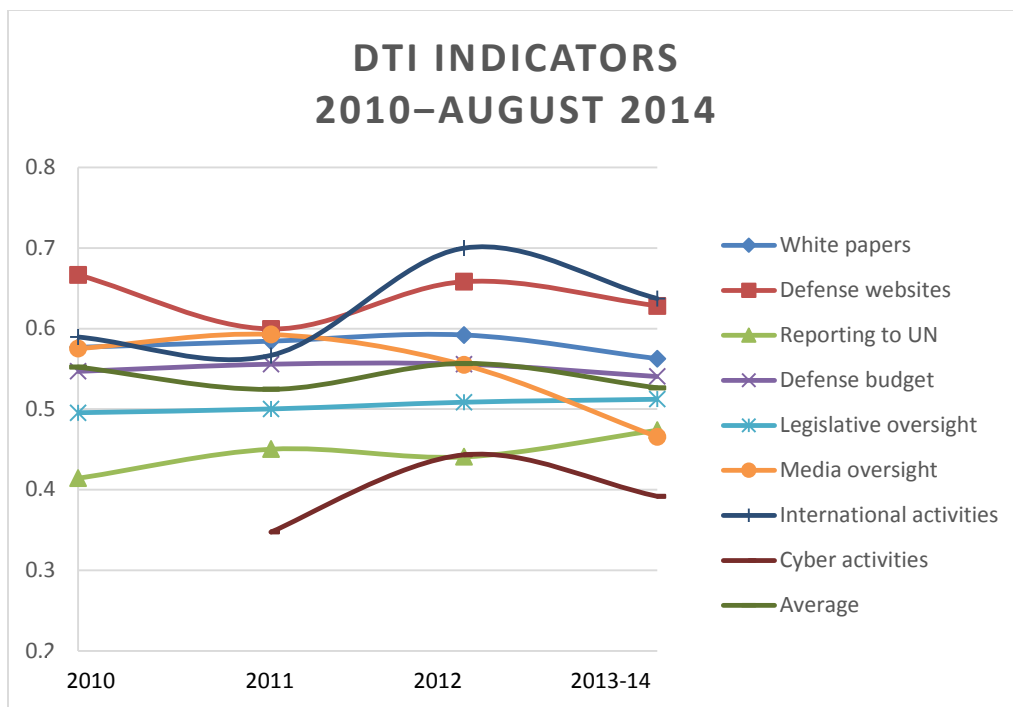
Overall, Northeast Asia has seen a downward trend in defense transparency since 2012, both as a region and for individual states, with the average score dropping 3 percentage points, from .557 to .527. Reasons for this decline will be assessed in later sections of this report, but several findings are apparent.

First, the United States narrowed its deficit against first-place Japan and could easily contend for the lead in next year's DTI, but this must be seen in the context of declining scores for both countries. Second, China is notable as the only country to increase its score since the last DTI. This shift was driven almost entirely by a major effort to improve its UN reporting. Third, Russia exhibited the greatest decline, losing 7 percentage points, followed by 5.5 for the ROK, 4 for Japan, and 3.5 for the United States.

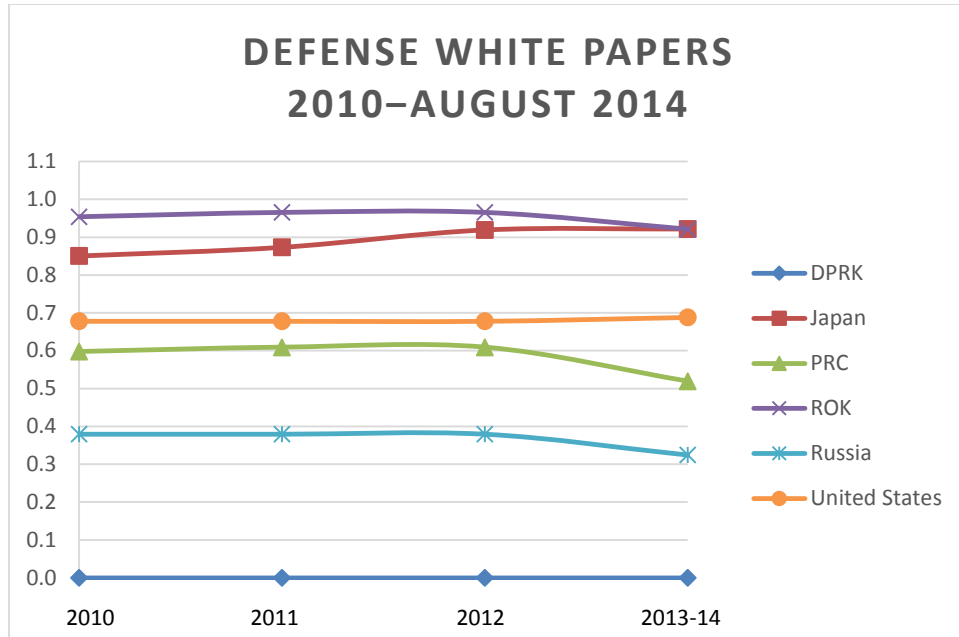
## ANALYSIS

This section breaks down the 2013–14 DTI scores by the eight individual indicators to examine regional defense transparency trends in more detail. It also explains the changes observed in each indicator, tying these to larger current events, policy decisions, and institutional changes where applicable. This analysis is instrumental to identifying these states' areas of strength and weakness and providing recommendations for improvements (see Country Assessments and Recommendations).

As the DTI Indicators graph shows, most indicators, with the exception of UN Reporting and Legislative Oversight, dropped over the past two years when considering Northeast Asia as a whole. This is seen most sharply in Media Oversight, which fell 9 points largely due to the poor showing by several states in the Press Freedom Index. Overall, states in the region are seen to be relatively more transparent in their Defense Websites, White Papers, and International Activities coverage, while Cyber Activities lags behind as the area of greatest concern. Each of these indicators will now be analyzed in turn.



## Defense White Paper



**Japan** (no change): Japan published a new white paper, “Defense of Japan 2013,” and again sets the regional standard, along with the ROK, for comprehensiveness and transparency in this area.

**China** (−9 points): China published a new document, “The Diversified Employment of China’s Armed Forces,” in 2013, in which it published personnel numbers for its army, naval, and aviation forces for the first time. These gains were offset, however, by the absence of spending figures, which had been included in previous white papers, as well as other minor adjustments.

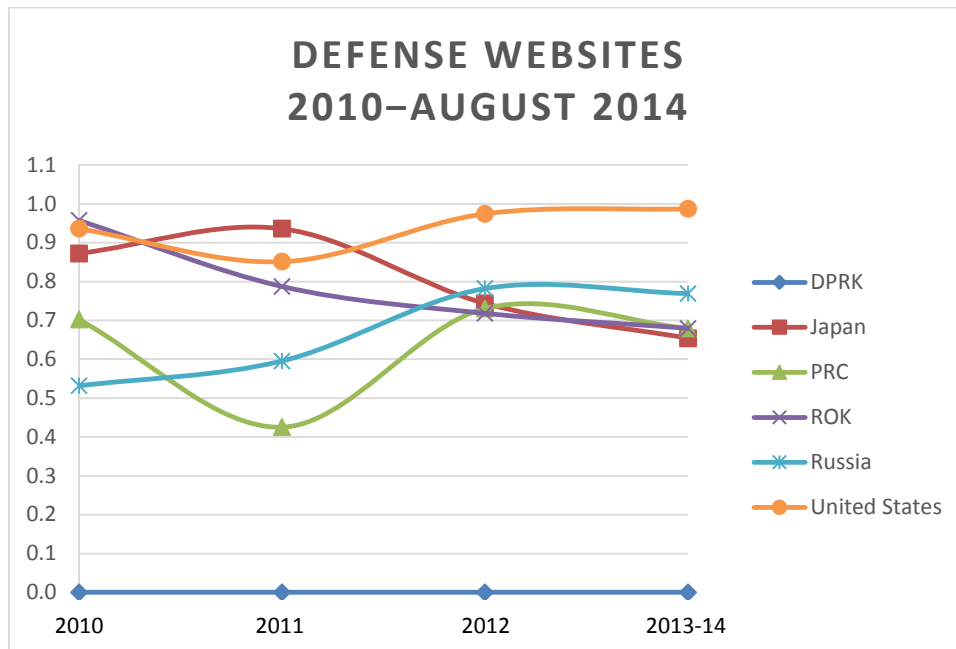
**ROK** (+4 points): As the ROK has published no new white paper since the last DTI, these changes resulted from a new look at the existing ROK white paper using the updated methodologies in this year’s DTI.

**Russia** (−6 points): Russia’s white paper, “The Military Doctrine of the Russian Federation,” was used for the fourth straight year as no new document has been published. IGCC variable and scoring corrections reduced Russia’s score slightly, rather than a change in its views on transparency. IGCC determined this year that another document, “Russia’s National Security Strategy to 2020,” should also be included as a source as it represents another channel for defense disclosures, analogous to the United States publishing both the National Security Strategy and Quadrennial Defense Review.

**United States** (+1 point): The United States published its Quadrennial Defense Review in 2014, which included figures on active-duty naval and aviation personnel for the first time. These and other minor adjustments contributed to the one point gain.

## Defense Ministry Website

For this section, it is important to note that the information provided on websites fluctuates constantly, and a decline in scoring does not necessarily indicate an intentional removal of information. Long-term trends, however, will bear watching.



**Japan** (-9 points): Surprisingly, Japan has fallen from first in this category in 2011 to fifth this year, with information found previously on variables such as naval structure, total active duty figures, operations, laws, and arms control lacking on the current website.

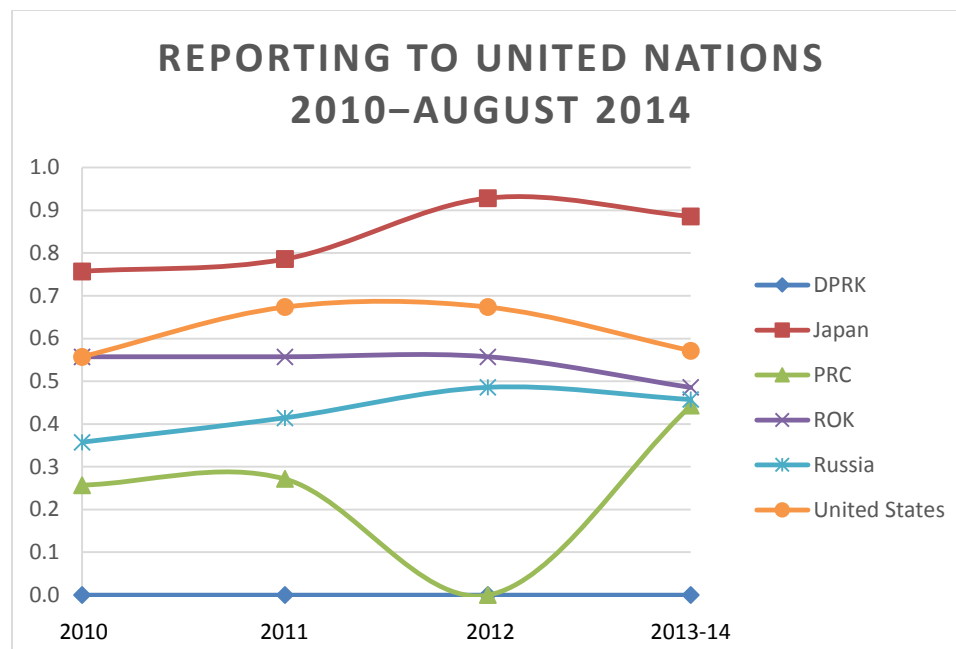
**China** (-5 points): As seen in its white paper, China's defense ministry figure features newly added personnel figures. It fluctuated, however, in information provided several other variables, including basing information.

**ROK** (-4 points): More information was located on the ROK website regarding variables such as laws and the country's role in international security organizations, but this was offset by declines in information on bases, total active duty figures, and naval and aviation force structure.

**Russia** (-1 point): Russia showed slightly less information than found previously on personnel figures, bases, and operations.

**United States** (+1 point): The United States showed some year-to-year fluctuations, but overall sets the standard by providing information on nearly every single variable measured, the exception being contact information for military spokespersons.

## UN Reporting



**Japan** (−4 points): Japan still outpaces other states in transparency in this area, but slipped slightly for failing to renew one form, Information on Confidence Building Measures, for the third time since 2010.

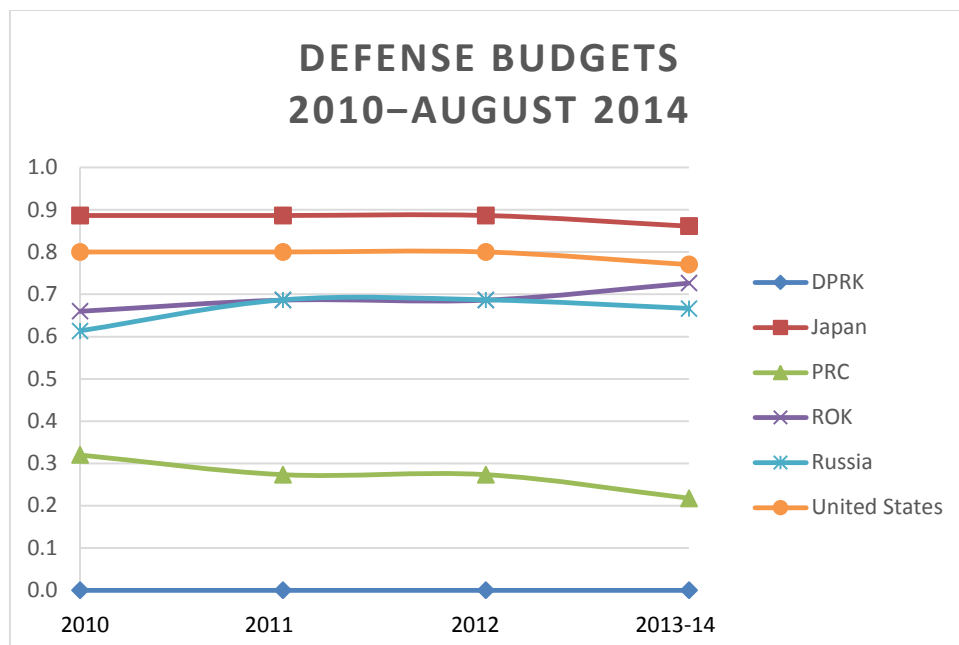
**China** (+44 points): Having submitted no reports to the UN in 2012, China made a concerted effort to boost its reporting this year. Points were gained for submitting forms for the Standardized Instrument (albeit the simplified form), Register of Conventional Arms, and Database on National Legislation on Transfer of Arms.

**ROK** (−7 points): The ROK renewed its Register of Conventional Arms reports in 2013–14, but saw its Standardized Instrument and NLDU scores depreciate for failing to renew these items.

**Russia** (−3 points): Russia submitted new Standardized Instrument and Register of Conventional Arms documents, but slipped three points for failing to report current imports/exports on the latter. It has yet to file reports on the other two categories since 2010.

**United States** (−10 points): The United States also renewed its Standardized Instrument and Register of Conventional Arms documents, but provided much less detail in the latter area and again submitted nothing for the other two categories. This led to a 10 percentage point deduction in its score.

## Defense Budget



**Japan** (−3 points): There were no significant changes beyond IGCC variable and scoring corrections. Japan is not counted in the OBI, which comprises 80 percent of the score for this category, but IGCC again conducted its own research and assigned it scores in the same categories.

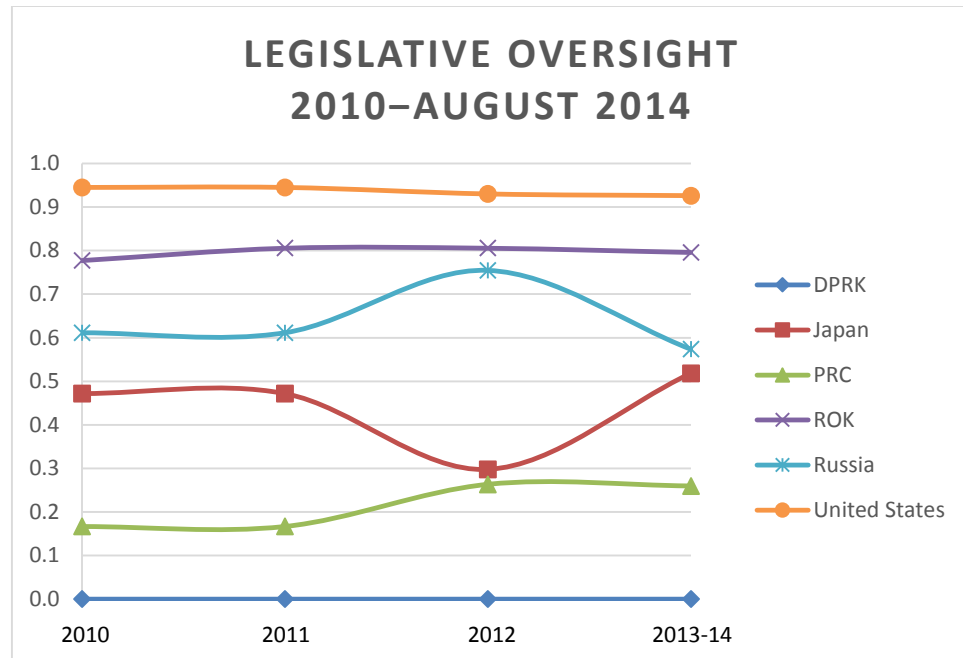
**China** (−6 points): China’s score declined in the 2013 OBI, where it is penalized for weaknesses in legislative oversight, independent auditing, and public participation in the budget process. It also struggled in the new IGCC-crafted Defense Budgeting section, particularly in its budget accuracy (viewed with skepticism by SIPRI and IISS), low oversight, low detail, and a high percentage of secret spending.

**ROK** (+4 points): The ROK saw its score improve slightly in the OBI, which complimented its performance in public engagement, among other factors. It also performed well in the new defense budgeting section, with the exception of a high percentage of military spending going to secret items.

**Russia** (−2 points): Russia performed well in the 2013 OBI but declined due to its low defense budgeting score, particularly in accuracy as assessed by SIPRI, as well as oversight, detail, and secrecy.

**United States** (−3 points): There were no significant changes beyond IGCC variable and scoring corrections.

## Legislative Oversight



**Japan (+22 points):** Japan remained in fourth place, but saw a significant increase due to IGCC variable and scoring corrections. A reassessment of sources led to a broader understanding and more accurate scoring of its defense budgeting process.

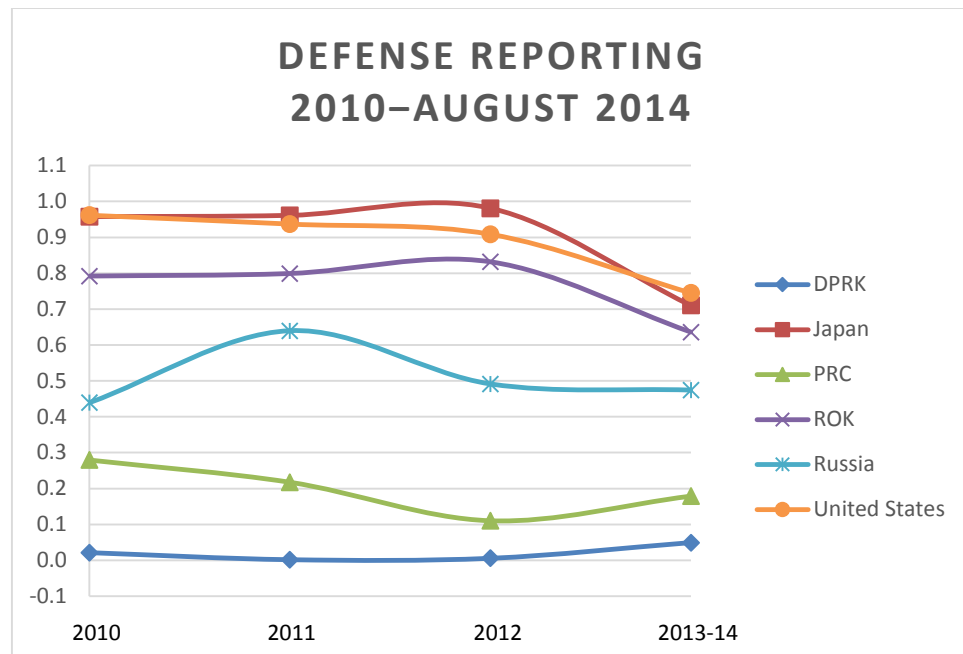
**China (no change):** China remained in fifth place in this area, unable to score on variables gauging legislatures' substantive authority to compel hearings and develop budgets.

**ROK (−1 point):** No significant changes beyond IGCC variable and scoring corrections.

**Russia (−18 points):** Russia declined on both OBI and IGCC-crafted variables, particularly those dealing with the legislature's ability to formulate and amend budgets, and legislative supervision over the defense apparatus. Research failed to locate evidence of these as had been documented previously, potentially indicating the increasing "rubber stamp" function of Russia's legislature overall.

**United States (no change):** The United States again scored highly on nearly every variable to lead in this category.

## Defense Media Reporting



**DPRK** (+4 points): North Korea registered a score here due to variables offering points for having any sort of defense reporting at all, but still lacks any sort of private media and has little to no press freedom, according to the Reporters Without Borders (RSF) 2014 World Press Freedom Index.

**Japan** (-27 points): Japan took a heavy hit in the Press Freedom Index, assessed by RSF to be due to its “special intelligence protection bill,” or “secrecy law,” adopted in late 2013 that reduces government transparency on issues such as nuclear power and relations with the United States.

**China** (+7 points): No significant changes beyond IGCC variable and scoring corrections.

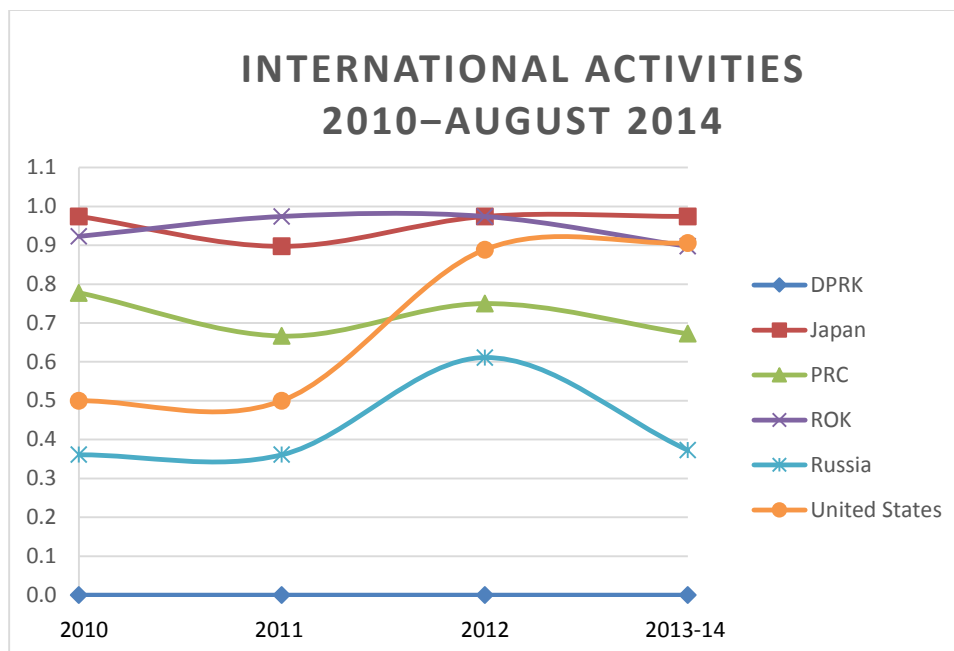
**ROK** (-20 points): The ROK dropped significantly in the Press Freedom Index due to the arrest of two independent journalists since the last DTI.

**Russia** (-2 points): No significant changes beyond IGCC variable and scoring corrections.

**United States** (-16 points): The Press Freedom Index hit the United States hard for several cases of what it perceived as reductions to media freedoms due to “overly abusive interpretations of national security needs”: Manning, Snowden, Risen, Brown, the seizure of Associated Press phone records, and prosecution of sources under the Espionage Act.



## International Activities



**Japan** (no change): No significant changes beyond IGCC variable and scoring corrections.

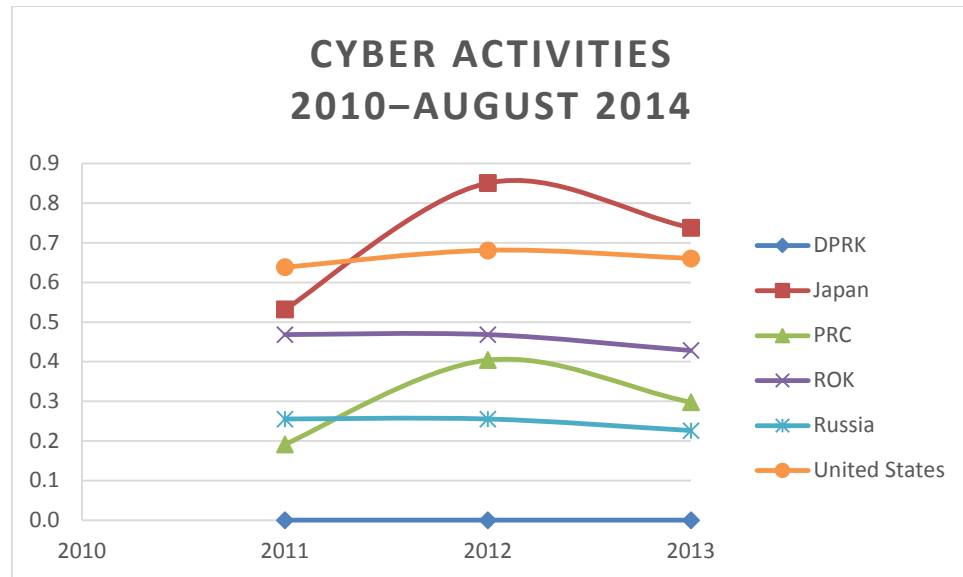
**China** (–8 points): China was affected by the new IGCC-crafted defense-focused section, seeing points subtracted for the unilateral establishment of an Air Defense Identification Zone (ADIZ) in November 2013 and the unannounced interception of a U.S. aircraft in international waters in August 2014. The inclusion of these events is sourced and explained further in the supporting data file to this report. As described earlier, activities such as these are incongruent with or lack coverage under stated intentions matter, due to their potential to engender new security concerns.

**ROK** (–8 points): No significant changes beyond IGCC variable and scoring corrections.

**Russia** (–24 points): Russia lost points under the new IGCC-crafted section due to concerns caused by its role in the conflict in eastern Ukraine in the spring and summer of 2014. First, while stated intentions were to not intervene militarily in Ukraine or interfere in its internal affairs, clear and well-evidenced international reporting shows that Russian troops have entered Ukraine in violation of these promises on repeated occasions. Second, despite Russia’s declaration that it would not arm rebels, international reporting again shows that this has occurred. Third, military exercises close to the border with Ukraine have been widely perceived as unusual and threatening, again calling into question Russia’s promise not to intervene. Finally, instances of “snap” military exercises in 2013 in the Black Sea and in 2014 near the Ukraine border cost Russia under the variable for unannounced military exercises. These events are sourced and explained in the supporting data file to this report.

**United States** (+2 points): The United States lost points in the new section for perceptions of military activity lacking sufficient announcement, specifically its decision to fly B-52 bombers through China’s newly established ADIZ in November 2013. This was offset by additional transparency on exercises and missions in the 2014 Quadrennial Defense Review.

## Cyber Activities



**Japan** (−11 points): Japan was affected by reduced information available in its current defense white paper on several variables, including cyberspace definitions, cyber operations, and cyber-related defense criminal investigative organizations.

**China** (−11 points): China was affected by the new IGCC-crafted section on consistency with declared intentions, as its military has been assessed to have exploited the networks of U.S. private companies, contractors, and government entities, despite assertions that its policy is to never engage in these activities. These instances are sourced and explained further in the supporting data file to this report.

**ROK** (−4 points): No significant changes beyond IGCC variable and scoring corrections.

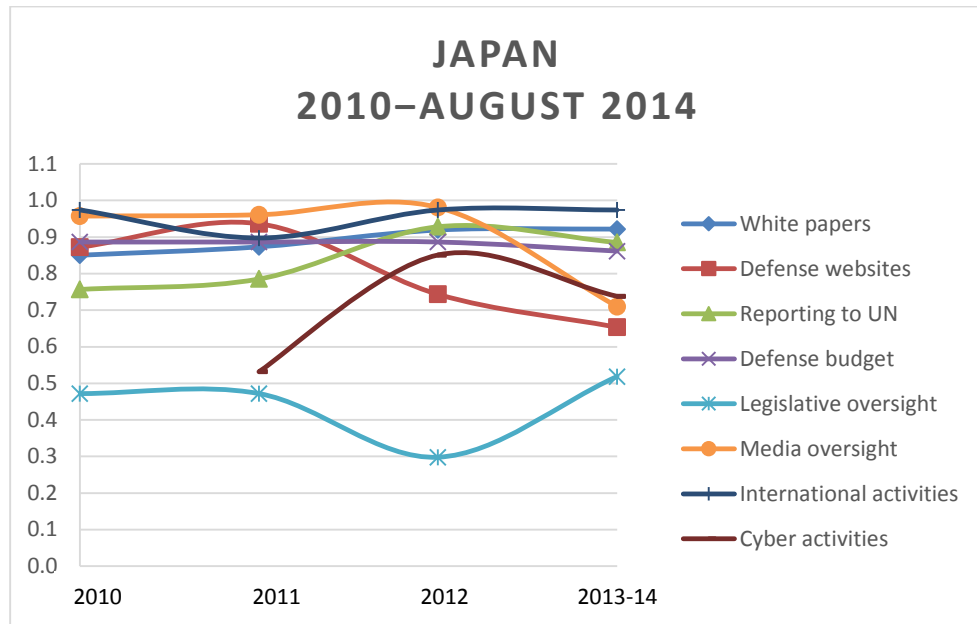
**Russia** (−3 points): Russia was affected by media revelations on the Snake/Ouroboros cyber weapon, linked to Russia by international military and security analysts.

**United States** (−2 points): The United States lost 13 percentage points because of revelations regarding global surveillance, penetration of private and academic networks, and cyber-attack target lists in 2013–2014, all either in violation of or in the absence of declarations on cyberspace intentions, as verified in the data file. The United States gained many of these points back, however, with expanded disclosures in the new Quadrennial Defense Review and in Congressional testimony by government officials.

## COUNTRY ASSESSMENTS AND RECOMMENDATIONS

This section summarizes each country's standing in defense transparency and highlights key areas for potential improvement.

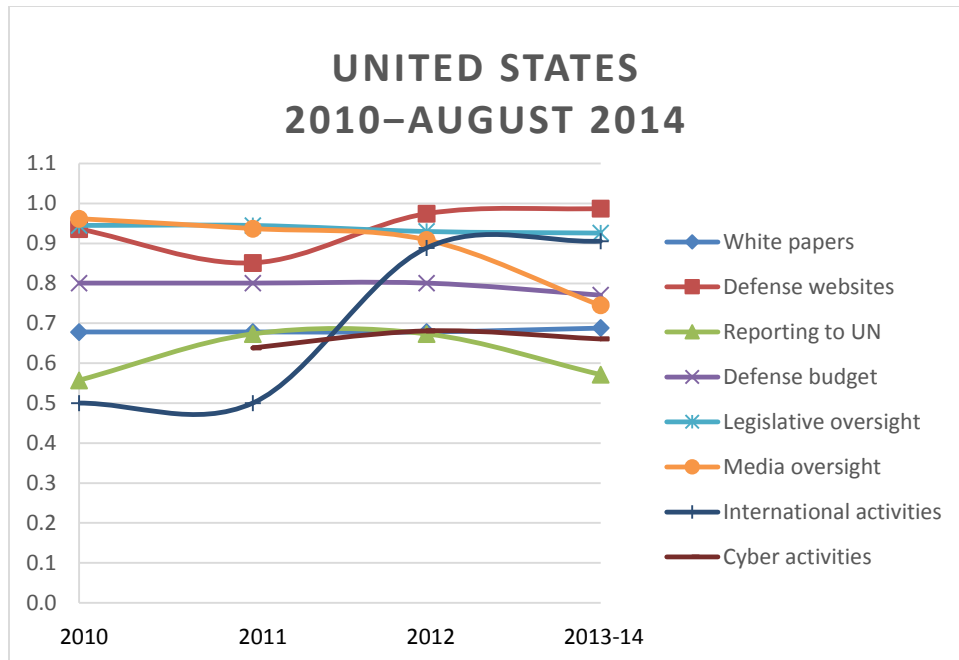
### Japan



Japan, which narrowly retained first place although its overall score declined slightly, made improvements in the legislative oversight indicator due to year-on-year IGCC variable and scoring corrections. It declined in media oversight due to its new “secrecy law,” cyber activities due to reduced disclosures in its 2013 white paper, UN reporting through failing to renew its Information on Confidence-Building Measures form, and Defense Ministry website due to several variables missing from its site this year.

Despite this lower year-on-year score, Japan still sets the pace for the region in the transparency of its comprehensively written white paper and well-disclosed international activities, and continues to perform well in its budget and UN reporting. There is room for improvement, however, in media freedom, legislative oversight, and cyber disclosures. It would also be important to ensure that the declines observed do not become a long-term trend.

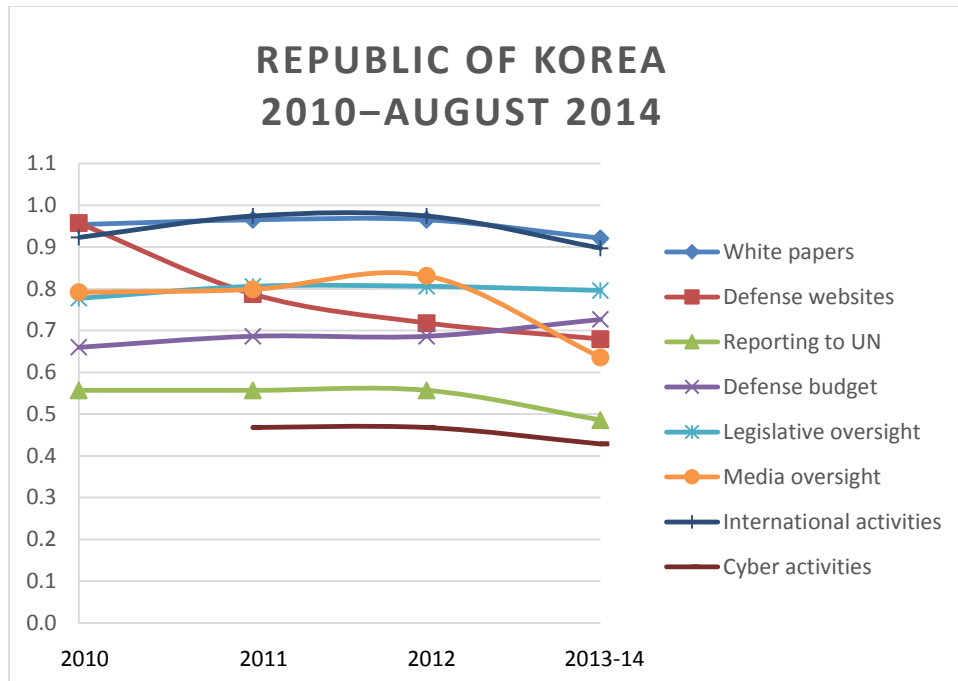
## United States



The United States ranked second in the 2013–2014 DTI and gained ground on first-place Japan, but still experienced a year-on-year decline in its overall score. The United States saw improvements in its white paper score due to the inclusion of more detail in the 2014 Quadrennial Defense Review, while its website transparency remains the best in the region. Declines occurred in UN reporting due to missing reports in several categories, media due to a decline in its Press Freedom Index score based on security-related prosecutions, and cyber activities due to global surveillance revelations.

Improvements could be made to the defense transparency score by: 1) Addressing the credibility-reducing activities that drove the declines in the media and cyber activities indicators; 2) Expand its UN reporting, particularly by submitting a more detailed Register of Conventional Arms report and initiating reports on Confidence Building Measures and NLDU; and 3) Provide more details on command chains, unit locations, and armaments to further improve the transparency of the white paper and equivalent documents.

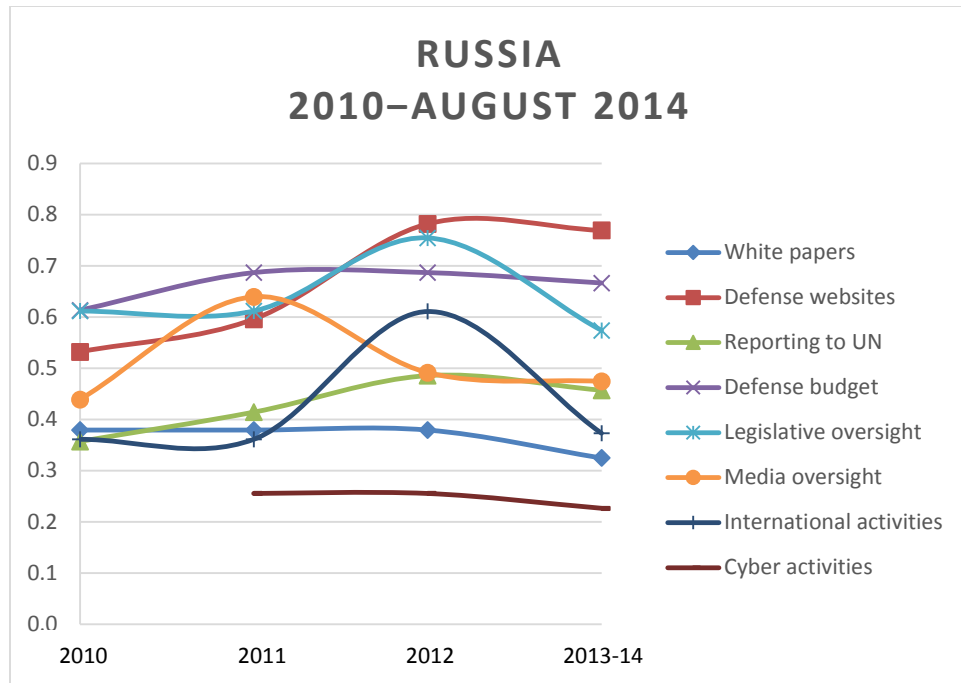
**Republic of Korea**



The Republic of Korea retained third place but also trended down from previous years. It saw a minor improvement in its budget score due to changes in the Open Budget Index, but declined in media oversight due to arrests of journalists, and in UN reporting due to delays in submitting new documents. Fluctuations were otherwise due only to year-to-year IGCC variable and scoring changes.

The ROK has the opportunity to boost its transparency with the publication of its next white paper, the last being produced in 2012, by including information on unit locations and headquarters as well as cyber doctrines, operations, organizations, capabilities, and defensive measures. Additionally, it could update UN reports on Military Expenditures, NLDU, and Confidence Building Measures to improve in this area.

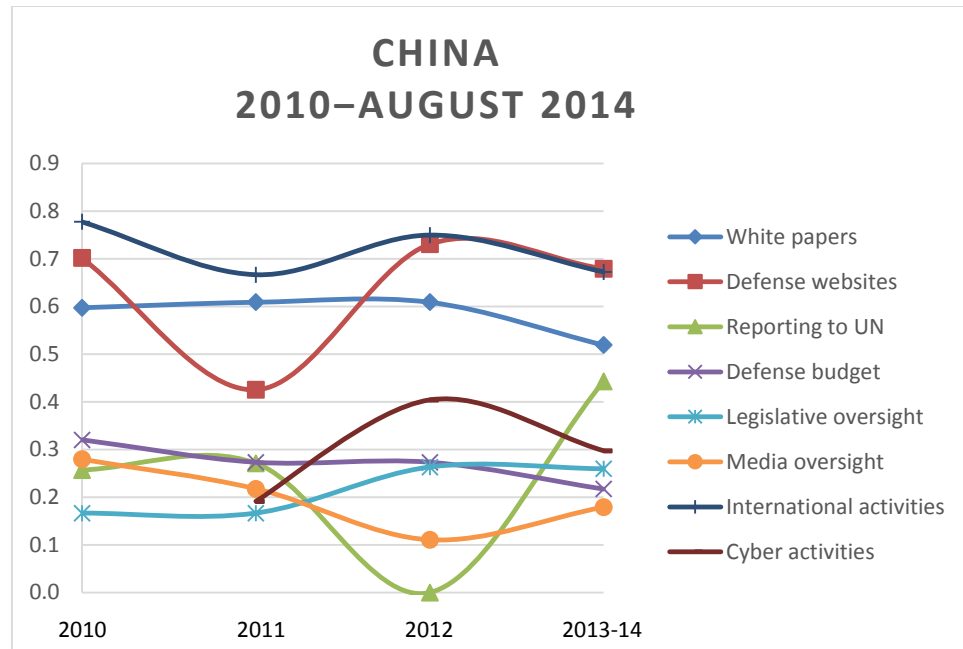
**Russia**



Russia stayed in fourth place and experienced the largest year-on-year decline (6.5 percentage points), of any state. It held largely steady in five categories, but declined in Legislative Oversight due to reduced substantive authority, International Activities due to unannounced missions, arms transfers, and exercises, and Cyberspace due to revelations regarding the Snake cyber weapon.

Russia also has the opportunity to boost its transparency with a new white paper, the last one having been published in 2010. More information on organization, missions, personnel, spending, procurement, armaments, and bases would assist its score.

## China



China was the only state whose score increased in 2013–2014, gaining ground on Russia in fourth place. It improved most notably in UN reporting, impressively boosting its submissions, and notably included personnel figures in its white paper and on its website for the first time. The increase in China’s UN score seems to be an outlier, however, and it masks a decline in six other variables.

China’s lowest scores are on its “institution-focused” indicators: budget, media, and legislative oversight. Besides changing these largely politically driven arrangements, China could provide more detail in other indicator variables on procurement, organizational structure, command chains, armaments, and budgeting, for which other states receive credit in the DTI. Additionally, China’s performance on credibility-related variables in the budget, international activities, and cyber activities indicators are controllable based on its declared doctrines and activities, and will bear watching in future.

## ALTERNATIVE WEIGHTINGS

IGCC uses an equal weighting for each indicator by default in reporting final scores. In this section, we offer four alternative weightings for more perspective, emphasizing areas that may be deemed more important for transparency. In the 2013–2014 Index, these alternative weightings (see table below) only affected the final rankings in one case, which was when the United States overtook Japan when institutions were emphasized.

**Table 3.** Alternative weightings of final scores

| Sample Combinations  | Japan        | U.S.         | ROK          | Russia       | PRC          | DPRK         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Combination 1: All Equal Weighting</b>                                      | <b>0.783</b> | <b>0.782</b> | <b>0.696</b> | <b>0.483</b> | <b>0.409</b> | <b>0.006</b> |
| Rank in Category   | 1            | 2            | 3            | 4            | 5            | 6            |
| Trends   | ↓            | ↓            | ↓            | ↓            | ↑            | ↔            |
| <b>Combination 2: White Paper Emphasized</b>                                   | <b>0.811</b> | <b>0.763</b> | <b>0.741</b> | <b>0.451</b> | <b>0.431</b> | <b>0.005</b> |
| Rank in Category   | 1            | 2            | 3            | 4            | 5            | 6            |
| Trends   | ↓            | ↓            | ↓            | ↓            | ↑            | ↔            |
| <b>Combination 3: Key Outputs Emphasized (White Paper, Website, Budget)</b>    | <b>0.809</b> | <b>0.787</b> | <b>0.718</b> | <b>0.510</b> | <b>0.447</b> | <b>0.002</b> |
| Rank in Category   | 1            | 2            | 3            | 4            | 5            | 6            |
| Trends   | ↓            | ↓            | ↓            | ↓            | ↑            | ↔            |
| <b>Combination 4: Government Reporting Emphasized (UN, Budget)</b>             | <b>0.801</b> | <b>0.760</b> | <b>0.678</b> | <b>0.499</b> | <b>0.393</b> | <b>0.005</b> |
| Rank in Category   | 1            | 2            | 3            | 4            | 5            | 6            |
| Trends   | ↓            | ↓            | ↓            | ↓            | ↑            | ↔            |
| <b>Combination 5: Institutions Emphasized (UN, Budget, Legislature, Media)</b> | <b>0.775</b> | <b>0.776</b> | <b>0.689</b> | <b>0.495</b> | <b>0.382</b> | <b>0.007</b> |
| Rank in Category   | 2            | 1            | 3            | 4            | 5            | 6            |
| Trends   | ↓            | ↓            | ↓            | ↓            | ↑            | ↔            |

## CONCLUSION

The 2013–2014 Northeast Asia Defense Transparency Index shows downward trends in defense transparency across the region, while country rankings were unchanged from the previous index. Opportunities exist for these states to advance transparency in these eight indicators going forward.

IGCC believes that the additions and improvements made to this year’s index will increase its value as a tool for assessing defense transparency in the region. The index now incorporates data from quality outside measurements such as the Open Budget Index, Press Freedom Index, Government Defense Anti-Corruption Index, UN Reporting Instruments, and SIPRI and IISS reports and will reflect year-to-year changes within these measures. Additionally, it is now better able to measure concepts such as consistency with stated intentions, signaling, and perceptions to react immediately to important events such as military buildups, exercises, force projections, and cyber activities. Overall, the index now features 472 variables drawing upon an expanded range of documents and sources, aimed at covering all aspects of our definition and precisely gauging future movements in regional defense transparency.