



Defence Studies >

Volume 4, 2004 - [Issue 2](#)

2,170

Views

17

CrossRef citations to date

0

Altmetric

Original Articles

The Economics of military outsourcing

KEITH HARTLEY

Pages 199-206 | Published online: 24 Jan 2007

🗨️ Cite this article <https://doi.org/10.1080/1470243042000325904>

Sample our
Humanities
Journals



>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📄 Full Article

🖼️ Figures & data

🗨️ Citations

📊 Metrics

🖨️ Reprints & Permissions

Read this article

🔗 Share

The Economics of Military Outsourcing

KEITH HARTLEY

The UK Funding Problem

UK defence policy is facing major financial pressures. Defence budgets have been falling in real terms and only recently received a small real terms increase. This budget has to fund a major new equipment programme involving the acquisition of Typhoon, A400M airlifters, missiles, warships, submarines and aircraft carriers. New equipment is costly and costs are rising in real terms, typically by about 10 per cent per annum, which is greater than the increase in the defence budget. An all-volunteer force is also costly to recruit, train and retain, since military personnel require salaries which are higher than in the civilian sector to persuade them to accept the disadvantages of the military employment contract (e.g. discipline; unsocial hours and conditions; and risks of injury and death).

The funding pressures mean that UK defence policy cannot avoid the need for difficult choices: something has to go and the question is what goes? There are four broad policy options, namely, 'equal misery' or another major defence review or higher defence spending or increased efficiency. Typically, governments prefer the 'easy' options of equal misery (e.g. delays in the new equipment programme; reduced training) and increased efficiency. Military outsourcing provides opportunities for efficiency savings. It is not the only option for efficiency improvements. Others include purchasing equipment more cheaply from overseas, especially high technology equipment which is costly to develop and where the UK requires only small quantities (e.g. nuclear-powered submarines); and opening-up all UK defence contracts to competition (i.e. warships where there remains a commitment to build all Royal Navy warships in the UK).

Professor Keith Hartley, Director, Centre for Defence Economics, University of York.

Defence Studies, Vol. 4, No.2 (Summer 2004), pp. 199–206
 ISSN 1470-2436 print/ISSN 1743-9698 online
 DOI: 10.1080/1470243042000325904 © 2004 Taylor & Francis Ltd

Notes

Professor Keith Hartley, Director, Centre for Defence Economics, University of York.

Additional information

KEITH HARTLEY

Professor Keith Hartley, Director, Centre for Defence Economics, University of York.

Log in via your institution

➤ [Access through your institution](#)

Log in to Taylor & Francis Online

➤ [Log in](#)

Restore content access

➤ [Restore content access for purchases made as guest](#)


Purchase options *

[Save for later](#)

PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed


EUR 48.00

 Add to
cart

Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

EUR 230.00

 Add to
cart

* Local tax will be added as applicable

People also read

Recommended articles

Cited by
17

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

