

THE STRATEGIC RELEVANCE OF NATIONAL DEFENCE INDUSTRY IN MAJOR DEFENCE PLANNING DOCUMENTS – A CONTEXTUAL APPROACH –

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In a world characterized by dynamism and increasing security challenges, the role of the national defence industry is becoming progressively vital in ensuring a nation's military capabilities. The present paper aims to analyse the current and future elements of the national defence industry, in terms of achieving, maintaining and developing our country's military capabilities against the backdrop of a volatile security environment. We also intend to analyse the relevance of the defence industry through the lens of the connections between this sector of activity and the main defence planning documents in force at this date as well as the strategic projects currently under public debate.

Keywords: defence planning documents; defence industry; strategy; strategic projects; security environment;

INTRODUCTION

The national defence industry plays an essential role in ensuring the security and sovereignty of a country, and its relevance has increased significantly in the current geopolitical context, characterized by international tensions and regional conflicts. In a constantly changing world, where cyber threats, terrorism, and armed conflicts are at the fore, states are forced to re-evaluate their defence capabilities and develop new, effective strategies, better tailored to respond to these challenges.

In this context, defence planning documents become crucial tools for the integration and coordination of available resources, including those of the national defence industry. These documents must reflect not only the immediate needs of national defence and security, but also the long-term vision of developing an industry capable of innovating and rapidly adapting to new technologies and strategic requirements.

In Romania, the relationship between the defence industry and planning documents is essential to ensure a balance between national independence and international cooperation, especially in the context of NATO and EU commitments. Therefore, a contextualized approach to this relationship can provide a better understanding of the current challenges and opportunities for developing an efficient and sustainable defence industry.

THE NATIONAL DEFENCE INDUSTRY – HISTORICAL LANDMARKS

Historically, we believe that the national defence industry has undergone several stages. From this perspective, we highlight the **year 1918**, the year of national reunification, as relevant for our study, even if various sources indicate the presence on the territory of the Romanian Principalities of weapons production workshops since the 18th century. Such an example is the Cugir Mechanical Factory whose history stretches since 1799 during the Austro-Hungarian Empire, in the form of steel production workshops built in Cugir, which were among the first metallurgical factories in Transylvania (UM Cugir, 2024).

Consequently, the evolution of the national defence industry could be grouped according to five main periods (*figure 1*).

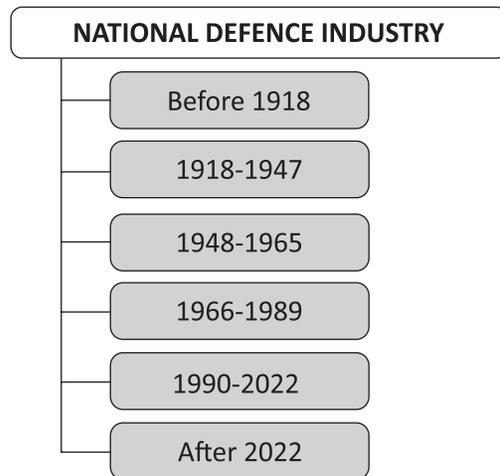


Figure 1: Stages in the development of the national defence industry (authors' design)

Because the purpose of our approach is not to present in detail the evolution of the national defence industry, we will only briefly review the defining elements of each of the previously presented stages.

The period before 1918:

- after the Unification of the Principalities, in Muntenia and Moldova there were only rudimentary workshops that produced the gunpowder needed by the army. These inadequate facilities could not effectively supply the ammunition needed by a modern army;
- starting on 1/13 February 1861, in Bucharest, in the buildings of the former Mihai Vodă monastery, the first military workshops were inaugurated and tasked with carrying out repairs and producing equipment and harnesses for the army. Small workshops for the manufacture of ammunition and artillery materials also started to operate, and they will later form the basis for the Army Arsenal. These developments marked the beginning of the Romanian armaments industry;
- until 1865, the production of *bullets* was automated and carried out in Romania, which represented a significant step in the development of the national defence industry, ensuring the country's ability to independently produce essential military equipment for the army (Vințu, 2022);
- the first revolver of Romanian design was produced, under the guidance of artillery captain Vasile Buescu, known as *the BUESCU Revolver, model 1876, calibre 10.8 mm*;

- one of the most significant contributions of the Romanian specialists was the 75 mm calibre cannon, called the 1904 model. It represented an improved version of the “*Krupp*” cannon from 1889 and was considered the most advanced of that period, having a maximum range of up to 8,000 meters;
- however, when Romania entered the First World War, the Romanian Armed Forces were poorly trained, and their technical and armament equipment was not only insufficient, but often outdated both physically and morally.

The period between 1918 – 1947:

The achievement of the Great Unification at the end of 1918 was a crucial moment for the Romanian nation. After a war that they did not want, but that they had to fight in order to fulfil the dream of national unity, the Romanians finally saw their wishes fulfilled. The continuous efforts and sacrifices of hundreds of thousands of Romanians who fell on the battlefield were rewarded on 1 December 1918, when the process of Romanian national unification ended.

To strengthen the Romanian state after the Great Unification, King Ferdinand I and Romanian political leaders implemented a series of measures aimed at developing the national defence industry. It was essential to prevent the armaments and ammunition supply problems that the Romanian armed forces faced during the First World War.

In this regard, the Cugir-Copșa Mică Metallurgical Plants were established for the manufacture of armaments and infantry ammunition, under Czechoslovak license. In parallel, special production capacities were developed in Reșița and Bucharest. At I.A.R. Brașov began license production of Italian “*Savoia-Marchetti 79 B*” bombers and Polish PZL-11 fighters. At the end of the decade, serial production of the IAR-38 and IAR-39 observation and reconnaissance aircraft began, as well as of the IAR-80 fighter.

However, the production capabilities of the Romanian defence industry proved insufficient in the summer of 1940, when Romania faced threats to its national integrity. During those critical moments, the Romanian armed forces were still dependent on armaments, combat equipment, and ammunition from France, Great Britain, and former Czechoslovakia, which contributed to the acceptance of withdrawal without a fight from the territories claimed by the USSR, Hungary, and Bulgaria.

On 22 June 1941, when Romania entered the war alongside Germany against the USSR for the liberation of the Romanian territories across the Prut, the supply of armaments, combat equipment, and ammunition was insufficient to meet the requirements of the Romanian armed forces.

Between 1941 and 1944, the authorities in Bucharest worked to improve the production of their own armament and ammunition factories and to increase the quality of the manufactured products. During that period, the production of Romanian-designed combat equipment, such as the IAR-81 aircraft and the 75 mm “*Reșita*” anti-tank gun, also developed. Moreover, at the I.A.R. plant Brașov the German fighter plane “*Messerschmitt-109 G*” was assembled under license (Oprîș, 2007, p. 6).

The period between 1948 – 1965:

It was one of the darkest periods in the entire history of the country. Thus, under the pressure of the Soviet political-military decision-makers, immediate after the end of the Second World War, the communist government led by Dr. Petru Groza decided to close most of the armament and ammunition factories in the country. Only the factory in Sadu (Gorj county), which produced infantry weapons and cartridges, and the “*30 Decembrie*” factory, specialized in the manufacture of cartridges, were kept in operation. The tools and installations from the closed factories that escaped being moved to Soviet Russia as payment for war reparations were dismantled, taken out of their sockets and stored in different locations. Meanwhile, the engineers and workers from those factories had to find other jobs, and spread out throughout the country (Ib., p. 8).

Aware of the importance of the special products needed by the Armed Forces and against the background of the introduction of *the five-year plans*, as engines of economic and social development, the leaders of those times ordered the reopening of certain enterprises, among which we mention: the factories “*6 Martie*” (Tohan, Brașov county), “*Ilie Pintilie*” (Plopeni, Prahova county), “*Bella Breiner*” no. 2 (Brașov), Târgoviște Metallurgical Plant, I.M.S. Sadu (Gorj county), I.M.S. Sadu (Pantelimon) and Cugir Metallurgical Plants (Sibiu county) (Ib., p. 10).

All the mentioned actions and measures had a huge cost for those times: about 92,000 kg of fine gold. Unfortunately, the five-year objectives were not achieved, so with the next plan, the objectives were resized to a three-year period (Ib.).

Another special element of those times was the decision of the Soviet leader, Joseph Stalin, who ordered the considerable increase in the military forces of Romania, Poland, Czechoslovakia, Hungary, and Bulgaria, as well as their equipment with Soviet weapons and combat assets, which generated increased imports of Soviet armaments and combat equipment. It led to huge increases in production costs, investments in various types of machinery that ultimately did not lead to the expected results, which translated into losses equivalent to approximately 17,000 kg of fine gold (Ib.).

The period between 1966 – 1989:

With the signing of the Warsaw Pact in 1955, Romania was assigned a series of tasks in terms of providing different categories of weaponry, equipment, and ammunition not only for the national armed forces but also for the armed forces of the other member states of the pact.

Obviously, in the beginning, armaments and equipment imports from the USSR were the most prevalent, but step by step, a large part started to be integrated into the national defence industry as a result of obtaining manufacturing licenses for them. In the beginning, a large part of the manufactured products was exported to the armed forces of some member states of the Warsaw Treaty Organization (Poland, D.R. Germany, Hungary, Czechoslovakia, Bulgaria). Aware of the lower quality of domestic products as compared to the Western ones, the party and state leadership made the decision to purchase equipment, machinery, and many aggregates from the West to be integrated into the Romanian industry. In fact, as a result of those measures, the conditions were created for “*Romania to pass from a five-year trade deficit of 118.8 million rubles (in its relations with the socialist states) to a surplus of 73.7 million rubles, at the end of the period 1966-1970*” (Ib., p. 33).

During that period, a series of essential special products for equipping the Romanian armed forces were designed and manufactured: the TR-580, TR-800 and P-125 tanks (variants of the T-55 and T-72 tanks respectively), the IAR-316 helicopters B “*Alouette III*” and IAR-330 H “*Puma*”, fighter-bomber aircraft IAR-93 B 111, amphibious armoured personnel carriers TAB-71 (BTR-60 APC)112, TAB-72, TAB-73 (with bomb launcher cal. 82 mm), TAB-77 and TAB-C (BTR-70), infantry fighting vehicle MLI-84 (BMP-1), many types of infantry weapons of different calibres, various types of chemical, bacteriological and radiological decontamination vehicles, mobile transmission stations, artillery technique and of course warships for the sea and river military fleet etc.

We believe that the mentioned period was the most prosperous stage in the existence of the national defence industry whose main coordinates can be summarized as follows:

- “*the Romanian armed forces were fully equipped with products and equipment manufactured by own defence industry at the level of the requirements of the Warsaw Pact;*
- *Romania ranked fifth in the top of the world’s arms exporting countries, with the annual volume of exports exceeding USD 800 million;*
- *the results of military research found applicability in civilian production;*

- *part of the enterprises owned the production profiled on two branches, and thus the military capabilities were supplemented by the civilian ones;*
- *more than 200,000 employees worked in the defence industry;*
- *the personnel and production capacities were 100% met” (Diaconu, 2016, p. 50).*

The period between 1990 – 2022:

The revolutions of 1989 marked the end of Soviet rule and of the communist regimes in Central and Eastern Europe, paving the way for multi-party democracies and political systems based on free elections and civil rights. Those transformations contributed to the move from central to market economies, improving living standards and shifting the balance of global power in favour of liberal democracies, with a significant impact on society in areas such as education, media, and social structures.

The fall of the communist regime in Romania generated an extensive process of democratization and economic restructuring, which inevitably included the reformation or reduction of the defence industry. We believe that the main influences on the defence industry were:

❖ **The decline of the collaboration with the Soviet Union:** The close military collaboration with the Soviet Union, which provided equipment, know-how and resources, ended. It weakened the production capacity of the defence industry, making it more dependent on Western technologies and standards.

❖ **The reduction of defence spending:** In the context of the transition to market economies and the prioritization of spending for social and economic development, defence budgets were considerably reduced. It led to the decline of military production and consequently the closure of most factories in the defence industry.

❖ **The conversion of the defence industry:** Many factories that produced military equipment were forced to adapt and switch to civilian production, due to the decreasing demand for military equipment, as well as due to the new trade relations established with the West.

❖ **Integration into NATO:** In 2004, like most countries in Central and Eastern Europe, Romania joined NATO, which required the modernization of the armed forces and equipment, according to Western standards. It led to investments in the modernization of some segments of the defence industry, and especially to cooperation with the major international producers of armaments and military equipment.

❖ **The loss of traditional partners:** After the fall of the communist regime, those relationships ended or diminished considerably, directly affecting the production and exports of military equipment. The main effects were:

- *The end of the relations with the Soviet bloc:* The Warsaw Pact countries and the Soviet Union were Romania’s main commercial partners in the defence industry. After the collapse of communism and the dissolution of the Soviet Union, Romania lost access to those traditional markets and, implicitly, an important source of revenue from military exports;
- *Declining demand for Soviet-style equipment:* Most of the equipment produced by Romania before 1989 was adapted or inspired by Soviet models. With the severing of ties with those markets and the adoption of Western standards, the demand for such equipment fell dramatically.
- *Change in strategic orientation:* After 1989, Romania began to re-orient towards NATO and the European Union, which required a change in the strategy of the defence industry. Instead of producing equipment for the traditional markets in the former Soviet bloc, the Romanian industry had to adapt to Western requirements and standards. The process was slow and difficult, mainly due to the lack of investments and modern technologies, but above all, because a medium and long-term vision did not exist.
- *Factory closures and reduced production:* With no steady demand and access to traditional markets, many factories in the defence industry were closed or significantly reduced their activity. It led to a massive restructuring of the sector, and consequently, many workers and specialists were affected.

In what concerns the latter aspect regarding the massive restructuring of the workforce in the defence industry, we can argue that the situation is almost identical to that of the late 1940s, “so that by the year 2000 more than 52,000 employees were laid off, not keeping account of the personnel structure, primarily targeting directly productive personnel” (Ib.).

In fact, “in the past 30 years the number of employees has decreased from over 220,000 employees in 1989 to approximately 11,000 employees in 2022, the maximum average number of employees in the defence industry naturally followed a downward trend, registering a slight increase in 2022 when the maximum average number of employees reached 1,380 employees (figure 2), the financing being made from the budget of the Ministry of Economy in the amount of 77,400 thousand RON” (Mănescu, 2023).

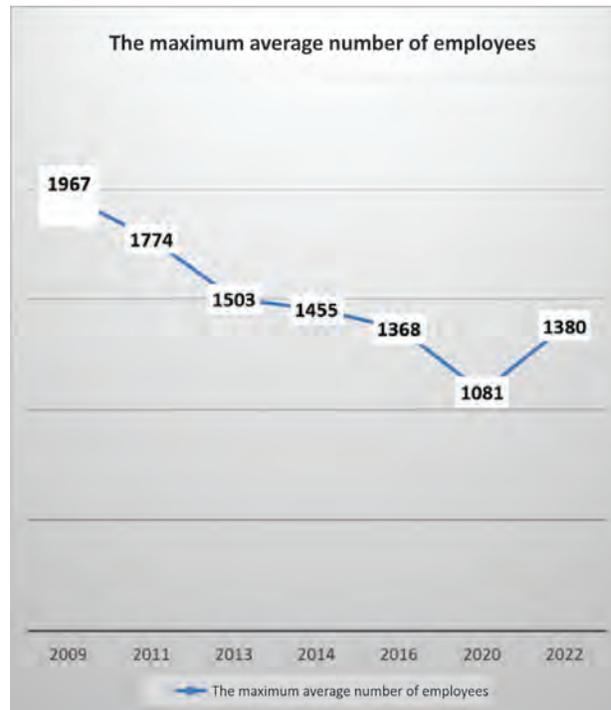


Figure 2: Evolution of the maximum average number of employees in the defence industry (lb.)

NATIONAL DEFENCE INDUSTRY AFTER 2022

We want to highlight this period separately because the start of the war in Ukraine had a significant impact on the entire Romanian society and, implicitly, on the Romanian defence industry, influencing both the demand for products and the level of activity of the companies involved. From our point of view, referring strictly to the defence industry, we believe that the main ways in which this conflict has affected this sector are represented by:

1. Increased demand for military equipment – The war caused an increased demand for military equipment throughout Europe, including Romania. NATO countries and other partners in the region have stepped up their rearmament efforts, and Romania’s defence industry has received a boost, being asked to provide ammunition, military vehicles, protective equipment, and other products needed in the context of a high-intensity conflict.

As a NATO member state and a neighbour of Ukraine, Romania has played a particularly important role in providing logistical and military support to Ukraine, either through donations or direct sales of equipment. Thus, some companies

in the defence industry received additional orders both from the Romanian government and from NATO partners to supplement military stocks. However, the demand for armaments, ammunition, and various categories of military equipment is so great that no European or NATO state can meet the demand without significantly reducing its own stocks – with direct consequences for national security, and without involving huge expenses for their production or acquisition, individually or jointly, as is the case with the European Union plan launched at the end of March 2023, when EU defence ministers approved a plan to send Ukraine one million 155 mm artillery shells in the next 12 months. Unfortunately, problems related to production and logistics capacities meant that this target was only 52% accomplished, which means approximately 524,000 shells (Mureşan, 2024).

2. International partnerships and foreign investment – The war has emphasized the importance of collaboration between defence companies from different NATO states. Romania has become an attractive destination for investments and partnerships with foreign defence companies. Romanian producers benefited from technology transfers, partnerships with companies from the USA, France, Germany and other NATO countries, which helped to modernize production processes and increase competitiveness.

For example, on 22 May 2024, the Government of Romania “signed two memoranda of understanding between the Romanian defence industry and foreign manufacturers. One is between the Cugir Mechanical Plant and Hekler & Koch GmbH (Germany). The second is Romaero and Aeroplex of Central Europe Aircraft Technology Center (Hungary)” (Tudorică, 2024).

3. Revival and modernization of the defence industry – In the context of increased geopolitical tensions, Romania has begun to pay more attention to the modernization of its own defence capabilities. In recent years, there has been an increased concern about increasing the defence budget, and the war in Ukraine has accelerated this process. The Romanian government announced its intention to increase defence spending to 2.5% of GDP, which brought opportunities for local industry.

Thus, thanks to the partnerships concluded with external partners, state factories such as Uzina Mecanică Ploeni, Aerostar and Romarm began to play a more important role, contributing to modernization projects of Romanian military equipment and supplying components and equipment for the allies.

4. Increasing production capacities and the renewing of the infrastructure – Many Romanian armaments and military equipment factories, which in the past faced financial and technical difficulties, received a new boost due to the increased

demand for these types of products. Some of them have invested in the modernization of production lines so as to be able to face internal and external requirements or benefit from the investments made by foreign partners.

Eloquent in this sense is the transaction by which the German arms and military vehicle manufacturer Rheinmetall acquired this year the majority stake of the Romanian vehicle manufacturer Automecanica Mediaş, the new company going to be named Rheinmetall Automecanica. *“Through this transaction, the factory in Mediaş will have a key role in maintaining the operational readiness of the combat vehicles built in the West for Ukraine, as well as in ensuring logistical support, and the forces deployed on NATO’s eastern flank will be able to count on faster response times and on more robust supply chains. In addition, Rheinmetall will now be a main partner of the Romanian armed forces as well as of neighbouring countries, with a significantly expanded range of products and services”* (Dincă, 2024).

We must also state that the Rheinmetall Lynx armoured combat vehicle, the HX 2 truck and the RAM container trailer will be produced in Mediaş. Although these products are not part of the Romanian armed forces (at least not for now), the development of these programs in our country represents a huge step for the national defence industry.

Furthermore, in the direction of increasing production capacities and renewing the infrastructure, we must highlight a particularly gratifying fact, namely the resumption of production of explosive powders. The investment of over 400 million Euros would also be made by the Germans from Rheinmetall, in Victoria, on the site of the former Pirochim powder factory, thus resuming an old tradition interrupted more than 20 years ago (Spotmedia.ro, 2024).

5. Political and strategic relations – In addition to the economic factors, the war has also amplified Romania’s political and strategic cooperation with NATO allies and the European Union. Romania became an important logistic hub for the transport of military aid to Ukraine, and it also involved collaborations with the industrial sector for the transport and delivery of equipment, the development of road, rail, and naval transport infrastructure.

CONNECTIONS BETWEEN DEFENCE PLANNING DOCUMENTS AND THE NATIONAL DEFENCE INDUSTRY

It is well known that the national defence industry represents a *“strategic domain of the national economy that includes economic operators, regardless of the structure of the social capital, which have the technological, organizational, and management resources necessary to create and supply to the FSNA (force structures*

in the national defence system) *with military, sensitive and strategic products, as well as the necessary services”* (Parliament of Romania, 2016). Throughout its existence, it has gone through several stages whose general characteristic was or is similar to that of Romanian society at that time.

From the perspective of the strategic approach of the national defence industry, we aim to illustrate the relevance of this field in defence planning documents in the following section.

As mentioned in art. 3, paragraph (1). Of Law no. 203 of 16 July 2015, regarding defence planning, *“documents for defence planning at the national and departmental level take into account the obligations, requirements, and recommendations”* of documents of strategic importance developed at NATO and European Union level or as a result of agreements/partnerships concluded with different states, or responsibilities resulting from membership in different international organizations. The content of such documents is classified, for obvious reasons; however, some of these documents and especially those developed by the European Defence Agency (EDA) are public and (based on the principle of decision-making transparency) offer the general public information about the measures and activities undertaken in its area of responsibility.

Thus, one of the most important EU projects carried out through the EDA is the one related to the ***First Defence Industrial Strategy and a New Program for the Defence Industry to Increase the Degree of Readiness and Security of Europe***. The document *“sets out a clear, long-term vision to achieve defence industrial readiness in the European Union”* (European Commission, 2024-a) whose directions for the next ten years are based on four pillars: *increased investment, quality (better), collaborative (together) and European*. Naturally, the strategy also presents *“main directions to follow and the set of indicators by which the progress made by the member states in the direction of industrial preparation can be measured”* (ib.).

The European Defence Industry Program (EDIP) is a new legislative initiative designed to ensure the transition from short-term emergency measures, adopted in 2023 and valid until 2025, to a structural and long-term approach, aiming to achieve an adequate level of industrial training in the defence sector. It will guarantee continuity of support for the European defence industrial and technological infrastructure, facilitating its rapid adaptation to the new realities (European Commission, 2024-b).

The main financial aspects of the EDIP aim at:

- mobilizing 1.5 billion EUR from the EU budget between 2025 and 2027;

- improving the competitiveness of the defence industrial and technological infrastructure in Europe (European Defence Technology and Industrial Dependencies, EDTIB);
- expanding the logic of the interventions implemented by the European Defence Industry Reinforcement through common Procurement Act (EDIRPA) (financial support to simplify the cooperation of member states in the public procurement phase);
- Act in Support of Ammunition Production (ASAP) (financial support for defence industries that increase their production capacity);
- supporting the industrialization of products resulting from cooperation in research and development, financed by the European Defence Fund (European Commission, 2024-b).

The EDIP budget can also be used to “create a fund dedicated to accelerating the transformation of defence supply chains (FAST). This fund will facilitate access to loan or equity financing for SMEs and mid-cap companies developing defence technologies or manufacturing defence equipment. At the same time, EDIP will strengthen the EU’s industrial cooperation with Ukraine in the field of defence and support the development of its defence industrial and technological base. To this end, the program could benefit from additional funding from the exceptional profits generated by immobilized Russian assets, depending on the decision of the Council, on the proposal of the High Representative” (Ib.).

The Relevance of the Defence Industry in National Defence Planning Documents

The planning documents at national level are the *National Defence Strategy of the Country* and the *Government Program*.

The National Defence Strategy of the Country for the period 2020-2024 mentions the notion of industry eight times in its pages. One mention associates it with the concept of *security industry*, another one links it with *industrial cooperation in the field of defence* and defence-related fields, and one mention refers to the fact that “the existence of important resources intended to equip the Romanian Armed Forces and the guarantee of their long-term provision represent an impetus necessary for the revival of the national defence industry” (Presidential Administration, 2020).

In regard to the second programmatic document at national level, the *Government Program*, the document developed by the current governing coalition, chapter 5, relating to the Ministry of Economy, Entrepreneurship and Tourism, mentions that “the national defence industry can produce and work to cover the needs of the MoD, in close collaboration with it, and also those of the external

markets. Only vision and good faith and honest interest are necessary” (Government of Romania, 2023, p. 37).

In the same document, chapter 17, reserved for the Ministry of National Defence, contains no explicit mention of any collaboration between the Ministry of Defence and the National Defence Industry. Nonetheless, it reiterates part of the strategic directions presented in the *National Defence Strategy of the Country for the period 2020-2024*, and enumerates a series of agreements between the Romanian government and various international bodies, future projects etc.

Given that the two documents are of a programmatic nature, expressing intentions, the second one having a declared duration of only one year, and considering that the application of the provisions of the latter depends on the situation of the governing party/coalition, we mention that they have the merit of not having omitted this area which is extremely important for the country.

The Relevance of Defence Industry in Departmental Defence Planning Documents

“The main documents that underpin defence planning at the departmental level are:

- a) *The White Paper on Defence*;
- b) *The Military Strategy*;
- c) *The Defence Planning Directive*;
- d) *Major Programs*;
- e) *Annual plans*” (Romanian Parliament, 2013).

These documents developed at the MoD level have the role of transposing the vision and directions of action specified in the documents developed at national level into concrete measures and actions in the field of national defence.

The *White Paper on Defence* aims to establish an integrated and complete set of measures and actions for the medium and long term in the field of defence, with the objective that the Armed Forces of Romania are equipped in such a way that they are able to protect vital national interests whenever necessary. The document refers to the defence industry no less than 15 times during the chapters dedicated to the directions of action for the development of defence capabilities and the integrated management of defence resources. Most often, references are made to “increasing the degree of involvement of the national defence industry in carrying out the equipment”, “the involvement of economic operators from the defence industry in public-private partnerships on the CDI dimension”, “the development of technologies at the level of the MoD” and, in the words of the Minister of Defence at the time, “one of the essential elements, the development of which is consistently

pursued in the present defence planning document is ... a strong domestic defence industry..." (Ministry of National Defence, 2021-a)

On the other hand, *Romania's Military Strategy, 2021 edition*, takes ideas from the two previously presented documents, making 12 references to the defence industry. What has particularly attracted our attention is that the *"inconsistencies between the level of the national defence industry's capacity to produce weapon systems, combat equipment, equipment and materials, on the one hand, and the needs of the Romanian Armed Forces, on the other hand"* (Ministry of National Defence, 2021-b) are considered vulnerabilities with a direct military effect, which in our view is actually an official acknowledgment of the big, serious problems facing the national defence industry.

The other departmental documents tackle the concept of the defence industry to a lesser extent, as their role is to specify the *main major programs* and especially the *essential programs* that contribute to their fulfilment, going into detail in the *annual plans*, subsequent to each program.

What are the main take-aways from the analysis of these strategic documents regarding the defence industry?

First of all, the fact that its mention in defence planning documents at national and departmental level underlines the essential role of this sector of activity in ensuring and developing national military capabilities.

Secondly, it is reiterated that the modernization and technological development of the armed forces can only be achieved through close collaboration between the public and private sectors, and last but not least, the fact that the two previously stated objectives constitute the foundation of Romania's national security and strategic resilience.

Strategy for the Defence Industry 2024-2030

The document developed by the Ministry of Economy, Entrepreneurship and Tourism, posted on the institution's website for public consultation, appears at a time when the global security landscape is marked by deep uncertainties and emerging risks. The strategy should anticipate both present and future challenges, and be built on solid principles and conceptual clarity, which will contribute to the affirmation of Romania as a pillar of security and stability on the eastern border of the Euro-Atlantic community.

Although the introductory part of the Strategy respects the generally accepted and recognized norms for such a document, in reality, however, the document does not present any vision or ambition, being devoid of prospective capacity and anticipatory character – essential elements both for economic agents

and for international partners. These elements are necessary to encourage relevant and sustainable technological investments and collaborations for the medium and long term. From our point of view, the stated duration of the strategy – 6 years – is totally unrealistic considering the tortuous legislative path it must go through and the present economic-military dynamics which, from the very beginning, make the strategy's horizon insufficient to achieve significant changes in this field.

The emphasized strategic priorities aim at the *"resumption of powder manufacturing"*, *"transformation and revitalization of infantry armament manufacturing capacities"*, *"transformation and revitalization of ammunition production capacities"*, *"transformation and revitalization of aeronautical production capacities"* (Romanian Government, 2024). The same *"transformation and revitalization"* syntagm is obsessively repeated, in each and every priority, as a reminiscence of the past which we cannot detach from (Iancu, 2024).

Essentially, this strategy reflects a chronic inability to adapt the Romanian defence industry to European dynamics. The problem is not only that the document almost completely ignores the EU's defence technological and industrial integration mechanisms, but also the increasingly unpredictable and turbulent security environment, with a war raging on our country's borders. Thus, in our opinion, the *National Strategy for the Defence Industry 2024-2030* isolates us even more from the communities of values and interests which Romania is a part of.

CONCLUSIONS

The decline of the defence industry in Romania that began in the '90s has influenced not only this sector of activity but also the economy in general, with dramatic social effects.

The causes are multiple. Starting from the loss of traditional partners during the Cold War, the restructuring of the armed forces and, implicitly, the significant reduction of military expenditures, they have all led to a decrease in domestic demand and to the neglect of the development of own military production capacity. On the other hand, Romania has relied excessively on the guaranteed support of NATO, underestimating the importance of maintaining an autonomous and functional defence industry.

The constant decapitalization of the defence industry and the lack of orders from the Ministry of National Defence have severely limited the production capacity and greatly reduced the modernization chances/opportunities. Focusing on expensive import purchases, without activating the offset clauses that could have contributed to the relaunch of the national defence industry, represented a missed opportunity

for the sector's long-term development. In addition, the lack of competence in the state structures responsible for the defence industry and the inefficient management of resources have contributed to the delay in the modernization process of this vital sector of national security. Badly managed or unduly delayed decisions have accentuated the vulnerability of an industry that should have played a key role in the context of today's security challenges.

The increase in demand for military equipment, fuelled by the outbreak of the war in Ukraine, highlighted the vulnerabilities of the Romanian industry, which could have played an essential role in strengthening national security, but was affected by the lack of coherent strategies and the insufficient involvement of political and military decision-makers. The inability to formulate and implement clear long-term plans has significantly reduced the industry's ability to respond quickly and effectively to new challenges and opportunities.

While hesitant and uncommitted political decisions blocked the processes needed to revitalize the defence sector, the private sector began to play an increasingly visible role in the contracts for the maintenance and modernization of military equipment. Companies such as Elmet International, Aerostar Bacău and ProOptica have demonstrated the ability of the private sector to take over part of the responsibilities that the state has not been able to manage effectively. These companies, and not only, seem to know better the real needs of the military in terms of equipment and technology. Moreover, they demonstrate not only that they have the ability to deliver quality products, but also their commitment and better understanding of reality and, above all, vision.

In the current context of regional and global security, Romania needs a strategy that generates trust, promotes international collaboration and is built on solid principles and conceptual clarity. A modern strategy, based on innovation and competitiveness, will become a pillar of security and stability on the eastern border of the Euro-Atlantic community, and a catalyst for significant funds available on the global arms market.

Such a strategy could propel the Romanian defence research and industry into leading positions in European consortia for the development of future strategic defence systems.

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