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MAIN THEME: SECURITY AND SOCIETY
EVOLVING CHALLENGES AND COMPREHENSIVE RESPONSES



ABSTRACT

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The Security Economy – Supply and Demand

What is the demand (or the requirements) for security goods? Since the OECD publication on the “The Security Economy” in 2004, efforts have been undertaken in several industrialised countries to quantify the volume of either turnover of companies offering these goods and services or institutions requiring security. For several reasons the task is difficult:

- Security is mostly a public good. One knows how difficult it is to assess a supply and demand schedule for such goods.
- Security goods cannot be defined by any statistical classification. They are produced across many sectors.
- Government and public institutions are hesitant to reveal figures about their outlays for security for the very reason that security needs some protection against (malevolent) outsiders.
- Security technologies are evolving rapidly. There is a vast hidden potential in technologies which, in the past, seemingly had nothing to do with security.

Despite these limitations, it is obvious that national plans for the protection of critical infrastructures do need budgets and their forecasts in order to be implemented.

Exploring the public budgets (federal government, provinces and communities) in Austria, it can be shown that roughly more than one billion EURO were spent for security in 2006. A similar amount has been estimated independently for the supply side (relevant turnover of companies). Carrying out an input/output analysis, it can be asserted that some 12.000 to 20.000 employees are connected to the security economy in Austria.

Furthermore, aiming at getting an idea about the size of the security market, an international comparison has been risked for a few countries exhibiting figures. As a result – to be interpreted with caution – the UK spent € 132 per head for (non-military) security, Austria € 123, Germany € 121 and the US € 104.