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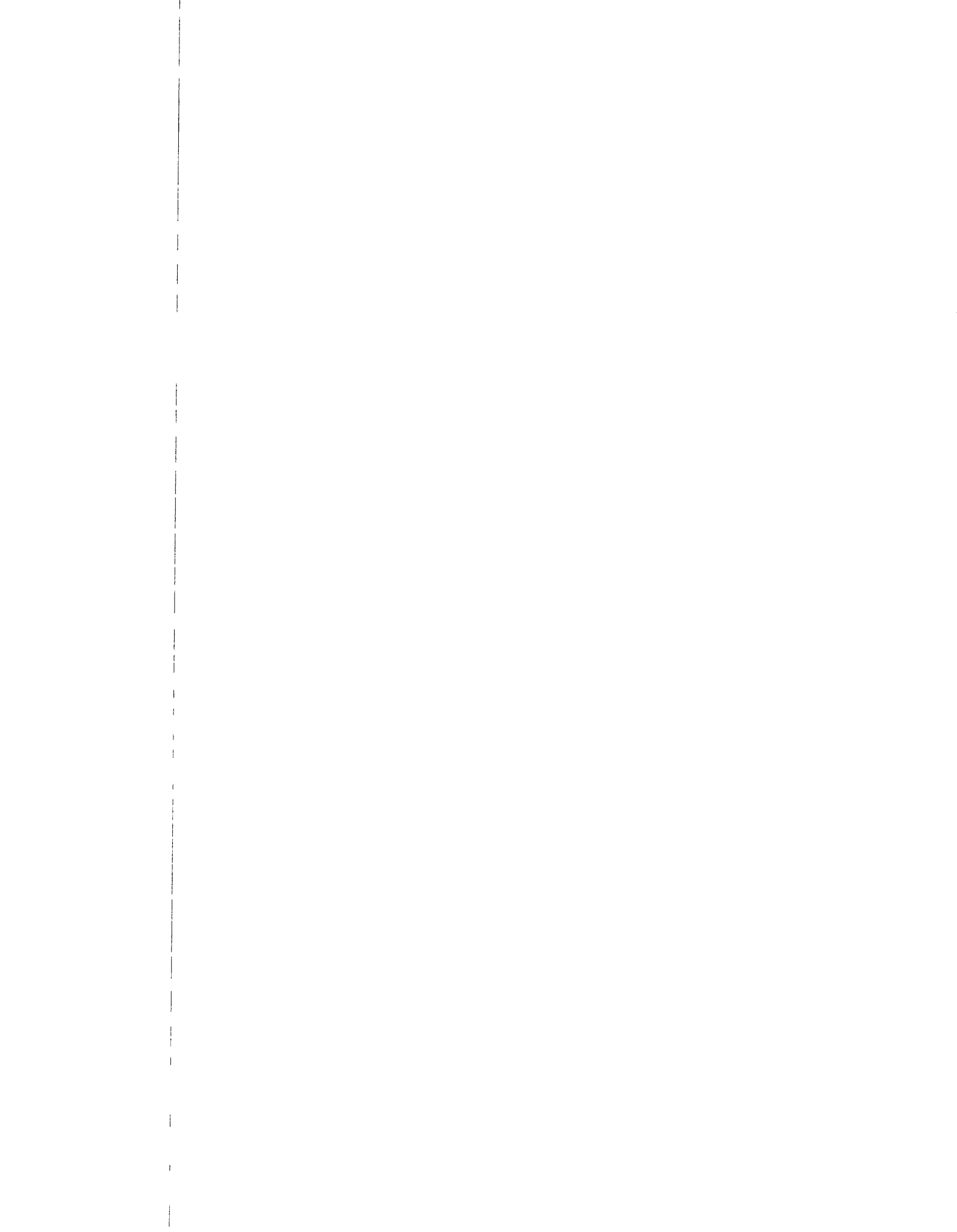


**SOVIET AND EAST EUROPEAN ARMS
TRANSFERS TO THE THIRD WORLD
STRATEGIC, POLITICAL
AND ECONOMIC FACTORS**

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Soviet and East European Arms Transfers to the Third World

Strategic, Political and Economic Factors

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Since the beginning of the 1970s the communist countries of Europe—in particular the Soviet Union and to a lesser extent Czechoslovakia and Poland—have increased dramatically their transfer of conventional military equipment to countries of the Third World. Warsaw Pact deliveries of military equipment to the non communist developing countries totalled approximately \$1.1 billion in 1970 (almost twenty six percent of total imports by developing countries). By 1981 Europe in communist countries deliveries of arms had increased to a value of more than \$7.2 billion (more than forty percent of total imports by 1 DC s) (See Table 1). This expansion of the percentage of total arms supplied to the Third World by the Europe in communist states occurred during a period in which Third World countries greatly increased both the total amount of armaments imported and their share of global arms imports.¹

Military assistance and arms transfers have been an integral part of Soviet policy toward developing countries even since the shift in Soviet policy toward the non aligned states in the mid 1950s. However since the early 1970s the military aspects of Soviet policy toward the developing world have far outstripped in importance most other forms of contact. Military support including the provision of increasingly sophisticated weapons systems and the provision of military training has become the single most important element in Soviet relations with a large number of developing countries. The purpose of the present essay will be to assess the place of arms transfers in overall Soviet policy toward the Third World and the importance of the East European states as supplementary suppliers of weapons. It will examine the political security and economic factors that appear to motivate Soviet military policy as well as the relationship of the program of arms transfers to other aspects of Soviet policy toward the developing countries.

Table 1
Soviet Military Aid to the Third World Communist
Deliveries, 1955-1981
(in millions of US \$)

Year	New Agreement (included)		Deliveries	
	USSR	Eastern Europe	USSR	Eastern Europe
1955-81	69,415	7,630	43,415	4,805
1955-1972-81	57,800	6,515	43,175	3,865
1981	11,615	1,115	1,240	775
1980	13,215	710	1,800	575
1979	8,340	675	7,115	635
1978	7,500	565	6,050	550
1977	9,335	650	4,740	355
1976	6,100	355	3,055	335
1975	3,005	635	2,045	340
1974	5,735	600	5	210
1973	2,840	130	3,135	130
1972	1,680	155	1,15	75
1971	8,615	1,115	6,710	1,040
1970	1,520	1,0	565	1,5
1969	1,150	50	725	75
1968	5,875	255	5,060	840
1967	350	100	450	50
1966	500	50	500	75
1965	5,5	100	100	25
1964	450	5	500	50
1963	2,640	760		
1962	875	390		
1961	415	390		
1960	830			
1955-60	1,85			
1960	570			
1959	40			
1958	470			
1957	240			
1956	90			
1955	110			

Note: The figure is in US dollars. Since the recipient countries are not specified, the figure is the total amount from different sources. The column is in US dollars.

US Department of State, *Soviet Foreign Aid: A Study of the Flow of 1951-1981*, February 1983, p. 4.
 Central Intelligence Agency, *North Vietnamese Communist Aid to the United States*, *Foreign Relations of the United States*, October 1980, p. 13.
 US Department of State, *Foreign Relations of the United States*, October 1975, ER 76 103720, July 1975, p. 1.
 US Department of State, *Foreign Relations of the United States*, October 1973, ER 73 103720, July 1973, p. 1.
 US Department of State, *Foreign Relations of the United States*, October 1971, ER 71 103720, July 1971, p. 17.

A. The Expansion of Soviet Military Relations with Developing Countries

One of the most important changes in Soviet policy toward the Third World during the past decade has been the increasing emphasis on the expansion of military relations between the Soviet Union and individual developing states. Throughout the period 1955-1967 the USSR delivered an average of slightly more than \$300 million worth of military equipment per year to developing countries. From 1968 through 1971 the amount increased to about \$700 million annually. Since 1972, however, the yearly deliveries have grown substantially, and for the period 1977-1981 averaged \$6.2 billion per year.¹ The major recipients of the expanded Soviet deliveries have been Libya and Algeria, which pay for weapons with hard currency earned from oil exports. Iraq, Ethiopia, and Angola. Not only have Soviet sales and deliveries increased significantly in the last decade, but the regional distribution of deliveries has also been extended. Until 1973 approximately 86 percent of all Soviet arms commitments and deliveries went to a few countries in South Asia and the Middle East. With the expansion of Soviet involvement in Sub-Saharan Africa during the 1970s—especially in Angola and Ethiopia—Africa has also become a major recipient of Soviet military equipment and the USSR has replaced France as Africa's primary arms supplier. Between 1974 and 1979 new commitments of military support to Sub-Saharan Africa and retail deliveries made up about fourteen percent of total new commitments and deliveries, and in 1981 new commitments to that region came to more than thirty one percent of all new commitments (See Table 2).

In spite of the expansion of the number of recipients of Soviet military equipment and support in recent years, the number of such countries is still relatively restricted. Of the 24 countries that reportedly received Soviet military support prior to 1967 fifteen received cumulative amounts of \$40 million or less.² Although the number of non-communist recipients of Soviet military supplies grew to 35 for the period 1975-1979, only seventeen received deliveries totaling \$100 million or more, of which two—Egypt and Somalia—have since broken relations with the Soviets.³ Throughout the 1970s the major markets for Soviet military equipment were Egypt (until 1976), Iran, Iraq, and Syria in the Middle East; Afghanistan and India in South Asia; Algeria, Angola, Ethiopia, Libya, and Somalia (until 1977) in Africa; and Peru in Latin America. By 1979 the USSR had become the primary supplier of military equipment for the Third World.⁴ In that year the Soviet Union and its East European allies were the major supplier of military equipment to six of the ten leading arms importing states.⁵

The arms exports program of the USSR has differed in composition from that of the United States. Most important is the substantially greater role

of military services in the Americas program. Through the late 1970s US deliveries of such services were nearly four times as great as those of the USSR. It is a result of a larger provision of training and technical assistance and of a military construction program undertaken by the Soviet Union. On the other hand, Soviet deliveries of weapons systems have been larger than those of the United States and have made up a significantly greater portion of total Soviet arms exports than in the case of the US program.⁷ Since 1978, however, Soviet military related services in particular training and technical assistance grew markedly. In addition, this growth was complemented by the services provided by Soviet allies—in particular the German Democratic Republic and Cuba.⁸ In recent years the number of military personnel from developing countries being trained in the USSR has averaged about 1,900 per year. The largest numbers of these military personnel have received training on air defense systems or as pilots, tank operators and maintenance technicians.⁹ Finally, Soviet weapons are generally delivered to Third World customers much more rapidly than in the case of the United States. The time elapsed between Soviet sales and deliveries has been twelve to eighteen months, while US deliveries have averaged approximately three years.¹⁰

One of the most important modifications in the Soviet arms transfer program during the 1970s was the increasing commercialization of exports. From the beginning of the Soviet arms assistance program in the middle 1950s through the early 1970s virtually all Soviet military equipment shipped to Third World states was provided on the basis of medium term credits. These credits generally carried relatively low interest rates—when compared with private Western credit—and were repayable with trade in exports of the recipient country.¹¹ Moreover, the sale price of Soviet weapons has usually been heavily subsidized. According to one estimate approximately 40 percent of the value of Soviet military equipment has been written off as grants. Even without discounts the list price of Soviet weapons has usually been below the price charged for comparable Western equipment.¹² Since the beginning of the 1970s the percentage of Soviet exports paid for in hard currency has risen to the point that by 1977-1981 hard currency exports accounted for more than eighty percent of all military exports.¹³

Before turning to a discussion of the place of Soviet military relations with developing countries in overall Soviet foreign relations, we should also note the types of weapons that have been supplied by the Soviet Union to several of its major Third World customers. During 1977-78 Ethiopia received an estimated 550 Soviet tanks, 60 MiG 21 fighter aircraft and 20 of the more sophisticated MiG 23, more than 300 armored personnel carriers and large numbers of rocket launchers and 155 and 185 mm guns.¹⁴ Libya has during recent years received immense amounts of Soviet military

Box 1. *Continued*

Value of arms transfers in rubles (US dollar equivalent) by region, 1970-1981. (Data for all areas not included in the 1981 estimate.)

Year	Total	North Africa	Sub-Saharan Africa	East Asia	Latin America	Middle East	South Asia	Deliveries (Total)	North Africa	Sub-Saharan Africa	East Asia	Latin America	Middle East	South Asia
1970	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1971	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1972	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1973	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1974	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1975	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1976	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1977	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1978	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1979	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1980	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310
1981	4,410	10,280	4,630	8,200	9,000	4,440	4,410	2,650	1,340	1,310	530	1,080	1,340	1,310

equipment especially considering the size of the Libya military. It is one of the very few countries to which the Soviets have sold the sophisticated M1927 fighter aircraft and the newest air defense missile system, the SA-9.¹⁶ Algeria, Syria and Iraq have also received the most up-to-date Soviet equipment often even before East Europe in Warsaw Pact states have received it.¹⁷ By the end of the 1970s the Soviet Union and its East Europe allies had become the major source of a number of important weapons systems, tanks, anti-air artillery, field artillery, guided missile patrol boats, supersonic combat aircraft, and surface-to-air missiles.¹⁷

Throughout portions of the Third World especially in Africa and the Middle East the East Europeans have worked closely with the Soviets in the military area. Czechoslovakia and Poland have been the two most significant East Europe exporters of military equipment although the GDR has become an important supplier of military services (primarily training) in recent years. Although the expansion of East Europe in arms sales and overall military involvement in the Third World began somewhat later than that of the USSR by the beginning of the 1980s it had reached a level approximately three times that of the mid 1970s.¹⁸

Throughout the Third World the East Europeans have worked closely with the Soviets and their activities can be viewed as an integral part of overall Soviet military policy. In virtually all cases the recipients of East Europe armaments are the same countries as those which purchase Soviet equipment. Moreover, cases of coordinated military sales and support services exist such as the agreement between Hungary and Mozambique of November 1975 according to which the former was to provide military equipment including tanks and aircraft (most likely on behalf of the USSR since Hungary does not produce such equipment) as well as military advisors and instructors to train Mozambique troops in the use of the weapons.¹⁹

No matter how one measures the Soviet and East Europe armaments support program in the Third World the evidence indicates its growing importance during the past decade. In the following section we shall examine the factors that have influenced the Soviets in their decision to expand the sale of military equipment to Third World states and the benefits for their overall foreign policy position that they hope to gain from arms transfers.

B The Price of Military Support and Arms Transfers in Soviet Foreign Policy

To this point we have attempted to demonstrate that military assistance and arms transfers have played an increasingly important role in Soviet relations with the countries of the Third World. We shall now attempt to

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to assess the function of military support in overall Soviet policy. Before examining Soviet goals, however, it is important to understand a number of factors inherent in the Soviet economic political system which affect the ability of the Soviet Union to engage in the type of military support operations that they have developed. First of all the Soviets have become the largest producers of conventional military equipment in the world. Exports have become the most effective method of reducing per unit production costs of weapons and of disposing of this huge surplus of weapons and is we shall see below have become a supplementary method of earning hard currency.²⁰ Moreover, given the focus of the Soviet economy on military production, this sector has become the most efficient and competitive of all sectors of the Soviet economy. Soviet military equipment is generally quantitatively equal to or even superior to comparable equipment obtainable from other potential suppliers—in particular when one takes into account the fact that Soviet weapons are often simpler to maintain than Western equipment.²¹ The Soviets have therefore large stockpiles of weapons of good quality and current vintage that they can make available to Third World states. The growing availability of such weapons has coincided with the phenomenal expansion of the market for weapons throughout Asia, Africa and Latin America.²²

Another factor relevant to Soviet arms transfer policy has been the growth of the Soviet navy and its operation in waters far from Soviet territory. By the beginning of the 1970s this fleet was operational and required access to facilities throughout Asia and Africa. Arms transfers to certain Third World states have been a bargaining factor in Soviet attempts to acquire access to such facilities.

1 Political Factors in Soviet Military Support

The major purposes of Soviet arms assistance and sales, however, have been political. Yet over time the very nature of the political aspects of Soviet policy in the Third World has evolved. Initially, in the period in which the USSR was virtually isolated from contacts in the developing world, the purpose was to establish and solidify bilateral relations with countries such as Egypt. Later, in particular in the 1970s, the political aspects of Soviet goals expanded to include the desire to strengthen the global role of the Soviet Union as a superpower. It should be borne in mind that it is not always possible to separate clearly the military security aspects of Soviet objectives from those that are purely political. To a considerable degree the two are intertwined for the growth of military capabilities may well bring with it an enhanced ability to achieve political goals. It is also important to note that military support is merely one of a number of instruments employed by the USSR—or by other countries—for that

matter in the effort to achieve foreign policy objectives. Diplomatic contacts trade relations economic and technical assistance cultural policy and propaganda and subversion are additional methods that have been employed by the Soviet leaders in their relations with Third World states during the past quarter of a century. In any particular set of circumstances one or another of these instruments may predominate. The focus on military relations in the present discussion should not be interpreted to mean that these relations alone comprise the totality of Soviet policy toward the developing countries.

Initially the primary concern of the Soviet Union in extending military assistance to developing countries was the desire to undermine Western influence and strategic interests in regions of primary concern for Soviet security. The 1955 shipment of armaments to Egypt valued at more than \$250 million is well illustrated in agreements with Yemen Syria and Iraq were all aimed at undermining the attempts of the United States and its Western allies to create a unified anti-Soviet alliance system along the southern borders of the Soviet Union itself. The Soviets were able to take advantage of the growing antagonisms between the revolutionaries in the Arab states of Egypt and those of other Arab countries—and the West plus the festering hostility between Israel and its Arab neighbors in order to gain a presence in the Middle East. The provision of weapons though by no means the only method employed by the Soviets was the most effective method at their disposal to make an impact on political developments in the region.

Elsewhere in the Third World in the late 1950s and early 1960s the growth of anti-Western attitudes among nationalist leaders and the desire to gain a degree of independence from the weapons monopoly exercised by the United States and its allies plus the expansion of regional hostilities provided the Soviet Union with additional opportunities to help in the process of undermining Western influence. By the early 1960s Indonesia India and a number of other Asian and African states had turned to the Soviet Union for military equipment.

Closely related to the Soviet goal of weakening Western dominance in Third World areas is the desire to establish and extend the presence of the Soviet Union itself. In almost all cases where Soviet military equipment was supplied to developing countries Soviet military technicians arrived along with the equipment in order to instruct the local military in its use. As we have seen above the corollary to this policy was the training of Third World military in the Soviet Union for more extended periods. Probably the most extreme example of the growing role of the Soviet Union in the affairs of a client state prior to the attempted communication of Afghanistan is provided by Egypt at the beginning of the 1970s. After the disastrous seven-day war of June 1967 the entire Egyptian military was

reorganized—largely by Soviet military advisors⁴ prior to their expulsion by President Sadat in the summer 1972. 21,000 Soviet military technicians were present in Egypt.

More recent examples of extensive Soviet presence in Third World states in large part in connection with military support to those states—have occurred in Angola Somalia (until 1977) Ethiopia and at a totally different level Afghanistan since the communist coup of spring 1975 and the Soviet invasion of that country in late 1979. In all of these cases the provision of military equipment and technical support has been one of the most important means employed by the Soviets in gaining a presence and in attempting to influence the course of political events in the recipient country.

Connected with the goal of gaining political access through the supply of military support has been the effort to provide stability for countries that have turned to the USSR for support. During the 1970s this became in especially important element of Soviet policy in Africa where the Soviets and their European and Cuban allies provided not only military equipment but even the military personnel needed by revolutionary movements or regimes in Angola and Ethiopia to seize power or to consolidate that power. In a number of African states for example the East Germans in consort with their Soviet allies have been providing military and security training for revolutionary governments—e.g. Somalia Angola Mozambique and Ethiopia among others.⁵ This emphasis on the training of elite police guards and domestic security forces has been influenced by the experience in the 1960s of progressive regimes favorably inclined toward the Soviet Union. The position of the Soviets and their allies in Ghana for instance changed drastically with the overthrow of Kwame Nkrumah in 1966. The presence of well trained and loyal security forces is now viewed by the Soviets as essential to stabilize the existence of progressive Marxist-Leninist governments in various African countries.

Since the early 1970s Soviet policy in the Third World has followed two paths support for progressive regimes that are entering upon a path of socialist construction and a more pragmatic approach of dealing with other non-progressive Third World states whose strategic location or raw materials base makes them of potential strategic importance for the USSR. Military support has been among the most important elements in both of these sets of relationships. However it appears most crucial in the case of those radical Third World states which have turned overwhelmingly to the Soviet Union for assistance. Of those states which the Soviets have termed progressive in recent years virtually all receive the vast majority of their military equipment from the Soviets.

So far we have discussed several of the political goals for which military

support has been important—the reduction of Western influence, the ending of political presence for the Soviet Union, and support for clients and allies in the Third World. Related to this last purpose is the military backing provided to various national liberation movements—primarily in Africa.⁷ Throughout the 1970s the Soviets and their East European and Cuban allies became the major source of military support for such organizations in Angola and Mozambique prior to independence. In Zimbabwe they transferred military equipment to Joshua Nkomo's forces before independence, and both SWAPO (in Namibia) and the African National Congress (in South Africa) receive most of their military supplies from the Soviets and their allies. The liberation struggle waged in Oman in the Arabian Peninsula was also supported, at least indirectly through South Yemen by the Soviet Union. Such military support is in former Portuguese Africa is expected to bring to power regimes that are not only favorably inclined toward the Soviet Union but are also dependent upon it for their security.

However, not only progressive or self-proclaimed Marxist Communist governments have been recipients of major Soviet military support. In fact, most of Soviet military assistance and sales over the course of the past thirty years have gone to countries which, though often anti-Western, were hardly progressive in their domestic policies. At least in the Soviet sense of that term, Soviet military support to most of the Arab states in recent decades has had as its major focus the competition for political and military influence with the United States in the oil-rich Middle East. The continuation of the Arab-Israeli conflict has provided the Soviets with conditions favorable to their involvement. To date, however, there is little evidence that they have been able to translate this involvement or presence into influence. So long as the Soviets are willing to support Arab initiatives, relations remain cordial. When the interests of the Arab states and those of the Soviet Union diverge, however, the Soviets generally find themselves incapable of changing the policies of the Arab states.⁸

One final political purpose of Soviet military policies in the Third World should be treated prior to a discussion of military and economic motives. Throughout the past decade the Soviets have emphasized repeatedly the fact that the international environment has changed, that the role of the capitalist West in the international system is receding, and that a new international correlation of forces has emerged. However, only by playing a role in events on a global scale can the Soviets demonstrate that their assessment of the changing international balance is indeed accurate. If nothing else, the Soviets have shown in recent years that they have both the ability and the willingness to provide support to their allies. The success of the MPLA in Angola or for the time being, at least, of the central government in Ethiopia is attributable only to Soviet (and Cuban) military

support. The provision of various forms of military assistance throughout Asia and Africa—and more recently in Central America—has been among the most important means employed by the Soviets in substituting their claim that a changing balance of forces has already emerged. The image of the Soviet Union is equal—or even superior—to the United States in its well-influenced leaders in Asia and Africa to work out *modus vivendi* with the Soviets or with their clients, given the possibly dominant future role of the Soviet Union in the international system.

2. Military Security Considerations in Soviet Military Support

Closely related to the Soviet desire to strengthen its global role is the continuing competition with the United States—and with the People's Republic of China. Over the course of the past fifteen years, or so, Soviet policy in the Third World has been biased in part on the desire to expand the capabilities to project power abroad in support of Soviet state interests. These projection capabilities depend upon two separate, but interrelated developments. First, there was the need for the USSR to produce the military equipment necessary to exert military power in regions beyond the territory under the control of the Soviet army. Throughout the 1960s and 1970s the Soviets proceeded with a construction program that has now given them a large and modern ocean-going navy and long distance transport aircraft.⁹ The second requirement was access to military facilities throughout the Third World at which to refuel, repair, and refurbish the newly developed military capabilities. In this portion of our analysis of Soviet military support to developing countries, we wish to demonstrate the relationship between arms transfers and the Soviet acquisition of access to such military facilities.

In the present discussion we do not wish to become involved in the fruitless debate concerning the precise definition of a military base or the various distinctions that can be made between bases and other types of military facilities.¹⁰ Although we shall distinguish between facilities over which the Soviets have exercised virtually complete— albeit often temporary—control and facilities to which they have had only limited access, our major concern will be between the general relationship between access and the provision by the Soviets of military support to the host government. Robert E. Harkavy has argued that the Soviet Union has accelerated the use of arms transfers for acquiring strategic access, expanding a once limited buying network to one of global dimensions during in 1971, which is witnessing the withering of previous ideologies if not to many arms transfer client relationships.¹¹ The evidence points to the acquisition of military facilities in areas of strategic interest to the Soviet Union as one of the primary motivating factors for Soviet policy in the

Third World. The Soviets have employed both the distribution of economic assistance and more importantly in recent years the transfer of military equipment as part of an overall policy of competition with the West for the acquisition and maintenance of strategic access. During the course of the past decade or so the Soviets have been especially successful in creating a network of such facilities throughout the Indian Ocean area, the Middle East, and various parts of Africa that now permits them to influence events far from the territory of the Soviet Union.³¹ It must also be noted that the development of the network of facilities has depended upon the support that the Soviets have been willing to provide to host countries either in local conflicts or in conflicts with the West.

Among the most important development that have enabled the Soviets both to export military equipment and to acquire base facilities has been the Arab-Israeli conflict. Initial Soviet involvement in the Middle East was directly related to the provision of military assistance to the Arab states. By the early 1970s the Soviets had established a position in Egypt that appeared to be especially strong. Egypt was not only almost totally dependent upon the Soviets for both developmental assistance and military equipment, but Soviet military advisors played a decisive role in revamping the Egyptian military and the Soviets had gained access to port and air facilities throughout Egypt. These facilities, which were under complete Soviet command, provided them with the opportunity to conduct air surveillance activities throughout the Eastern Mediterranean and to mount their growing naval strength in the region. Similarly, the Soviets were also able to gain access to various types of military facilities in Syria and Iraq, though they have never exercised the type of control over these facilities that they maintained in Egypt prior to their expulsion in 1972.

The civil war in Angola in 1975 and more recently the war between Somalia and Ethiopia in the Horn of Africa indicated both the extent of existing Soviet military facilities and their importance to the Soviet Union in supporting its allies and clients throughout the Third World. Without access to air facilities in Algeria, Benin, Congo, Guinea, and elsewhere in West Africa, the rapid and large scale shipment of Soviet military equipment and Cuban troops essential for the MPLA victory would have been impossible.³² Moreover, Soviet access to facilities in Iraq, South Yemen, and Libya were indispensable for the movement of massive amounts of Soviet military equipment and the large number of Cuban troops to help the new friends of the USSR in Ethiopia.

We have already noted the connection between Soviet arms transfers and the acquisition of military facilities. All of the countries that have provided the Soviets with facilities over which they exercised significant control have been major recipients of Soviet military equipment and most of them have also received substantial economic aid from the USSR—at

least relative to the total population of the country. In addition, all of the countries that have provided it least limited access to military facilities have also received military supplies from the Soviet Union—although in some cases the amounts have been quite limited. It should be noted, however, that not all major recipients of Soviet arms have provided the Soviet Union with major military facilities. India, for example, has provided the Soviets with only limited servicing and repair facilities for their fleet, equivalent to those provided to other countries. In the case of Iran, it seems clear that the primary Soviet expectation at the time of initial arms sales was to lessen Iran's dependence on the United States, not to acquire any type of military facilities.

A final point must also be emphasized concerning the weakness of the Soviet position in many of the countries in which they have acquired military facilities. Both Egypt and Somalia expelled the Soviets when their goals and those of the Soviet Union clashed. During the civil war in Lebanon, Syria restricted Soviet access to naval facilities in that country in order to show its displeasure with Soviet opposition to Syrian intervention against the PLO and the Lebanese leftists.³³ The Soviets have apparently been quite aware of the tenuous nature of their military presence in the developing countries and have generally followed a policy of establishing parallel or backup facilities. For example, throughout the late 1960s and early 1970s they simultaneously courted North Yemen, South Yemen, Somalia, and Egypt.³⁴ When Somalia expelled the Soviets as a result of the latter's military support for Ethiopia in 1977, the Soviets were still able to use the facilities in Aden, South Yemen. In West Africa, as well, the Soviets attempted to develop a parallel set of facilities in Benin, Guinea, Bissau, Equatorial Guinea, Congo, and Mali.³⁵ A related example can be seen in the increased deliveries of military equipment to Syria immediately after the expulsion of Soviet forces from Egypt in 1972 and the resulting extension of access to Syrian naval facilities. Later, during the deterioration of Soviet-Syrian relations, as a consequence of disagreements over policy in the Lebanese civil war, the Soviets began to concentrate their arms supplies on Iraq, where they also reached an agreement for the expansion of access to Iraqi air and naval facilities.³⁷

To date, Soviet military capabilities in the Third World have been employed for a variety of purposes. They have been used to support allies or client states against a regional opponent—e.g., the Arabs versus Israel, India versus Pakistan, and Ethiopia versus Somalia—or to support one faction in a domestic civil war, as in Angola. As has already been noted, the Soviets have also provided substantial military assistance to revolutionary movements committed to the overthrow of colonial regimes—as at present in southern Africa. Finally, their overseas military capabilities have provided the Soviets with the opportunity to monitor the activities of

Western civil and military shipping in the major shipping lanes from the oil rich Persian Gulf region through the Indian Ocean and South Atlantic to Europe and North America.³⁸

3 Economic Factors in Soviet Arms Transfers

In an analysis of the economic costs to the Soviet Union of its arms supplies to the Middle East published in 1973 Gaur Oler concluded that the delivery of these weapons constituted "the very real ever increasing supply burden" in increase that creates even the most claims on increments of new available resources.³⁹ Oler based his conclusion on the fact that by the first half of the 1970s military aid to the Middle East alone represented a total of 1.8 percent of total machinery production in the Soviet Union—more than double the percentage for the years 1955-66.⁴⁰ Yet recent developments in Soviet arms transfer policy indicate that arms sales cannot be viewed merely as an economic burden on the Soviet economy. By the end of the 1970s some where between sixty and ninety percent of all Soviet military deliveries were paid for in hard currency,⁴¹ and the total estimated annual hard currency income from arms sales increased almost \$3.9 billion for the period 1977-1981 (See Table 3). During this period estimated hard currency income from arms sales to Third World countries exceeded the total hard currency deficit in Soviet merchandise trade conducted primarily with the West (See Table 4). Ever since the rise in OPEC oil prices and the resulting availability of large amounts of hard currency in a number of Arab countries the Soviets have been receiving hard currency for weapons shipped to the Middle East Libya which became a major purchaser of Soviet weapons during the last decade pays for all of its purchases with hard currency or hard goods while both Syria and Iraq have been able to cover the costs of most of their imports with hard currency provided by other wealthy Arab states.⁴²

During the 1970s the percentage of all Soviet exports comprised of military sales rose from slightly less than twelve percent in 1970 to sixteen percent in 1979. In 1979 for example, of total exports valued at \$65 billion \$10.4 billion consisted of armaments. A substantial percentage of these military exports—approximately \$6.6 billion—went to developing countries, many of which paid for Soviet military imports with hard currency.⁴³

What is clear from the available evidence is that arms exports to Third World states have become an important source of hard currency and along with petroleum and gold comprise more than two thirds of all Soviet exports for hard currency.⁴⁴ Arms sales play a major role in covering the deficits in Soviet commodity trade with the world market—in fact they more than cover this deficit. Throughout the last decade the Soviet leadership has greatly increased its importation of agricultural products

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Table 3
Annual Hard Currency Income from Soviet Arms Sales to Third World Countries
(in billions of US dollars in millions)

Year	Hard Currency Arms Sales	Total Arms Sales	Percent Hard Currency Sales	Total Arms Sales		Percent Hard Currency Sales
				1970-74	1975-79	
1970	400	775	51.6	925	40	
1971	400	650	58.8	765	47.2	
1972	600	700	72.5	1,215	47.4	
1973	1,600	100	76	3,135	51.0	
1974	1,500	1,250	75.8	2,225	67.4	
1975	1,500	1,860	80.6	2,045	73.3	
1976	1,550	2,270	81.5	3,055	60.0	
1977	3,220	3,810	84.5	4,740	67.2	
1978	3,065	4,130	70.0	5,705	67.5	
1979	3,855	4,70	70.3	7,415	50.6	
1980	4,00	4,670	82.9	6,20	66.8	
1981	4,200	4,90	84.7	6,445	63	

Source: National Intelligence Estimate, "The Soviet Union's Efforts to Increase Its Arms Sales to Third World Countries," National Intelligence Estimate, USSR Hard Currency and Imports in US Dollars, January 1980, Committee on Foreign Relations, House of Representatives, Washington, DC, System of Foreign Office, 1983, HEP 503, 504, Director for Arms Sales Intelligence.

and industrial equipment including modern technology in the effort to deal with problems facing the Soviet economy. However, in spite of substantial increases in the export of raw materials and gold the Soviets have continued to run a substantial deficit in their trade with the industrialized West.⁴⁵ The one area in which the Soviet Union can compete effectively on the world market is in the provision of military equipment. As we have noted above, Soviet equipment is comparable to that produced in the West and more important the Soviets have the surpluses required to enable them to export armaments to potential Third World customers. Although the economic factor is not the most important influence determining Soviet arms transfers, it is likely that it increasingly comes into consideration as the Soviet leadership makes its decisions concerning the value of providing arms to various Third World customers.

C An Assessment of Soviet Arms Transfers and Military Support Policy

Since I consider the portion of the discussion of Soviet involvement in the developing world that appears in the popular press tends to assume the virtually irrefragable implementation of a grand design, it is necessary to put Soviet policy into perspective. Although the Soviets have indeed greatly expanded their role in world affairs and in the Third World in particular, they have by no means been invariably successful in the accomplishment of their foreign policy goals. To a very great degree their

policy initiatives and their successes and failures have depended on local developments over which they have exercised little or no control. The ability of a nation to seize power by a Marxist and similar developments have been extremely important for Soviet policy. The growth of arms transfers to the Third World and the ability to gain access to overseas military facilities have resulted far more from external circumstances than they have from Soviet policy initiatives. The expansion of regional conflicts—such as that in the Horn of Africa or the petrodollar explosions in Arab-Israeli relations—and the availability of surplus income in the oil-producing states have been major determinants that have added to the market for Soviet armaments, as well as those of the Western states. The acquisition of military facilities by the Soviets has often been viewed by the host country as a method of enhancing its own military security against regional opposition. This was clearly the case in both Egypt and Somalia during the periods of their close relations with the Soviet Union. Yet although the USSR has expanded its activities and capabilities in large areas of the developing world, it is still unable to dictate developments as it can to some degree in the Western Europe.

Soviet goals in the developing world, as we have seen, have included (1) the reduction of Western influence in particular American military and political influence; (2) the containment of possible Chinese influence; (3) the establishment of a network of military facilities that will enable Soviet military forces to project power; and (4) the possible economic benefits that can be gained for the Soviet economy. In large part these goals have been accomplished—often because of the failures of America in and West Europe in policy at other times because local developments have provided the Soviets with opportunities that they were able to exploit.

Soviet military assistance and arms transfer programs as a part of overall policy toward the developing countries are motivated primarily by political and strategic concerns. On the whole they have been related more to Soviet support for ideologically compatible allies, the search for strategic benefits, and the building of the foundations for future political influence than to economic motivations, even though the economic factor has grown in importance.

The expansion of Soviet presence and of Soviet military capabilities throughout much of Asia and Africa has increased Soviet possibilities of influencing future political and military developments. However, it must be kept in mind that the Soviets still must depend upon the good will of client states in order to maintain the network of facilities that they have constructed. As they become more involved in local affairs—in the Horn of Africa—they will find that they cannot support two sides in a conflict and maintain favorable relations with both. As in the past, they are likely to opt for the stronger and potentially more important of the participants

Table 4
The Relationship of Military Sales to the Current Balance of Payments of the Soviet Union
(in millions of U.S. dollars)

Year	Export of goods	Import of goods	Balance of merchandise trade	Receipts from military sales to LDCs	Military sales as percent of merchandise trade imbalance	Provisional estimate
1970	4.4	9.84	-5.60	4.00	400	(71)
1971	7.6	3.09	-1.7	4.00	400	(16)
1972	2.4	4.34	-1.38	6.00	600	(43)
1973	0.99	7.24	-1.73	1.60	160	(9)
1974	8.80	8.96	-0.16	1.00	100	(15)
1975	10.5	14.57	-4.07	1.85	185	(4)
1976	11.83	14.80	-3.0	0	0	(35)
1978	1.6	11.06	-9.46	3.05	305	(109)
1979	12.41	14.14	-1.73	3.8	38	(10)
1980	3.2	10.0	-6.8	4.00	400	(169)
1981	3.5	10.0	-6.5	4.00	400	(10)

Source: Adapted from data in Table 1, USSR Limit of Hard Currency Balance in the Joint Economic Committee Staff Report, 1981, in Department of State, Office of Economic Policy, Washington, D.C., Government Printing Office, 1981, p. 45.

to a conflict. The possibility of becoming mired in local military conflicts also exists in the Soviets' dealings in both Angola and Ethiopia where Soviet backed regimes are faced with serious internal opposition. Recent events in Afghanistan indicate the extreme situation in which the Soviets felt constrained to intervene directly in order to stabilize the position of a client regime and to insure future developments compatible with Soviet interests.

The future will probably witness a continuation of a Soviet policy in the developing world or rather a series of policies—that differs little from what has evolved over the past two decades. The testing of the Arab Israeli conflict and the continuing unrest in southern Africa may well provide them with expanding opportunities for involvement in both of these regions. The fact that the Soviets in spite of numerous setbacks have been able to establish a set of political military relationships throughout much of the Third World means that they are now able to have an impact on events and to undercut Western political and economic interests in ways that would have been impossible only a decade ago. Arms transfers have played an important part in Soviet policy in the past and will likely continue to represent the single most important Soviet instrument in relations with Third World states. As Franklyn Griffiths has argued there is little in either Soviet political ideology or in Soviet perception of the world situation that is likely to result in a voluntary limitation on the supply of arms to potential markets in the Third World.¹ Moreover given the balance of trade difficulties faced by the USSR in spite of recent efforts to reduce its trade deficits it is likely that military sales for hard currency will remain an active means of reducing the imbalance of Soviet commodity trade.

Appendix

A Note On Arms Transfer Data

As anyone who has attempted to find precise information on Soviet military expenditures of any sort is aware estimates vary substantially. This problem exists in the area of arms transfers as well. In this study I have relied primarily on the data estimates provided by the US Central Intelligence Agency and the Department of State. The following Table provides a comparison of data available in five separate sets of estimates for the years 1977-80.

Soviet and East European Arms Transfers to the Third World
Strategic, Political and Economic Factors

	CIA/State		ACDA		NSC		Common	
	Agmt	D-1	Agmt	D-1	Agmt	D-1	Agmt	D-1
1980	13,135	6,730	14,811	0	4,038	4,085	15,485	8,600
1979	8,360	7,615	8,850	0	4,158	1,550	8,725	4,700
1978	5,000	5,705	7,200	0	5,500	150	7,675	6,400
1977	7,335	4,700	7,555	0	3,614	541	10,155	5,000
1977-80	34,130	24,730	36,138	7,572	17,633	10,647	37,440	27,550

(in million dollars)

Source: US Central Intelligence Agency, *Annual Report on Soviet Arms Transfers to the Third World, 1977-1979* (1979); *Annual Report on Soviet Arms Transfers to the Third World, 1978-1979* (1979); *Annual Report on Soviet Arms Transfers to the Third World, 1977-1979* (1979); *Annual Report on Soviet Arms Transfers to the Third World, 1977-1979* (1979); *Annual Report on Soviet Arms Transfers to the Third World, 1977-1979* (1979).

Although differences exist in these data, all of the sources except the North Atlantic Council provide data that are rather similar. Data from the *SRI Yearbooks* published by the Stockholm Institute for Peace Research and the International Institute for Strategic Studies (London) although they differ because of different methods of counting and valuing demonstrate the same basic upward trends.

A final point should be made concerning the possible undercounting of the data employed in this study. During the discussions at the Colloquium at which this paper was first presented, Dr. Moshe Elert of the London School of Economics challenged all the existing data sources including those that have been employed here. He argued that the value of Soviet military sales to Third World states should be expanded by a factor of two or three because the existing estimates do not allow for the costs of maintenance, spare parts, etc. Extrapolating from the additional costs demonstrated for US, UK and French arms transfers he maintained one can assume that total costs to the Third World recipients of Soviet armaments are at least twice as high as those provided in the major Western estimates. The initial results of his research appear in an unpublished manuscript entitled *The Economics of Soviet Military Aid to the Third World: A Case Study—Egypt* which is scheduled for publication in a forthcoming issue of *Soviet Studies*.

- Robert L. Harkavy, *Creation of an Empire for Overseas: The Soviet Union's Foreign Policy, 1917-1945* (New York: Free Press, 1967), p. 193. Harkavy's view is also expressed in his work in the *Middle East*, *The Changing Strategic Map, 1973*, p. 69.
- 31 The only mention of the rights of arm to verify the Soviet requirements (which is what he is really referring to) is in the Soviet Union's 1971 declaration of independence in the *Middle East*, New York: Harper and Row, 1978, pp. 57-65. Roman *The USSR's Foreign Policy, 1917-1977* (London: Croom Helm, 1978), p. 175. *The Soviet Union and the Middle East*, Baltimore: Johns Hopkins Univ. Press, 1975, pp. 7-21.
- 32 For an excellent discussion of the role of the Soviet Union's military and of arms shipments in Soviet foreign policy, see Alvin Z. Rubinstein, *The Soviet Union: The Soviet System* (Ithaca: Cornell Univ. Press, 1977), p. 177. Rubinstein also discusses the effects of the Soviet Union's foreign policy on the Middle East in his book, *The Soviet Union and the Middle East* (Ithaca: Cornell Univ. Press, 1977), p. 177.
- 33 For an excellent discussion of the role of the Soviet Union's military and of arms shipments in Soviet foreign policy, see Alvin Z. Rubinstein, *The Soviet Union: The Soviet System* (Ithaca: Cornell Univ. Press, 1977), p. 177.
- 34 See Syria USSR, *Soviet Aid to Leve Syrian Naval Port*, *Defense and Foreign Affairs Daily*, January 14, 1977, cited in Harkavy, *The New Geopolitics*, p. 137.
- 35 See Nimrod Novik, *On the Shores of Bab Al Mandab*, *Soviet Diplomacy and Regional Dynamics*, Philadelphia: Foreign Policy Research Institute, 1972.
- 36 See the description of the Soviet shipping network in New Soviet Role in Africa, Vol. 1, *The New York Times*, December 10, 1975, p. 11.
- 37 See Robert O. Freedman, *The Soviet Union and Sudan's Egypt*, in *Middle East*, by the author and McDonnell, eds., *Soviet Naval Policy*, pp. 211-236, and Iraq, *Defense and Foreign Affairs Daily*, October 13, 1976, cited in Harkavy, *The USSR, Defense and Foreign Affairs Daily*, October 13, 1976, cited in Harkavy, *The USSR Geopolitics*, p. 138.
- 38 For an excellent analysis of Soviet use of their military forces in the developing world, see James McConnell, *The Rules of the Game: A Theory on the Practice of Superpower Naval Diplomacy*, in *Dimitrova and McConnell*, eds., *Soviet Naval Policy*, pp. 240-280. For a much more comprehensive treatment of the Soviet use of military capabilities to accomplish political goals, see Stephen S. Kaplan, *The Soviet Union's Foreign Policy: A Study of Soviet Foreign Policy* (Washington: Brookings Institution, 1981).
- 39 *Other Soviet Military Aid to the Middle East*, p. 233.
- 40 *Ibid.*, p. 227. A more recent assessment of Soviet military assistance in the Middle East also concludes that Soviet arms exports can be viewed as an economic function in the Soviet Union. See Mary Kaldor, *Economic Aspects of Arms Supply in the Middle East*, in *Leventhal and Shiffer*, eds., *Central and Eastern Europe: Middle East*, p. 227. In an interesting analysis of Soviet arms exports, Ryzin and Huchings, *China's Arms Exports to the Third World*, p. 17. Huchings and Ryzin also discuss the role of the Soviet Union's arms exports in the context of internal Soviet economic forces. According to Huchings, Soviet exports to the Third World states over the period 1960-1975 have fallen well below the level of the Third World states' needs for the period 1960-1975. See Ryzin and Huchings, *China's Arms Exports to the Third World*, p. 17.
- 41 For an explanation of the differences see note 13 above.
- 42 The third currency component of payments for Soviet arms included the delivery of hard goods—the goods which are easily marketable on the world market for a long time. Libya has reportedly been sending petroleum to both Spain and Finland in fulfillment of commitments. The shipment, as well as foreign payments for oil, is included in the foreign war were apparently credited to the Soviet trade account with the countries receiving the petroleum. This information comes from a former presentive of the Libyan petroleum consulting firm who wishes to remain anonymous.
- 43 ACDA, *World Military Expenditures*, p. 176.
- 44 In recent years arms sales for hard currencies have made up approximately fifty percent of the total of merchant trade exports plus gold and arms sales. The following table is based on data presented in Zacher, *USSR Hard Currency Trade and Imports*, p. 483. 50% indicate the relative importance of these three commodities in Soviet trade and exports.

	Total value of Merchandise or OF which arms	OF which gold	OF which petroleum and arms
	Export value in million dollars	as percentage of total	as percentage of total
1977	\$16,701	19.3	9.7
1978	\$19,873	20.0	34.7
1979	\$24,767	15.6	6.0
1980	\$29,364	14.3	5.4
1981	\$30,678	13.7	8.8

