

## BALANCING THE NATIONAL INTERESTS: U.S. ARMS EXPORT POLICY

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Since the end of the Cold War the export of arms and military technology has posed genuine dilemmas rooted in the differing goals found in internal and international regulations of arms sales. The arms trade is no longer organized along the relatively simple lines of Cold War power politics, but is much more pragmatic and commercially oriented. The United States occupies a very large share of the international arms market, so its export control system and various aims of its foreign policies are based on a very delicate balance. From the standpoint of the domestic policy, there is a constant power game within this sphere between governments that bears full responsibility for the security threats posed by the arms trade, and military industry with its own, economic interests. In the field of international relations, selling weapons and related technologies is seen as an instrument that can be used by governments to achieve certain foreign policy goals. This article presents the historical and present day context of American arms export control policy and practice.

Global transfers of arms have long comprised an important dimension of international affairs. Indeed, the supply of and demand for arms has existed for as long as war has been part of the world's history. Since ancient times arms production and sales have been used to achieve the political, military and economic goals of states and rulers. During its long history the trade in armaments has been the subject of serious international concern. The arms transfer issue is multidimensional in nature and technically complex. As it crosses multiple policy frameworks and theoretical levels of analysis, we can consider it as a challenge to our understanding of international relations. The nature of the arms trade appears contradictory. From the most pragmatic perspective, the international arms market is very lucrative. On the other hand, such activity undermines many basic foreign policy aims, such as security, human rights and international stability. Arms sales can relatively easily become an arms race, and then it turns to violent conflict or war. Arms production and export have always been seen as areas of national policy, in spite of the fact that they largely affect foreign politics and are strongly rooted in an international context. There is a kind of Machiavellian logic behind assuring security, stability and freedom in the world, through massive arms transfers. The contradictions in this field are deepened by the fact that the biggest exporters of conventional weapons are at the same time the most powerful states, conspicuously led by the United States as the world's main arms supplier (Grimmet 2009: 1–6; *SIPRI Yearbook Summary* 2009: 14).<sup>1</sup> Especially since the end of the Cold

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<sup>1</sup> One of the numerous paradoxes of the international arms trade is the fact that five permanent members of the UN Security Council – the United States, the United Kingdom, Russia, France and China are at the same time the most active players on the arms market, responsible for eighty-eight percent of reported conventional arms exports. The USA, Russia, France and the

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The use of arms transfers to influence the international environment has long been a major feature in U.S. foreign policy, mainly for the sake of its position in the world arms market. The United States accounts for almost half of all international arms transfers, dominates the arms market in the developing world, and has been a significant weapon supplier in more than half of current conflicts.<sup>2</sup> Although some of the transfers have worked against U.S. objectives, arms exports have been seen as part of the game of world influence, and also as a way of establishing national and regional security. Such activity of the country is used to strengthen relations with partners within the international community and expand the sphere of influence.

### U.S. Arms Export Control Regime: History and Characteristics

National security export controls are an essential aspect of U.S. foreign politics. The system of conventional arms control promotes restraint, both by the U.S. and other suppliers, in transfers of weapon systems that may be destabilizing or dangerous to international peace. At the same time, the policy supports transfers that meet legitimate defense requirements of democratic countries, and it's designed to regulate the transfer of military items that might adversely affect U.S. military potential (*U.S. Arms Export Policy* 2007).<sup>3</sup> Export control policies have an impact on the commercial side of the arms trade practices, but that is the base rule of the military governance. There has never been a free market in arms or military technology.

The origin of the export control policy is unchanged in its basic structure from what was granted by Congress in 1940 as an extraordinary war power (Mendelsohn, Grahame 2002: 24).<sup>4</sup> Earlier, arms transfers or significant military information were not

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UK are among the top exporters, while China is the leading receiver of weapons. The United States has been on the forefront of arms production and sales since World War II. According to the most recent version of the "Grimmet report", global arms sales totaled nearly \$60 billion in 2007 and the United States was the world's most dominant arms exporter, making \$24.8 billion (41.5 percent) of all global arms agreements. Russia was ranked second, with 17.3 percent of all agreements. R.F. Grimmet, *Conventional Arms Transfers to Developing Nations 2000–2007*. United States Congressional Research Service, 22.10.2008; *SIPRI Yearbook 2005: Armaments, Disarmament and International Security* – summary, <<http://www.sipri.org/yearbook/2009>> 10.06.2009.

<sup>2</sup> The term "arms transfers" refers to the sale and provision of non-nuclear military equipment and support services.

<sup>3</sup> See: *U.S. Arms Export Policy*, <<http://www.clw.org/archive/atop/uspolicy.html>> 12.03.2007.

<sup>4</sup> In 1940 Congress increased presidential power over the export of military significant goods and technology with the passage of Public Law 703, "An Act to Expedite and Strengthen the National Defense." The rationale for control was the necessity of not selling weapons to the nation's enemies and potential adversaries. See: J. Mendelsohn, D. Grahame, *Arms Control Chronology*, Center for Defense Information, 2002.

subject to government control or supervision. Even despite the growing military threat posed by fascism and militarism in the late 1930s, U.S. companies were free to sell almost all kinds of warfare abroad. The Burton Resolution presented in 1927, which would have embargoed armaments exports to aggressor states, was opposed on “the grounds that it would weaken the private armaments industry of the United States on which the government of the United States relied heavily for national defence in times of emergency” (Krause 1995: 79).<sup>5</sup> By the outbreak of the Second World War in Europe, the U.S. government had established control over private arms sales, and since then the export of arms has become for the government an instrument of foreign policy as well as a means of profit. This new role for arms transfers was inaugurated with the signing of the Lend-Lease Act of 1941, an effort to avoid direct American involvement in the European war by promising instead that the country would remain the great *arsenal of democracy*.<sup>6</sup> It enabled any country considered vital to the defense of the U.S. to receive arms and other equipment by sale, transfer, exchange, or lease (Collier 1980: 227).<sup>7</sup> With that move, the foreign transfer of weaponry shifted from the private to the public sphere. In the 1930s American private munitions producers drew heavy criticism, accused of increasing militarization of the international scene and benefiting from deadly conflicts. At the end of the World War II, the Soviet Union emerged as a global power ideologically and militarily opposed to the democratic world. In considering the export control issue in the increasingly difficult West-East relations of the late 1940s, the United States sought to avoid or minimize the probability of providing potential enemies with military tools and strategic technologies. Over the following years, U.S. arms export control policy was based on national security concerns derived from the reality of the global rivalry. The efforts were concentrated on building American and Western military capabilities and preventing sensitive technology and equipment from being exported to the Eastern bloc.

When the Cold War ended, the conception and general aims of arms control began to change. Among arguments in favour of arms export, the economic one began to count more than the others. Since the beginning of the 90s, the international arms market has been more commercially oriented than ever before. The current shape of this sphere is determined mainly by the national regulations and guidelines implemented by the leading actors of the global arms trade. Today the United States’ transfer policy

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<sup>5</sup> K. Krause, *Arms and the state: patterns of military production and trade*, Cambridge: Cambridge University Press, 1995.

<sup>6</sup> In his famous “Arsenal of Democracy” speech from December 1940 Franklin D. Roosevelt emphasized the need of American support to the allies. It is often interpreted as a renewal of the conscious effort of President George Washington to use arms transfers as a foreign policy tool designed to keep the U.S. at arms length from direct involvement in any foreign conflict. President Washington cautioned the U.S. government against developing unnecessary political ties with foreign nations in the quest for commercial expansion. See: L. Martel, *Lend-lease, Loans and the Coming of the Cold War: a Study of the Implementation of Foreign Policy*, Boulder: Westview Press, 1979.

<sup>7</sup> Large-scale European orders placed during wartime pushed the American military industry into a phase of dynamic development. “Orders placed by the British and the French for aircraft, ships and explosives did far more to pave the way for (U.S.) rearmament than, anything the President or the Chiefs of Staff could have done before the Spring of 1940.” B. Collier, *Arms and the Men. The Arms Trade and Governments*, London: Hamish Hamilton, 1980.

is governed by the Presidential Decision Directive 34.<sup>8</sup> Decisions to approve a sale are made on a case-by-case basis. The working premise of the transfer policy is to arm allies while denying advanced military technology to potential adversaries – unstable countries, regimes, rough states. The United States recognizes its responsibility to ensure that transfers are only to meet legitimate defense needs of responsible states. A careful assessment of the purchaser's security needs, the dynamics of the regional power balance and the potential to destabilize the region is made prior to approvals. The regulations implementing the export control regimes are numerous and complex, but three main laws provide the primary statutory mandate<sup>9</sup>:

Arms Export Control Act (AECA) of 1976: primary law establishing procedures on sales and transfers of military equipment. Defines the purposes for which arms may be transferred, self-defense, internal security and UN operations only, and establishes a process by which the executive branch must give Congress advance notice of major sales. According to the AECA the United States and other “free and independent countries” have “valid requirements for effective and mutually beneficial defense relationships” and for “international defense cooperation.” The Act affirms that American policy is “to encourage the regional arms control and disarmament agreements and to discourage arms races.”<sup>10</sup>

Foreign Assistance Act (FAA) of 1961: act that governs U.S. activities to providing military and economic assistance to foreign governments. It gives the executive branch or Congress the right to provide funds (grants or loans) for the purpose of buying newly manufactured U.S. arms. FAA also prohibits the transfer of arms to countries that commit “gross and consistent” patterns of human rights abuse. It creates the possibility of giving away or selling at reduced costs surplus arms but forbids arms transfers and aid to specific countries for their pursuit of Weapons of Mass Destruction (WMD).<sup>11</sup>

Export Administration Act (EAA) of 1979: act that governs shipments of dual-use goods and technology (which can be used for both civilian and military purposes). In essence, the EAA requires dual-use exports to be approved through an export license. The Act expired in 1994 but it continues to be valid under repeated uses of the International Economic Emergency Powers Act by the President.<sup>12</sup>

Transfers of arms made by U.S. companies are controlled by the government to ensure that they are consistent with national security and foreign policy interests. The

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<sup>8</sup> Presidential Decision Directive 34 rests on the foreign policy vision of the Bill Clinton Administration. Arms transfer policy is largely influenced by the concept of trading within a broad “Circle of Friends”; based on the desire both to preserve the United States’ competitive capability in arms production and to preserve national security through a strategy of engagement. This particular administration policy reveals a greater governmental share in the commercialization of U.S. arms and military technologies. See: I. Wilson, *Today's Profits, Tomorrow's Losses: the Commercialization of US Export Reform and its Implications on National and Regional Stability*, US Military Academy, October 2001.

<sup>9</sup> See: *USA: the Legal Basis for Defense Sales*, SIPRI website: <[http://www.sipri.org/contents/expcon/us\\_legalframe.html](http://www.sipri.org/contents/expcon/us_legalframe.html)> 12.03.2006.

<sup>10</sup> See: Federation of American Scientists website: <<http://www.fas.org/asmp/resources/govern/aeca01.pdf>> 12.03.2006.

<sup>11</sup> See: <<http://www.fas.org/asmp/resources/govern/faa01.pdf>> 12.03.2006.

<sup>12</sup> See more: I.F. Fergusson, *The Export Administration Act. Evolution, Provisions and Debate*, Report for Congress, Congressional Research Service, Library of Congress, May 2006. <<http://www.fas.org/sgp/crs/RL31832.pdf>> 11.03.2006.

Department of State bears responsibility for authorizing arms exports through export licensing. An exporter's compliance with governing laws and regulations should be strictly monitored. The Foreign Assistance Act and Arms Export Control Act govern several programs and founding mechanisms that allow U.S. weapons to be sold, given away or leased:

The Foreign Military Sales (FMS): program that is the main channel through which "government to government" transfers are made. A foreign government buying weapons through the FMS program does not deal directly with the producing company. The Department of Defense serves as an intermediary, usually handling procurement, logistics and delivery. The immense part of transfers is proceeded through this route.

The Direct Commercial Sales (DCS): program that oversees sales between foreign governments and private U.S. companies. A foreign country or company initiates contact with an American arms manufacturer directly. The State Department must approve DCS transactions by issuing a license. The commercial route is usually quicker, sometimes cheaper and always entails less government oversight than FMS.

The Foreign Military Financing (FMF): this program uses grants or loans to pay for a foreign government's U.S. military equipment and training purchases. FMF promotes U.S. national security interests by strengthening coalitions with allies, cements cooperative bilateral military relationships, and enhances interoperability with U.S. forces.

The Excess Defense Articles (EDA): program that allows the U.S. government to transfer surplus military equipment to foreign military forces. Most of these not needed arms are given away.

The Pentagon has been running a giant garage sale throughout the 1990s to unload its large overstock of dated, but still lethal, weapons and spare parts. EDA procedures are similar to those for FMS. Between 1990 and 1998 the Pentagon offered close to \$8 billion of excess military items to foreign militaries. Among the leading recipients of free weapons through this program in 1996 were Mexico, Colombia, Peru, Egypt, Israel, Jordan, Bahrain and Turkey – all countries where serious political repression and/or human rights violations were reported" (Lumpe, Donarski 1998).<sup>13</sup>

The U.S. government may also transfer military equipment and technology through a mechanism called an "emergency drawdown." The Foreign Assistance Act authorizes the president to "draw down" articles and services from existing U.S. government holdings, budgets or arsenals without approval of the Congress. Here, arms can be granted to other countries for perceived emergencies, which would not be able to be transferred through other channels.<sup>14</sup>

## Framework of International Arms Export Control

Arms exports, as strictly connected with major strategic policy of the United States, are subject to strict national regulation. The internal export control system reflects to some degree multilateral or bilateral agreements aimed at monitoring arms sales and

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<sup>13</sup> L. Lumpe, J. Donarski, *The Arms Trade Revealed. A Guide for Investigators and Activists*, Washington D.C., 1998. <<http://www.fas.org/asmp/library/handbook/cover.html>> 12.03.2006.

<sup>14</sup> For more see: *Foreign Assistance. Reporting of Defense Articles and Services Provided through Drawdowns Needs to Be Improved*, U.S. General Accounting Office, September 2002.

nonproliferation. The international regulatory regime first of all promotes transparency of dealings and allows countries to discuss their security concerns with one another. It is created also to ensure that military build-ups are indeed purely defensive and arms trade activity is not undermining common peace and stability.<sup>15</sup>

The history of armaments export control has its roots in antiquity. It seems that humanity's capacity for inventing, producing and using the tools of war-making has always been followed by efforts to control them. The earliest recorded disarmament conference dates back to the sixth century B.C., when a "cessation of armaments" ended seventy-two years of instability in China's Yangtse River Valley. The treaty between Rome and Carthage, ending the second Punic War (218 B.C. – 201 B.C.) can be considered one of the most famous ancient arms control agreements. According to the treaty the Carthaginians were forced to surrender their entire force of war-elephants and fundamentally reduce their much-feared triremes. Old Testament prophets had a vision of a world where swords would be beaten into ploughshares. In April 1139, the Second Lateran Council, under Pope Innocent II, banned the use of what then was considered a shockingly destructive weapon – the crossbow (Delvoie 2001: 29–36).<sup>16</sup>

Although there are many more interesting examples where the issue of controlling conventional arms use and sales has been addressed in the past times, it is agreed that a conscious and systematic attempt to control weapons appeared in the 19<sup>th</sup> century (Mendelsohn, Grahame 2002: 14).<sup>17</sup>

Contemporary export controls trace back to World War II, but the origins of modern export control is represented by the creation of the Coordinating Committee on Multilateral Export Controls in 1949 (Cupit, Grillot 1997: 361–389).<sup>18</sup>

COCOM was a mechanism established by the United States and its allies to restrict arms and high-technology (non-only military) exports to the Soviet bloc. Although it was not strictly a non-proliferation regime, it established precedents and practices that were later incorporated into the proper non-proliferation regimes. Since the creation of COCOM, arms trade control has been coordinated multilaterally, but still under the specific international circumstances – on the supply side of the arms market, there was the ability of the major powers, the United States and Soviet Union, to influence or even control the flow of military equipment around the world. The main global adversaries, as rational players, shared a common interest in avoiding nuclear war. Accord-

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<sup>15</sup> The terms "arms control" and "disarmament," though often used as synonyms, are not so in fact. "Disarmament" refers to the elimination of weapons systems, a far more comprehensive goal than "arms control," which seeks to reduce the risk of war, its destructiveness should it occur, and the cost of military defense through agreements between states to regulate the development, production and deployment of weapons systems and military forces. Arms control can be defined as any agreement among states to regulate some aspect of their military capability or potential. Early theorists defined arms controls in the broadest sense to refer to all forms of military cooperation between potential enemies.

<sup>16</sup> L.A. Delvoie, "Trials, Triumphs and Tribulations: the Saga of Arms Control," *Canadian Military Journal*, 2001.

<sup>17</sup> The Washington Naval Treaty of 1922, initiated by the United States, was probably the most significant attempt to control major weapons in the first decade of the 20<sup>th</sup> century. This agreement limited the growth of capital ships among the major powers for over a decade. J. Mendelsohn, D. Grahame, op.cit.

<sup>18</sup> The British "navicert" system can be considered one of the signs of the new export control frames; see: R.T. Cupit, S.R. Grillot, "COCOM Is Dead, Long Live COCOM: Persistence and Change in Multilateral Security Institutions," *British Journal of Political Science*, July 1997.

ing to an early arms control analyst, Hedley Bull, "The fact that the United States and the Soviet Union were locked in a political and ideological conflict, one moreover that sometimes took a military form, did not mean that they could not recognize common interests in avoiding a ruinous nuclear war, or cooperate to advance their common interests" (Bull 1983: 22).<sup>19</sup>

With the end of the Cold War, activity on this field shifted to prevent the flow of advanced weaponry and military technology to potential enemies, rogue regimes and unstable and war-torn regions. Arms control has changed in accordance to the new international security agenda.

Especially after the first Gulf War, there was an international attempt toward conventional arms control because of the damage to international security done by the 1980s arms build-up in the region (Hartung 2000).<sup>20</sup> It was a period of intensive expansion of the concept of non-proliferation export control to address conventional weapons and dual-use technologies. In effect, COCOM was disbanded in 1994 and eventually replaced by the Wassenaar Regime established in 1996, called after the Dutch town where it was negotiated.<sup>21</sup>

The goal of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA) is to establish effective and responsible national export controls, prevent the destabilizing accumulation of weapons, and agree on reporting regimes in order to improve transparency in the export of conventional weapons and dual-use goods. In this way, the Wassenaar Arrangement aims to contribute to international security and stability.<sup>22</sup> Those are the official aims of the arrangement, but in reality the system is effective more in providing greater transparency of the arms trade. The Wassenaar Arrangement was signed by nearly all current EU states (except Cyprus) plus Argentina, Australia, Bulgaria, Canada, Japan, the Republic of Korea, New Zealand, Norway, Romania, Russia, Switzerland, Turkey, Ukraine and the U.S. The Wassenaar export control system is based on two main pillars: a dual-use pillar and a conventional arms pillar. The principal goal of the regime is to complete information which will reveal any attempt to accumulate weapons or military technologies. In contrast to COCOM, the participants do not have a veto over other members' transfers of controlled goods. There is also no consensus decision-making on transfers.

The United States and other main arms exporting countries also provide arms transfer information to the United Nations Register of Conventional Arms (UNROCA)<sup>23</sup> (King 1999: 14). This U.N. mechanism, designed to control the trade in conventional weap-

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<sup>19</sup> H. Bull, "The Traditional Approach to Arms Control Twenty Years After", [in:] U. Nerlich (ed.), *Soviet Power and Western Negotiating Policies*, Cambridge: 1983.

<sup>20</sup> W.D. Hartung, *A Tale of Three Arms Trades. The Changing Dynamics of Conventional Weapon Proliferation 1991–2000*, World Policy Institute 2000, <<http://www.worldpolicy.org/projects/arms/reports/bh1000.htm>> 12.03.2006.

<sup>21</sup> A. Davis, E. Lynn, *The Wassenaar Arrangement*, Washington: U.S. State Department, 1996, <[www.acda.gov/wmeat95/davis95.htm](http://www.acda.gov/wmeat95/davis95.htm)> 10.03.2006.

<sup>22</sup> See: Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, "Initial Elements" (adopted in 1996, amended in 1999, 2001 and 2002), <http://www.wassenaar.org/docs/IE96.html>, 12.03.2006; S.A. Squassoni, S.R. Bowman, C.E. Behrens, *Proliferation Control Regimes: Background and Status*. Washington, D.C.: Library of Congress, <[http://www.nti.org/e\\_research/official\\_docs/other\\_us/crs021005.pdf](http://www.nti.org/e_research/official_docs/other_us/crs021005.pdf)> 03.03.2006.

<sup>23</sup> D.R. King, *Interpreting Shadows: Arms Control and Defense Planning in a Rapidly Changing Multi-Polar World*, INSS Occasional Papers 26, Arms Control Series, 1999.

ons through enhanced transparency as a confidence-building measure, was created in 1991. UNROCA invites countries to voluntarily report their imports and exports of main categories of conventional arms each year. However, the register is neither an arms control measure, nor does it provide a means of measuring the military capabilities.

Despite frequent critique regarding the international system of traditional arms control, and recent failures caused greatly through the behaviour of the United States (rejection of the Ottawa Convention, withdrawal from the Anti-Ballistic Missile Treaty), its role in shaping a multilateral system of arms transfer control is an important factor enhancing the global security system. The international community needs to have a framework in which to hold countries accountable for destabilizing international security through the transfer of conventional arms. It is important from a global security perspective that countries that have proven themselves irresponsible in the international community and whose strategic goals may be potentially threatening to stability and peace, are to be somewhat constrained in their proliferation of arms and their own armament. Since the mid-1990s attention has increasingly focused on several new areas of interest in the security environment that call out for means of control, including information war, landmines, space, illegal weapons and high technologies trade and terrorist activity (Levi, O'Hanlon 2005: 74–93).<sup>24</sup> Efforts to reach a common point of view in many of these areas face great challenges, so likely the nature of the arms control and arms trade control process is still evolving.

## When the Policy Fails. The Consequences of Arms Export for Development and Security of the Recipients in the Developing World

(...) we cannot have it both ways. We can't be both the world's leading champion in peace and the world's leading supplier of arms.

*Jimmy Carter*

As the leading arms supplier and as the world's widely respected democracy, the United States seems to have a special obligation to set strict standards for the receivers of U.S. weaponry. The arms export control mechanisms described above are not always effective in preventing potentially risky arms transfers. In some cases the guiding principle of the export is dominated by the commercial rather than the security aspects of U.S. interests. The breakup of the Warsaw Pact and the end of the Cold War led the U.S. government to undertake substantial cuts in defense spending (Wulf 1992: 18; Kosiak, Bitzinger 1993: 3).<sup>25</sup> At the same time the country assumed primacy in arms export, accounting for nearly half of all arms deliveries between 1992–2002

<sup>24</sup> M.A. Levi, M.E. O'Hanlon, *The Future of Arms Control*, Washington D.C.: Brookings Institution Press, 2005.

<sup>25</sup> It has been calculated that approximately one-fifth of worldwide defense-related employment – three to four million jobs – were lost by the end of the 1990s. The United States alone may have lost upwards of one million jobs in the military production sector. See: H. Wulf, "Arms Industry Limited. The Turning Point in the 1990s," [in:] H. Wulf (ed.), *Arms Industry Limited*, Oxford: Oxford University Press, 1992; S. Kosiak, R.A. Bitzinger, *Potential Impact of Defense*



(Klare, Volman 1996: 39–53).<sup>26</sup> In result of the strategic changes in the international environment the volume of arms trade increased sharply and the number of states participating in the global arms market also grew substantially (Grimmet 2001).<sup>27</sup> Even with the decline in terms of the value of arms transfers at the beginning of the 1990s, the arms sales to developing countries comprised on average about two-thirds of all arms export agreements.<sup>28</sup>

U.S. foreign policy has always emphasized the expansion of free markets and has promoted greater economic prosperity. In making decisions regarding the transfer of arms abroad, U.S. policymakers may be influenced by the trade ties with the potential recipient. Countries with vigorous international trade are often more financially able to purchase arms. But on the other hand, there is greater demand for weapons and military technology from countries that are underdeveloped and engaged in active conflict.

It is widely accepted that the purpose of any world trade regime is to raise common economic standards regionally or globally – rather than to maximize trade *per se*.<sup>29</sup> In practice, however, these two goals – promoting living conditions and developing trade – have come to be treated as synonymous, to the point where the latter easily substitutes for the former. The international arms trade regime can't be defined as development-friendly. Research indicates the inextricable links between arms transfers and conflict on the one hand, and the level of poverty on the other (Mehrota, Vandemoortele, Delamonica 2000: 16).<sup>30</sup> For instance, a significant part of the crip-

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*Spending Reduction on the Defense Related Labor Force by State*, Washington, D.C.: Defense Budget Project, 1993.

<sup>26</sup> M. Klare, D. Volman, "From Military Aids to Military Markets," [in:] S.W. Hook (ed.), *Foreign Aid Toward the Millenium*, Boulder, CO: Lynne Rienner, 1996.

<sup>27</sup> See: R.S. Grimmet, *Conventional Arms Transfers to Developing Nations 1993–2000*, Congressional Research Service, 2001.

<sup>28</sup> After peaking in 1987, world military expenditure has been falling. The end of the Cold War rivalry reduced the demand for new, particularly high-tech, weapons; it also meant that U.S. arms transfers could no longer be justified on the basis of stopping the spread of communist influence. Yet weapons manufacturers continued to produce weapons at the same rate. Overcapacity within the U.S. defense industry, after the Cold War, and reduced domestic demand, elevated the importance of export in sustaining the existing military-industrial base. This arms excess, and the defense industries' continued overproduction, has created a buyers' market for arms, which have resulted in a flood of sophisticated weaponry to developing countries. Developing countries' spending has been growing since 1993–1994 and reached a new historic high of \$232 billion in 1997. Developing countries' share of world spending was 28%, rising from 17% a decade earlier. See: *World Military Expenditures and Arms Transfers 1998*, U.S. Department of State, Washington D.C., August 2000, <<http://www.fas.org/man/docs/wmeat98/index.html>>18.03.2006.

<sup>29</sup> The first paragraph of the Agreement Establishing the World Trade Organization lists the following aspirations: raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand and expanding the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development, <[http://www.wto.org/english/docs\\_e/legal\\_e/04-wto.pdf](http://www.wto.org/english/docs_e/legal_e/04-wto.pdf)> 18.03.2006.

<sup>30</sup> The UNICEF research indicates that most developing countries spend only 12–14 percent of their national budgets on basic social services. The World Military Expenditures and Arms Transfer (WMEAT) report publicizes that in 1999, on average developing countries spent 14.5 percent of central government expenditures on the military. S. Mehrota, J. Vandemoortele, E.

pling debt of developing countries results from arms purchases. Involvement in armed conflict has been a major source of debt in Ethiopia, Mozambique, Somalia, Sri Lanka, Sudan, Salvador and Uganda (*Guns or Growth. Assessing...* 2004: 25).<sup>31</sup> In order to purchase arms poor countries cut public expenditures in health and education and borrow foreign exchange from international creditors. Some governments spend more on military expenditure than on human development, often ignoring basic needs of their societies.

Extensive arms sales may be responsible for entrenching and exacerbating poverty. They may encourage unaccountable and poorly trained military forces to suppress human rights and democratic development, facilitate brutal resource exploitation or contribute to environmental degradation (as in Sierra Leone where the Revolutionary United Front (RUF) used diamond sales to purchase weapons and fuel a campaign of terror. Such practices are also common in Liberia, Colombia, Angola and many other countries where the nation's mineral resources are the best way for governments, rebels and military forces to finance their participation in the conflicts).<sup>32</sup>

While all developing countries have the right to ensure their sovereignty using military means, extensive militarization and disproportion between social and military expenditures poses potential threats to their economic and social well-being. More than half the countries in Africa are affected by armed conflicts which are not temporary and have systemic and enduring features. The chronically poor increasingly live in situation of chronic insecurity. 90% of the wars since the Second World War have taken place in the poorest areas of the developing world.<sup>33</sup> Of course the reasons for the poverty are complex and multiple, but governments' large expenditures on arms occupy resources needed for public health, education and poverty reduction. While in some cases importing arms is required to meet legitimate security goals – goals which in fact can strengthen stability and support development – the contrast between the widening arsenal and spending directly on development is stark in much of the underdeveloped regions. There is a clear link between militarization of the economy and the chronic lack of human security or possibilities to escape from poverty. In Sub-Saharan Africa, military expenditure rose by 47% in the late 1990s and life expectancy fell to 46 years (*Guns or Growth. Assessing...* 2004: 14).<sup>34</sup> Half of the population of this region lives in dire poverty, despite the continent's rich human and natural resources, and a fifth are affected by armed conflict.

While the causes of conflict lie in political, economic, ethnic, and religious differences, the increased availability of arms and military technology have made these

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Delamonica, *Basic Services for All? Public Spending and the Social Dimensions of Poverty*, Florence: UNICEF Innocenti Research Centre, 2000; see also: *WMEAT 1999–2000, Military Burden and Other Relative Indicators*, U.S. Department of State, 2000.

<sup>31</sup> *Guns or Growth. Assessing the Impact of Arms Sales on Sustainable Development*, Control Arms Campaign, June 2004.

<sup>32</sup> See: P. Collier, A. Hoeffler, *Military Expenditure: Threats, Aid and Arms Races*, World Bank Policy Research Working Paper 29, 27 November 2002, R. Draman, *Poverty and Conflict in Africa: Explaining a Complex Relationship*, Addis Abeba: Experts Group Meeting on Africa-Canada Parliamentary Strengthening Program, 2004, W.D. Hartung, B. Moix, *Deadly Legacy: U.S. Arms to Africa and the Congo War*, New York: World Policy Institute, 2000.

<sup>33</sup> Small Arms Survey, *Small Arms Survey 2005, Weapons at War*, June 2005, <[http://hei.unige.ch/sas/publications/yb\\_2005.htm](http://hei.unige.ch/sas/publications/yb_2005.htm)> 20.03.2006.

<sup>34</sup> *Guns or Growth. Assessing...*, op.cit.

conflicts more deadly and hinder efforts to rebuild war-torn societies. A good example in this could be the protracted Iran-Iraq war of the 1980s, when previous weapons deliveries from the United States and other suppliers increased the scale of death and destruction in the conflict (Kisnella 1994: 573).<sup>35</sup> Civil wars are far more destructive when their combatants gain ready access to arms not otherwise available.

Such examples show that despite almost universal national control of the arms export and a variety of international organizations that attempt to regulate the international trade in arms, the United States and other main suppliers still provide weapons that are used in ethnic and regional conflicts and negatively affect the economic and security environment of developing countries. Such practices gain a particularly destructive dimension in light of the war on terror that has dominated the international agenda.<sup>36</sup> Paradoxically the main exporters are at the same time large donors to aid programmes in Africa and Asia. However, continuing arms transfers to developing countries undermine their chances of achieving progress in many areas. Instability and militarization of public relations have a significant impact on important social sectors, including health, education, infrastructure and communication. In the wider context, the increasing problem of proliferation of military technologies reflects the international community's failure to formulate and maintain effective arms export control systems.

While some military spending is inevitable for security reasons, in developing countries such expenditures compete with many aspects of civilian spending and have a negative impact on the rate of economic growth. Under the presented circumstances it seems that the United States as the leading force on the international arms market should take active steps to build a more effective and truly transparent arms export regime. It's worth remembering the words of President Jimmy Carter when calling for unilateral arms export restraint in 1977: "Because we dominate the world market to such a degree, I believe that the United States can, and should, take the first step."<sup>37</sup>

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<sup>35</sup> D. Kisnella, "Conflict in Context: Arms Transfers and Third World Rivalries during the Cold War," *American Journal of Political Science*, Vol. 38, No. 3, August 1994.

<sup>36</sup> After the attacks on 11 September 2001 the U.S. government has increased its military aid to a wide group of countries. Some of the recipients of these arms transfers and military training are armed forces that have committed grave violations of human rights and have been identified in the State Department's human rights records as having a "poor" human rights record. The list of recipient countries include Armenia, Azerbaijan, Afghanistan, Colombia, Nepal and Tajikistan. In the cases of Azerbaijan, India, Pakistan and Tajikistan, arms trade sanctions were lifted. *Sweeping Military Aid under the Anti-Terrorism Rug: Security Assistance post-September 11<sup>th</sup>*, Arms Sales Monitor No. 48, Federation of American Scientists, <http://www.fas.org/asmp/library/asm/asm48.html>, 2 April 2006; see also: *A Catalogue of Failures: G8 Arms Exports and Human Rights Violations*, Amnesty International Report, 2003.

<sup>37</sup> *Arms Transfer Policy*, Report to Congress for the use of the Committee on Foreign Relations, U.S. Senate 95<sup>th</sup> Congress, 2<sup>nd</sup> Session, Washington D.C.: U.S. Government Printing Office, 1977, p. 14, [in:] A. Ian, *Arms export regulations*, Stockholm International Peace Research Institute, Oxford: Oxford University Press, 1991.

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