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Conventional Arms Transfers: Surplus Weapons and Small Arms

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Despite the prediction of a continued increase in the transfer of arms made a decade ago, the uninterrupted growth in trade of conventional weapons since the 1950s peaked around 1987. Since then, the transfer of conventional weapons has more than halved and leveled off during the 1990s to around US $23 billion annually, increasing slightly again now.

In addition to the consequences of a new global political environment, the quantitative decline of trade has also been influenced by changes in the pattern of the arms trade caused by political events, economic pressures and interests, the changed international security situation, and technological innovations. Moreover, 1) more surplus or second-hand weapons have become available due to disarmament and restructuring or rationalization of many armed forces; 2) the trade in small arms—both new and second-hand—seems to be of greater importance today; and 3) these trends have altered the traditional configuration of major exporters and importers leading to an increase of suppliers dealing with the transfer of surplus stocks.

Changing Patterns of Arms Transfers

Trade in surplus weapons is embedded in the general trade in arms. In order to assess the importance of surplus weapon trade and the effects it has on the pattern of supply and demand, it is useful to describe the changes that have taken place in arms

transfers in recent years. There are at least four different factors which have contributed to changes in the transfer of conventional arms, which have had consequences on the defense industry and trade in arms. They are: political events, economic pressures and interests, changed international security: threat perceptions and conflicts, and technological innovations.

Political events

First, the Soviet Union and later Russia, which previously had supplied arms on a subsidized basis, found themselves unable to sustain this practice. As Russian exports (and the total value of weapons sold) decreased, the US arms industry emerged as the dominant weapons supplier.

Secondly, Iraq's aggression against Kuwait highlighted the absence of multilateral controls on arms transfers that led to the arming of Iraq and its role in the conflict. As a result, several nations improved their arms export regulations but this has been counterbalanced by today's aggressive arms export policies.

Economic pressures and interests

As a result of the end of the Cold War, the governments in both Russia and the United States reduced their military grant aid programs. Today, most of the new weapons that are transferred internationally have to be paid for in hard currency, though surplus weapons are often transferred free-of-cost or without trying to recover costs fully. The tangible reduction in arms transfers has been primarily due to financial constraints in importing countries which no longer possess the will or resources to import on a large scale. At the global level, arms suppliers have to operate on the basis of reduced import capacity.

Faced with reductions in both domestic procurement and exports, arms producers are trying to compensate the former by increasing exports. This strategy is complicated by other suppliers selling surplus equipment; closures, downsizing, lay-offs and under-utilization of capacities are, or were, quite common. These conditions have intensified competition among companies for few and generally smaller (though increasingly more valuable) export orders, while increased buyer leverage means that customers in-

creasingly dominate the terms and conditions of arms deals.

Changed international security: threat perceptions and conflicts

Following the end of the Cold War, contemporary threat perceptions center on actual or potential regional conflicts, though the number of such conflicts has not increased overall.

The negative side-effect of export promotion (an increasing practice) is uncertainty regarding the final destination of weapon supplies, as suppliers are often unable to exert control once the weapons have been exported. As most countries or groups able to pay can acquire arms, incidences of the "boomerang" or "blow-back" effect have increased, whereby armed forces are faced by weapons supplied by their own governments. Despite embargoes, warring parties can often acquire needed weapons.

Technological innovation

The advent of new electronics and information technology has resulted in new weaponry, often seen as cost-effective tools to minimize losses. As a rule, fewer traditional weapons delivery systems and platforms are being exported. As a means of integrating new technologies, systems upgrades and the prolongation of the life cycle of weapons are an alternative to purchasing expensive modern weapons for many armed forces.

Conclusions

1. Recipient countries possess greater freedom of choice due to arms suppliers' overcapacity, oversupply and commercial approach.

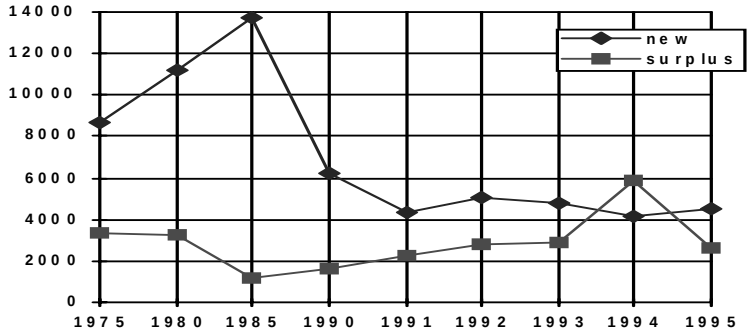
2. As a result, a large share of the capacity to produce weapons remains idle, which fuels arms export promotion. Despite a global downturn in procurement expenditure, several countries have invested strongly in new equipment.

3. Despite the increasingly global reach of large companies, defense industries remain nationally oriented, though some are forced to expand due to arrangements with importing countries.

Trading Surplus Weapons: A negative by-product of disarmament

Despite the decline of trade in new weapons, statistics indicate record levels of surplus in second-hand weapons trade. A combination of push and pull factors has influenced the transfer of surplus. Disarmament treaties, cease-fires and reduced deployments have created inventories totaling as many as 165,000 pieces of major weapons world-wide, more than 18,000 of which have been exported or given away between 1990 and 1995. For the first time in 1994, the trade of surplus weapons was larger than the trade in new weapons.

Number of major surplus and new weapon systems transferred, 1975-95



Increasingly available surplus weapons trade at lower prices or are free within assistance programs. Such trade is a problematic result of disarmament, reaching conflict areas and fueling regional arms races. As a result of the growing amount of surplus weapon stocks, the source of supply has diversified, with 41 different countries having delivered such weapons in 1990-1995. Despite lower than expected proceeds from exporting surplus, cost considerations (storing or scrapping) have boosted this trend. Furthermore, there seems to be a tendency to apply less restrictive control regulations for surplus as opposed to new (or high

technology) equipment.

Assuming that surplus continues to accumulate, awareness of the fact that surplus is a potentially negative by-product of disarmament should be strengthened and the lessons learned from the CFE Treaty and the Dayton Accords applied to stem weapons flows to other conflict areas. There is also a need for stronger national export control mechanisms and multilateral controls.

New Priorities in Arms Transfers: Surplus weapons

Given the financial constraints of potential weapon importers, it can be hypothesized that the number of weapons traded in the 1990s would have been substantially lower if inexpensive or free-of-cost surplus had *not* been available. Abundant supply and low-cost surplus have probably induced countries to import additional weapons. The transfer of surplus weapons is not a new phenomenon. What has changed in the 1990s is the fact that the quantity of *new* equipment traded internationally has declined substantially, while the numbers of transferred *surplus* weapons have increased.

Small Arms Control

The accumulation, proliferation and use of small arms is increasingly being recognized as a problem, as documented by NGOs, research institutes, IOs and governments. This growing trend is partly a result of an intensification of the problem and of public awareness. Small arms control supercedes traditional instruments, though recent efforts have been strengthened by recognition from the development and human rights communities. Concerted action must recognize the international, as well as internal, dimensions of the unlawful use of small arms, and while the international community is on the verge of developing a concerted approach, current efforts are simply not adequate.

What is the problem?

Small arms contribute to the growing lethality of con-

flict owing to the proliferation of supply sources. Anyone who is willing to pay can easily acquire any kind of weapons—including those issued by the military. Furthermore, while conventional weapons are addressed in terms of limiting the proliferation of technology or capabilities, small arms involve their wide dispersion. As such, there is a far greater number of actors involved and multiple dimensions:

1) *Illicit trafficking*: While difficult to control or monitor, such trade is far smaller than licit (government sanctioned) trade.
2) *Licit trade*: Such transfers are also problematic owing to the fact that government-sanctioned transfers augment the flow of weapons.
3) *Circulation and surplus*: The availability and (uncontrolled) circulation of stocks—and not the production of new weapons—constitute the central problem. Supply and demand momentum is augmented by the longevity, low-tech quality and low-maintenance requirements of such weapons.
4) *Unlawful use*: It is the unlawful use of weapons (and not weapons themselves, if controlled) which are a problem in terms of human rights violations and criminal use.

What could contribute to problem solving?

The emphasis of these areas has consequences for measures required to solve the problem. The solution does not simply lie in the implementation of stricter transfer regulations. States and their citizens must change the way they export, procure, distribute, control, use, and store small arms and light weapons. To do something effectively is not beyond the control of political actors; if political will exists to go beyond a few stop-gap measures and introduce systematic controls, the problem can be dramatically reduced if not solved. Below is a list of such measures:

1. *Illicit trafficking*:
(1) Improving data collection and information sharing
(2) Building capacity in affected regions

2. *Licit trade*:
(1) Strengthening and enforcement of existing national laws
(2) Harmonizing national approaches
(3) Marking of small arms and light weapons
(4) Pursuing greater transparency in the manufacture and trade of small arms and light weapons
(5) Restricting ammunition supplies

3. *Circulation and surplus*:
(1) Identifying existing stocks and surplus
(2) Improving storage and security capacity
(3) Developing and supporting collection programs
(4) Mandating and supporting destruction

4. *Unlawful use*:
(1) Adopting a clear and unambiguous legal basis for possession and use
(2) Suppressing and removing the tools of violence

Questions and Answers

Q.: The UN Register of Conventional Weapons should consider all kinds of weapons in order to broaden understanding of the kind of arms accumulation threatening peace and security. Given that the 1991 UN resolution creating the Register took into consideration a wide range of weaponry and production issues, what progress has been achieved on these lines? This is important to the success and credibility of the register; the problem is that there is little political will or transparency in this regard.

A.: Both parties (buyers and sellers) in the arms trade bear responsibility, and a larger and more diversified group of countries are involved in surplus weapons export. Regarding transparency, Dr. Wulf expressed frustration at the lack of political will in implementing the 1991 UN register resolution. Finally, he stated his doubts as to whether including small arms in the UN register was appropriate owing to difficulties in accounting, and proposed

instead transparency on a bilateral/unilateral basis and creation of more efficient regional registers.

Q.: Regarding mandating and supporting destruction as a means of dealing with surplus stocks of small arms, would it be feasible for governments to mandate and fund such structures? Why has this issue not been taken up by governments?

A.: It is necessary for governments to address the question of surplus weapons in the context of the "window" for proliferation that exist following the conclusion of peace treaties. There is also a need to develop "destruction" technology. Yet, it must be noted that the UN has a mandate to collect, but not always to destroy, such weapons.

Q.: One of the driving forces for the small arms issue is the humanitarian community, owing to its impact on civilians (65% of casualties). Why was it not mentioned in the presentation?

A.: Dr. Wulf intends to include the humanitarian community, recognizing the health dimension of the issue, but also stated the need for more clarity on the exact impact and type of weaponry involved.

Q.: The small arms problem can also be connected to intra-state wars in which transfers to non-state actors occur and raise problems of compliance and verification. Is it possible to study the proliferation problem without a consideration of intra-state conflict?

A.: Although it is necessary to examine transfers to non-state actors, the verification difficulties created by proliferation should not obscure the possibility for new measures, namely increasing government transparency. The problem should be approached from the perspective that such measures can be implemented and not that such proliferation is something sinister and uncontrollable.

Q.: Regarding the UN register, is progress being made in improving the neglect of the quality and present state of arms?

A.: Dr. Wulf is not aware of any moves to improve the register, and despite its value, noted that at previous reviews no agreement could be reached on improvements.

Q.: Does the fact that the US buys second hand weapons indicate some form of reciprocal economic exchange? While agreeing on the removal of small weapons from civilian hands, is it a better solution to leave them solely in military hands?

A.: The availability of surplus weapons tempts governments to purchase weapons incompatible with their capabilities. In the US second hand Soviet-built weapons were mainly purchased for test purposes. With regards to the second question, what is needed is a focus on the unlawful possession of weapons as opposed to disarming civilians.

Q.: Given the focus on and buildup of defensive systems following the end of the Cold War, have changing capacities affected arms statistics?

A.: The statistics show the trend that fewer countries can afford hi-tech weapons; there are also a number of countries that can produce domestically and thus do not appear in the statistics. Also, the statistics do show that given extended life-times for surplus weapons, these levels are increasing. In Dr Wulf's opinion a bifurcation will result between hi-tech and low-tech armies in the long-term.

Q.: Should the question of causal factors of small arms proliferation be taken into account in addition to weapons-specific decisions?

A.: Although the cause of conflict must be addressed in order to solve the small arms problem, in certain cases the cause of conflicts is precisely the availability of weapons.

Q.: Given the ease of access to and large supply of surplus weapons, attempts to reduce proliferation must "attack" both supply and demand. Can this be addressed from the perspective of illicit trade?

A.: No single country can stop such proliferation, which is the reason why concerted international efforts are needed. The issue is the availability of weapons, not production; there is a need to initiate weapons collection and destruction programs to reduce availability of weapons.