CLIC PAPERS

ARMS TRANSFERS AND THE THIRD WORLD: TRENDS AND DEVELOPMENTS

Army - Air Force Center for Low Intensity Conflict

Langley Air Force Base, Virginia

REPORT DOCUMENTATION PAGE

Form Approved
OMB No 0704-0188
Exp Date Jun 30 1986

1a REPORT SECURITY CLASSIFICATION Unclassified	1b RESTRICTIVE MARKINGS None
2a SECURITY CLASSIFICATION AUTHORITY NA	3 DISTRIBUTION/AVAILABILITY OF REPORT This paper has been cleared for public release by security and policy review authorities.
2b DECLASSIFICATION/DOWNGRADING SCHEDULE NA	
4 PERFORMING ORGANIZATION REPORT NUMBER(S) NA	5 MONITORING ORGANIZATION REPORT NUMBER(S)
6a NAME OF PERFORMING ORGANIZATION Army-Air Force Center for Low Intensity Conflict 6b OFFICE SYMBOL (If applicable) A-AF CLIC	7a NAME OF MONITORING ORGANIZATION
6c ADDRESS (City, State, and ZIP Code) Langley AFB, VA 23665-5556	7b ADDRESS (City, State, and ZIP Code)
8a NAME OF FUNDING/SPONSORING ORGANIZATION 8b OFFICE SYMBOL (If applicable)	9 PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER
8c ADDRESS (City, State, and ZIP Code)	10 SOURCE OF FUNDING NUMBERS PROGRAM ELEMENT NO. / PROJECT NO. / TASK NO. / WORK UNIT ACCESSION NO

11 TITLE (Include Security Classification)
CLIC PAPERS - Arms Transfer and the Third World: Trends and Developments (Unclassified)

12 PERSONAL AUTHOR(S)
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13a TYPE OF REPORT	13b TIME COVERED	14 DATE OF REPORT (Year, Month, Day)	15 PAGE COUNT
Final	FROM _____ TO NA	1988 July	22

16 SUPPLEMENTARY NOTATION
NA

17 COSATI CODES			18 SUBJECT TERMS (Continue on reverse if necessary and identify by block number)
FIELD	GROUP	SUB-GROUP	Low Intensity Conflict (LIC), Arms Transfer, Third World, Nuclear Proliferation, Arms Sales

19 ABSTRACT (Continue on reverse if necessary and identify by block number)

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This paper examines several postwar trends in arms transfers and looks at what their impact will be on the conduct of conflict in the future. One of the challenges encountered while researching this topic was the sheer complexity of the global politics of arms sales. What we are talking about here are the political motives, economic incentitives, and the security perspectives of the world. Arms sales have almost become a daily, routine occurrence. The intent of this paper is to increase the reader's knowledge of an extremely complex and not well-understood phenomenon.

20 DISTRIBUTION/AVAILABILITY OF ABSTRACT	21 ABSTRACT SECURITY CLASSIFICATION
☐ UNCLASSIFIED/UNLIMITED ☑ SAME AS RPT ☐ DTIC USERS	Unclassified
22a NAME OF RESPONSIBLE INDIVIDUAL Ronald L. Zelms, Maj, USAF	22b TELEPHONE (Include Area Code) (804) 764-2630 22c OFFICE SYMBOL A-AF CLIC

ARMS TRANSFERS AND THE THIRD WORLD: TRENDS AND DEVELOPMENTS

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July 1988

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PREFACE

The role of arms sales in world politics has grown tremendously since the end of World War II, particularly in the last decade. The importance of arms sales is increasingly evident in the foreign policies of supplier and recipient nations, in regional politics and balances, and in East-West competition as in North-South relations. Arms sales have become in recent years a crucial dimension of international affairs.

Indeed, arms sales can be expected to have an increased role in the international politics of the 1990s for several reasons. First, the transfer of weapons will be a key element of the continuing East-West competition in the third world. The capability of the Soviet Union to project its military influence to distant places expanded significantly during the 1970s, and Moscow demonstrates no hesitation to use arms transfers to support its political desires. Second, the rise of regional powers will be accompanied by large arms purchases. History dictates that states rarely achieve a significant political or economic rank without seeking equally proportional military power. As conventional arms parity is reached, some technologically capable nations have sought the added leverage of a nuclear arsenal. Thus, nuclear proliferation will create a more fragmented world in which local military power, in general, will be of greater importance within the third world. Although the rate and degree of proliferation cannot be accurately predicted, it is safe to assume that with time and the spread of knowledge of the technology, the number of nuclear powers will continue to grow.

This paper examines several postwar trends in arms transfers and looks at what their impact will be on the conduct of conflict in the future. One of the challenges encountered while researching this topic was the sheer complexity of the global politics of arms sales. What we are talking about here are the political motives, economic incentives, and the security perspectives of the world. Arms sales have almost become a daily, routine occurrence. The intent of this paper is to increase the reader's knowledge of an extremely complex and not well-understood phenomenon.

The author wishes to acknowledge the assistance of Col Howard L. Dixon and Major Brad Butler for their contributions and editing support.

ARMS TRANSFERS AND THE THIRD WORLD: TRENDS AND DEVELOPMENTS

INTRODUCTION

The transfer of military weaponry from one country to another by grant, loan, or sale has been an integral element of foreign policy since the inception of the nation-state system. From the time early man first picked up a big stick and wielded it against another, the link between arms and conflict has been obvious. Since World War II, however, bilateral arms transfers, particularly to the emerging countries of the third world, have increased at a dramatic rate and have contributed to a number of destablizing trends which are reshaping the international political environment. Since the United States became the industrial arsenal and major supplier for the allies in World War II, bilateral transfers between states have increased substantially, and a truly international market in conventional arms has evolved. Almost as apparent has been the importance of the transfer of arms from one key actor to another in determining the outcome of a given conflict.

This paper reviews several postwar trends in weapons technology and arms transfers, illustrating their potential influence on the conduct of conflict in future years. While providing a brief overview on the primary arms suppliers, the paper also examines many of the same questions concerning arms transfers as they relate to the even more volatile and uncertain prospect of nuclear-weapon proliferation. Additionally, the final section discusses the implications that this growing militarization has for US policymakers.

Analyses of conflict and arms transfers are nothing new. In another sense, however, the problems involved are very new and are the result of several factors:

- The present diffusion of military capabilities is unprecedented.
- The expansion of military power and its associated weaponry is occurring at an alarming rate.
- The expansion of military power into the third world will require industrialized nations to develop new ways of dealing with the problems associated in creating logical arms transfer policies.[1]

Today, more countries have greater destructive capabilities than ever before. The spread of sophisticated arms throughout the developing world is one of the most striking and disquieting features of modern arms transfers. It is this diffusion that is

conditioning the environment within which the world must conduct its international affairs. This new environment will directly affect the ways nations manage their differences, how they perceive the role of force and, of course, their willingness to use that force. Simply stated, the diffusion of power will continually change the calculations of the costs and benefits and the exercise of military power. This expansion of military power is occurring at an unprecedented rate.

> The phenomenon is not only a function of the speed with which nations, especially third world nations, are procuring arms, but the growing number of countries capable of producing an increasingly wide range of military equipment. The accelerated rate of the expansion of military power is also tied to the growing sophistication of arms being procured to include the most destructive armaments yet devised by man -- nuclear weapons.[2]

As more countries develop a sophisticated commercial nuclear capability and with near parity in conventional weaponry, the number of potential candidates for the production of nuclear weapons rises. New problems develop, as we will see later, largely out of the dynamics of regional relations, particularly in the Middle East and South Asia.

Lastly, as more third world countries improve indigenous production, their focus will shift from transferring finished weapons systems to providing sensitive military technologies. Each year, weapons systems are becoming more destructive, more accurate, more numerous, more transportable, and more available. Differences between the military capabilities of the northern and southern hemispheres are steadily diminishing. Modern military technology is spreading throughout the world, as high technology weapons are available for saboteurs, terrorists, and guerrillas in every hemisphere. Since the end of the second world war, competition in the arms market has expanded uncontrollably, creating pressures to promote greater alliance cooperation so that competition does not divide the allies.

POSTWAR EXPERIENCE

In historical terms, military power reached a new phase of development after World War II. Radical change occurred not only in the technology of weaponry, but also in the size and burden of the resources devoted to military defense and in the power structure controlling those resources. Even more than the giant budgets or the global reach for military power, the rapid, unconstrained march for weapons and weapons technology defines the arms race since World War II. Over the course of a few decades the art of warfare has been revolutionized. Both in quality and quantity, the dimensions of the arms trade have

accelerated enormously. The trend has been one of continuous growth. By 1974, the world arms trade was ten times what it was 15 years before. The US alone transferred approximately $110 billion in arms between 1950 and 1976. The pace has not let up since the mid-70s. Between 1974 and 1979, transfers to the third world grew by more than 25 percent.[3]

The enormous military establishments that exist today are a comparatively recent development. Until World War II, the world's military industrial complex had modest proportions. Available quantitative information, though incomplete in coverage, gives some idea of the scale of the changes which have occurred.

Before 1935, when national budgets began to rise in response to the German threat, the total annual outlays of all governments for their war departments were approximately $4.5 billion. In today's prices, these expenditures might represent as much as $40-50 billion. But in 1982, world military expenditures were an estimated $660 billion, indicating an increase of at least 13 times in the volume of military activity. By comparison with economic and demographic change, the contrast is sobering. Recent estimates indicate that world outlays in current prices and exchange rates had reached $880 billion in 1986 and possibly $930 billion in 1987.[4]

Several significant trends characterize the postwar diffusion of military power:

- Terms of transfer have changed from aid to trade.
- Focus on recipients has shifted to the third world.
- Postwar arms have increased in sophistication.
- More countries are able to produce military-related systems.[5]

In large part, the terms of transfer changing from aid to trade reflects the fact that many of the primary importers of military equipment during the last 25 years have been from the Middle East and have large oil revenues with which to pay for their arms. Oil is the lifeblood of the advanced industrialized states, and their dependence upon petroleum from the Middle East is acute. The 1973 rise in oil prices has led to an enormous transfer of wealth to the oil-producing nations giving them considerable economic power.

Since the mid-1950s, the focus on recipients of arms has shifted from close, traditional allies of the United States and the Soviet Union to the third world. Estimates indicate the third world accounted for 75 percent of all arms imports during

the 70s. In the decade ending in 1985, the five largest arms importers were Iraq, Saudi Arabia, Libya, Syria, and Iran in that order. All but Syria are members of the Oil Producing and Exporting Countries (OPEC). These five countries purchased weapons valued at $104 billion, or 45 percent of the reported flow into the third world in that period.[6] Any revival of the oil market (and this seems inevitable) is likely to be a major factor supporting a continuous flow of arms and the potential for increased instability in that area in the future. At the same time, most postwar conflict has occurred in the developing world, generating a continual orientation in these countries toward strengthening their national security, the probability of conflict, and the need to possess the arms with which national interests and integrity can be maintained.

Another significant trend in the post war arms trade has been the rapid advance in the sophistication of arms transferred to the third world. Saboteurs were responsible for the terror-mining of the Red Sea approaches to the Suez Canal in 1984, using late-model, multifuzed Soviet manufactured bottom mines. Naval mines, armed guerrilla boats, and anti-ship missiles threaten tankers transiting the Persian Gulf. Today, guerrillas have altered the form of warfare in Afghanistan, Nicaragua, and Angola by effectively employing state-of-the-art, shoulder-fired surface-to-air missiles. Terrorists used a military plastic explosive, which the FBI forensic laboratory called the largest non-nuclear explosion ever, to create a crater 40 feet wide and 9 feet deep, killing 241 of the more than 300 Marines sleeping in the Beirut Hilton.[7] Today, many of the arms procured by developing and third world countries are at the leading edge of technological development. In the Middle East, the roster of combat aircraft includes F-4s, F-14s, F-15s, F-16s, Mirages, Tornados, Mig-23s, and Mig-25s. Mig-29s are presently in the Indian Air Force inventory and will soon enter Syria's inventory.[8]

Not all third world countries can afford combat aircraft, but they all hunger for small arms. Even in this area, third world states are attempting to exploit the latest technological developments. The area where this trend is most noticeable is the field of defense electronics and precision guided munitions. Increasingly popular in industrializing countries with maritime concerns is the tactical cruise missile mounted on fast attack platforms. This reflects the third world mind-set of securing more bang for the buck through greater use of technology.

Oil revenues and the revenues generated by scarce strategic resources or minerals are not the only sources which finance arms transfers. The illegal traffic of drugs has taken center-stage as an issue of concern to all countries. It has reached such proportions that it is ". . . able to influence international financial flows, affect domestic economies and development plans,

and contribute to political instability . . . . It has implications for national security and international harmony."[9]

The development which has contributed considerably to these concerns is the forging of links between the drug traffickers and various terrorist and insurgent organizations. The multibillion-dollar international narcotics industry has ramifications far beyond immediate concerns of domestic law enforcement in consumer nations. Although there is no convincing evidence that drug trafficking is an important element of lower levels of conflict and that there is a globally cohesive plan to make it so, ample evidence exists to show that drug traffickers and insurgents are cooperating with each other. Also, there are several cases cited in support of assertions that penetration of drug trafficking organizations is a deliberate tactic to undermine western societies as part of a larger strategy of destabilization. As a 1984 US Drug Enforcement Administration Report makes clear, one of the immediate goals of the Bulgarian support for both arms and drugs smuggling activities is "an attempt to supply and support several dissident groups in the Middle East with western arms and ammunition, in support of communist revolutionary aims. Payments for arms were made by these revolutionary groups with narcotics."[10]

It is important to note one final trend in the postwar environment. Today, a growing number of countries can produce military-related systems. The Soviet Union and the United States have for many years been the world's two largest arms exporters, but their dominant role as arms suppliers has declined sharply. Their combined share of the world arms market was about 70 percent from 1969 to 1979. During the years 1980-1984, however, the combined share averaged only 55 percent, and in 1984 their share fell to less than 50 percent for the first time. Other suppliers have become increasingly important. The total number of arms exporters increased from 30 in 1973 to 44 in 1984.[11]

The reasons for greater emphasis in the developing nations on indigenous defense production are complex, stemming from political, economic, and military concerns, and they have been considered in detail elsewhere. China, Israel, India, Brazil, and other developing nations now have the capability to produce and support substantial arsenals of modern weapons, so no longer will the United States and the Soviet Union, alone, be able to influence the resolution of regional conflicts through control of arms supplies. Attracted by the perceived economic benefits of the business and by official interest in an independent source of supply, arms production by developing nations began to expand 10 years ago, raising its share in the total world trade from less than 4 percent at the beginning of the 1970s to a high of 12 percent in 1984.[12] In the past decade, one developing country in three has exported some arms, even though most have had relatively little sales volume.

This increase in sources of supply has made the arms market both very competitive and less subject to government regulations. In some cases, particularly the Middle East, where the regional military balance is at a relatively high technological level, developing nation arms production and trade are unlikely to have a significant impact. In Africa, however, arms produced by industrializing nations could easily alter sensitive military balances. The simpler weapons and lower prices associated with developing world arms production are very attractive to these poorer countries, making the acquisition of arms easy. Moreover, growth of the developing world's arms industries will further choke an already crowded market and may well reduce the ability of major arms suppliers to limit a particular conflict in scope, duration, or intensity. As seen in the Iran-Iraq War, long-range, surface-to-surface, and air-to-surface missiles produced by China can have a severe impact.

Competition among the larger industrial arms suppliers has tended to increase the spread of production technology for the more advanced weapons systems. With their purchases of arms, buyers such as South Korea, Indonesia, and Singapore (as well as many industrialized arms buyers) want tie-in arrangements to transfer at least some of the technology or assembly to their own plants.[13] Offset agreements of this sort have become more common, promising the further spread of high-technology production from the major suppliers and more competition to sell it. It should be noted that NATO countries use offsets to a far greater degree than do the lesser developed countries or nonindustrialized countries.

THE SUPPLIERS

The Soviet Union

Soviet military assistance itself is not a new phenomenon. As early as 1930-1945, the USSR accounted for about 6 percent of the world's exports of combat aircraft and tanks, and about 10 percent of the world's exports of armored personnel carriers. Following World War II, with communist governments coming to power in Eastern Europe and Asia and with much of the old colonial world gaining its independence, the Soviet share of the world's arms traffic expanded. By 1968 Soviet exports of combat aircraft, helicopters, tanks, submarines and other weapons accounted for approximately 30 percent of the world's totals.[14]

This was an impressive growth. But equally impressive was the growth of the USSR's military assistance to the third world. The first military assistance agreement signed by the USSR was with Egypt in 1955. The next 13 years would see the Soviets transfer over $4.5 billion worth of arms, munitions, and military equipment to the third world. Several reasons account for this dramatic expansion. Most obvious, more and more developing

states received independence and therefore sought sources of arms. Some turned to the Soviet Union, seeking to assert their independence from the West; others turned to the USSR because the West refused to sell them weapons; and some with similar ideologies as the Soviets sought arms too. Also, as the USSR upgraded its own military, older weapons systems were phased out; they had weapons for sale. The Soviets' global policy was to use military assistance as a means to compete with the US and the west in the third world.[15]

Soviet competition did not stop here. Between 1966 and 1975 the Soviet Union transferred a total of $9.2 billion of arms, munitions, and military equipment to the third world. This total paled in comparison to the $35.4 billion in arms transfers extended by Moscow to the third world between 1978 and 1982.[16] The Soviets have focused their arms sales on strategically located countries such as Libya, Algeria, Iraq, Syria, and India. In Sub-Saharan Africa, Ethiopia has been the largest recipient. In East Asia, it has been Vietnam, and in Latin America it has been Cuba. The USSR has also provided, directly and through Cuba, support to Nicaragua and insurgent groups elsewhere. Soviet arms transfers to Cuba and Nicaragua over the past few years have been far greater than US arms transfers to all of Latin America. Since 1980, USSR annual exports to Cuba have averaged $4 billion. Total Soviet Bloc exports to Nicaragua have been about $2.4 billion. Pentagon reports indicate that the Soviet Union delivered $100 million in arms (3,100 metric tons) to Nicaragua during the first quarter of 1988.[17]

During the 1970s the Soviet Union became the world's leading provider of arms to the third world, a position it retains to this day. Despite probable limits on the USSR's ability to further expand its arms transfers to the third world, nothing suggests that the Kremlin intends to lessen its emphasis on military assistance as an instrument of policy toward the third world. Because of the limited alternatives that exist, it is probably no exaggeration to conclude that arms transfers have been and will remain the most important instrument available to the Soviet leadership in dealing with the third world.

The United States

It is in the United States that the arms transfer phenomenon has received the most attention. The nation's policy on weapons sales has become a political and foreign policy issue. The legislative branch has sought to impose controls, and a major new policy, announced in 1977 by the Carter administration, was the basis for overtures for some form of international restraint. Moreover, the US has long been the world's largest supplier of arms. During the period 1950-1979, it transferred abroad over $110 billion in arms and related military services, more than half the world total.[18] With the United States' current emphasis

on arms sales as an instrument of diplomacy and the belief it has a tendency to sell weapons permissively, arms sales have become more controversial. Sales have declined in the Reagan Administration every year, from $21.5 billion in 1982 to $7 billion in 1986 and 1987.

On 8 July 1981, President Reagan signed a directive on US conventional-arms-transfers policy that signaled an approach far different from that of his predecessor. Rather than emphasizing restrictions on US arms flows, the Reagan Administration's statement emphasized that it viewed ". . . the transfer of conventional arms and other defense articles and services as an essential element of its global defense posture and an indispensable component of foreign policy."[19]

The US believes conventional arms transfers, used in a judicious manner, play an important part in promoting international and regional stability and in enhancing the security of friends and allies. Arms transfers produce substantial returns to the US and complement its efforts to improve its own national defense. Thus, the US delivers over 90 percent of its total arms exports to those regions where it has long-standing treaty arrangements or security commitments, such as the NATO countries, East Asia, and the Middle East.

World War II propelled the US abruptly into a super-military role. Between 1939 and the peak of the US war effort in 1945, the number of men in the armed forces rose from 334,000 to 12,123,000, and military expenditures skyrocketed from under $9 billion to $380 billion a year (constant 1980 prices).[20] Rapid demobilization followed the big war, but neither forces nor budgets ever returned to the levels of the prewar years. The sharp change in budget priorities is illustrative of the new role the US assumed in the postwar period as the world's pre-eminent power. As a major foreign combatant since 1940, a dynamic leader in nuclear and exotic weapons technology, and as the second largest arms exporter to the third world, the US has determinedly held its own in the arms race and chief volunteer for world security. This global military role has been costly, even for a country as richly endowed as the US. Since 1940, US military expenditures have amounted to $6.8 trillion, consuming 8.4 percent of the GNP created during these years.

Arms sales have become a major component for the American government's approach to the competition with the Soviet Union on a global basis. The risk here is that the US may be overvaluing this instrument. Nations pursue their interests. Their friendship or foreign policies have long been influenced with weapons. Many problems, especially in the third world, could best be addressed by a greater attention to other means, such as economic assistance or traditional diplomacy to deal with political conflicts.

In addition to official policies emphasizing the global projection of military power, the US took on a more active role as weapons supplier to the world. From 1981-1985, for example, the US transferred $49.2 billion worth of arms worldwide. [21] But in the overall picture, the diffusion of advanced weaponry has an importance beyond the substantial sums involved. As Soviet and American weapons earmarked for transfer have become increasingly powerful and lethal, international violence is on the rise.

Developing World Arms Producers

The increased prominence of secondary suppliers in the international arms market, particularly in the developing world, has been among the most discussed trends in worldwide arms transfers in recent years. According to the World Military Expenditures and Arms Transfers 1986, by 1984, countries outside the NATO and Warsaw Pact alliances accounted for 17 percent of the world arms market and 20 percent of the third world market. The share of developing world arms exporters in 1984 reached almost 15 percent of the world arms market and about 18 percent of the third world market.[22]

Outside Europe, more and more developing countries (Brazil, Israel, North and South Korea) are producing military equipment and competing for a share of the arms market. Most appear to be doing so to secure hard currency to offset their international debt burdens and to achieve arms independence from supplier countries. A number of these new suppliers are quite capable of providing less sophisticated equipment based on existing technologies that is mission effective, easy to maintain, and frequently priced below US, Soviet, and European offerings.

Over the last few years, the PRC (People's Republic of China) has also entered the ranks of major arms exporters and merchants and was the sixth largest supplier in the 1980s. China has placed a new emphasis on the sale of military equipment for hard currency to fund its own military modernization programs. This is a change in earlier direction of the PRC's program from gifts to poorer African and Asian states to sales to wealthier countries, mostly in the Middle East (Iran, Iraq, and Saudi Arabia).[23]

Notwithstanding some limitations, there are certain factors stimulating the growth of arms industries in the third world which are unlikely to change soon. Whether for primary economic motives (Brazil, Argentina), security considerations (Israel, North and South Korea), or desires for self-sufficiency in arms supply (Egypt, India), developing nation producers are likely to continue to play an important role in the world arms market.

The proliferation of third world producers has been paralleled by a widespread desire for diversification among arms recipients in an effort to gain leverage on their major or sole suppliers. The goal of diversification has been most intense in countries with long-standing arms relationships with Moscow, such as India, Algeria, South Yemen, and even Syria. This particular trend is the result of dissatisfaction with the performance of Soviet military equipment, the standards of Soviet military training, support, and Soviet unwillingness to provide technology transfer and assistance programs that would lead to possible military independence. This situation alone will help to open markets for third world producers.

One aspect of the arms market that could provide momentum for third world producers is the potential for refurbishment and upgrade of existing equipment. If the global economic situation continues to restrict the purchase of expensive new weapons, many third world countries may turn to upgrades to prolong the life of equipment already in service. Some developing nation producers have or are developing capabilities to provide such a service, including Singapore, Brazil, Israel, Egypt, Pakistan, and India. Israeli-developed reactive armor, for example, provides a simple and relatively inexpensive way to enhance armor protection for tanks and armored personnel carriers. This type of upgrade is likely to be attractive to economically-burdened armed forces in many countries.[24]

Another development for some third world producers is the extent to which they are currently receiving foreign assistance in expanding their defense industries. American assistance to Israel is widely known and very well demonstrated by the extent of financial assistance provided for the recently abandoned Lavi program. Brazil and Italy are working together on the AMX fighter, and the Argentines have an agreement with the Italians to co-produce a remotely-piloted vehicle. A 1984 agreement between the US and Pakistan on defense industrial cooperation is intended to improve the flow of technological and industrial information to Pakistan. Specific areas for cooperation included in the agreement include ammunition production, tank upgrade and rebuild, development of aircraft and shipyard overhaul capabilities, and production and maintenance of electro-optics and electronics. Egypt has received considerable industrial base assistance through assembly and licensed production arrangements for British, French, and US weapons, while India has made similar arrangements and is seeking additional ones from these and other countries, particularly the Soviet Union.

A combining of resources will also provide a partial solution for the problems facing third world producers. Cooperative bilateral and multilateral arrangements among third world arms manufacturers could be developed, much like the ones in Europe (British-French Jaguar, British-German-Italian Tornado, French-German Euromissile corporation). For example:

- A revitalization of the Arab organization for industrialization (if reformed), could enhance the defense industrial capability of Arab states, and

- The creation of a Gulf Cooperation Council (GCC) arms industry could eventually develop. (GCC defense ministers adopted a resolution concerning the expansion of arms production in member countries in 1986, suggesting they are very serious).[25]

Although the emphasis so far has been on the suppliers of arms, a few comments should be made with respect to the buyers. In its economic effects, the rate at which third world countries are arming themselves may also be life threatening. Growing populations in the lesser developed nations are in direct competition with the urgent requirements for such basic needs as an adequate diet, health support, environmental protection, and the education and training which are key to the development process. Beyond the obvious trade-offs in budgetary terms, there are close relationships between military and socio-economic priorities which are hidden from view. The effects they have may be slower acting, but they can cripple sensitive economies.

One final point: in the shadows of the analysis of conventional arms transfers and third world defense production looms the possibility of nuclear proliferation. With near parity in conventional weaponry and a sophisticated commercial nuclear capability, some nations are turning to the production of nuclear weapons to leverage their security interests. New problems develop largely out of the dynamics of regional relations, particularly in the Middle East and South Asia. Most countries, but not all, have agreed not to manufacture or otherwise acquire nuclear weapons or other nuclear devices. However, the situation is in constant flux, and there are certain areas of instability in it, resulting from the spread of the capability to produce nuclear weapons as well as the dispersion of the weapons themselves by the present nuclear powers.

NUCLEAR PROLIFERATION

Forty-three years after the atomic destruction of Hiroshima and Nagasaki, the number of countries which are known to have acquired nuclear weapons remains relatively small. Speculation about the consequences of nuclear proliferation goes back to the start of the nuclear-weapons-era in the 1940s. A US concern existed then that the consequences of proliferation could be catastrophic. In the 1950s and 1960s, analysis began to examine in more detail the effects of nuclear proliferation. Confidence increased in the stability of mutual nuclear deterrence in a postwar environment that was essentially bipolar in structure. There was minimal concern for French, British, and Chinese proliferation to affect world stability. However, today, the

effects of additional proliferation are seen as profoundly destablizing for regional security. Some forecasts even predict fairly high probabilities of local nuclear conflagration.

Of the "threshold" countries which have not ratified the non-proliferation treaty, India and Pakistan represent one area of concern. India has nuclear weapons material. Neighboring Pakistan reportedly is trying to acquire its own. In both states, political figures have openly advocated the development of a nuclear deterrent. Israel's reported nuclear capability, deliverable by aircraft and missiles, could stimulate nuclear programs in Iraq and Iran, which are in any case under considerable pressure as their bloody 8 year war drags on.[26]

The world map this year lists Israel with the five declared nuclear powers (United States, Soviet Union, China, United Kingdom, and France). Although the Israelis have not announced a nuclear capability, recent evidence indicates its nuclear arsenal may now contain as many as 100 weapons.[27] Other countries known to have clandestine programs for weapons include South Africa, which may already have some weapons, and, Pakistan, whose status remains ambiguous. Brazil announced in 1987 that it was now capable of enriching uranium but will not build nuclear weapons. Other countries, Argentina and Libya, have demonstrated nuclear ambitions in the past. They are not known to have made recent moves in this direction.[28]

A detailed proliferation assessment by region is beyond the scope of this paper, but a brief discussion on the degree to which vital US interests are at stake is necessary. Vital US interests where regional proliferation could impinge include the safety of US and allied territories and assets, deterrence stability in the East-West balance, solidarity of North Atlantic and Pacific alliance relations, access to vital natural resources, and regional defense against Soviet or other hostile encroachment or subversion. Other US interests include the prevention of regional conflicts, consistent economic development, and legitimate self-government.

These interests can be effected directly or indirectly by proliferation, ranging from the destruction produced by a nuclear attack to changes in perception, risk, calculation, or diplomatic behavior produced by assumed nuclear threats. Obviously, proliferation introduces the raw elements of uncertainty into military planning and diplomatic objectives.

In the next decade, the Middle East is where the effects of proliferation on US interests are mostly likely to be felt. With proliferation so expected in the Middle East, South Asia is probably the next in line to approach the threshold. The Far East, Sub-Saharan Africa, and Latin America would follow in that order.[29] Although there is little danger that new nuclear powers

will directly threaten the continental US at a military level, threats to US allies or US citizens or forces they host are not implausible. In so far as such threats drive Soviet augmentation of military forces or consideration of anti-ballistic missile defenses, they could also require adjustments in US strategic planning.[30] The biggest threat facing the US by small nuclear forces is to US intervention forces deployed in an emergency. Contingency planning and analysis will require elaboration, and decision makers will need increased exposure via gaming and simulation techniques for crisis management under proliferated conditions. Intervention planning will have to take into account nuclear effects which may require operational capabilities for pre-emption or neutralization of small nuclear forces.

IMPLICATIONS FOR US POLICY

United States policymakers must realize the growing militarization of the third world is a dangerous reflection of a broader diffusion of power in the international system. The kind of international system now emerging is more nonpolar than multipolar. It is certainly not bipolar. It is a system much closer to the traditional nature of international politics. This brings to light some fundamental, yet critical, questions that must be addressed. How can US relationships with other countries be changed in this ever-changing environment? How will the US attempt to take advantage of these trends? How can the positive impact of arms transfers be maximized in this situation?[31]

We should realize that <u>not</u> selling arms to a particular country is as much a decision as an actual transfer is. Both decisions have definite benefits and costs. For example, a regional arms imbalance could result in conflict if there were a failure to transfer arms. We see this situation today in the Middle East. That region's stability would be significantly disrupted if no more arms flowed into Israel. Certainly the same argument can be made using Saudi Arabia as an example. For US policymakers, the decision to transfer or not to transfer must take into consideration the political, economic, and military costs and benefits. Failure to do so would be shortsighted and possibly very dangerous. Either way, will policymakers recognize when it is in our best interest to say no?

As third world arms inventories grow, and the level of sophistication increases, regional military balances and capabilities will become more difficult to assess. Taking that one step further, one nation's build-up may be in response to a perceived threat from one state, having important repercussions with neighboring states. For example, Pakistan's current efforts to strengthen its military forces are in response to the Soviet presence in Afghanistan, yet it has prompted India to add to its arsenal. As weapons systems improve, we can expect this condition to become more and more acute.

To further complicate the problem, more and more sellers will continue to enter the arms market. Although this will not directly threaten the US arms industries for some time to come, it could create problems for American allies whose defense industries' well being depends on arms exports. An armored vehicle market, traditionally belonging to the British and French, now has stiff competition from Brazil. Furthermore, as more countries produce various weapons systems indigenously, the nature of their demands on the more traditional arms suppliers will move from requests for finished systems to demands for technology. Policy, therefore, will have to be tailored to take these changes into consideration, while not jeopardizing US interests, particularly our technological advantage.[32]

United States decision makers should understand that the transfer of, or the indigenous development of, a particular weapon system does not automatically create a military capability for the recipient or the developer. As we have seen with several Middle Eastern countries, other factors must be taken into consideration such as, strategy and tactics, logistics support and sustainment, training, and language barriers. These and a host of other considerations must be taken into account when determining the effectiveness of a nation's armed forces and the impact of military procurement.

SUMMARY

Arms sales have become, in recent years, a crucial dimension in international affairs and are now a major consideration in world politics. Arms sales are far more than an economic occurrence, a military relationship, or an arms control challenge. Arms sales are an important element of foreign policy. The dramatic expansion in arms sales to the developing world during the 1970s is widely known, yet, what judgment should be made from this important phenomenon?

To some observers, these arms feed local arms races, create or exacerbate regional instabilities, make any war that occurs more violent or destructive, and increase the tendency for outside powers to be drawn in. The arms are often seen by more stable nations as unnecessary to the true needs of the purchasing country and as a wasteful diversion of scarce economic resources. The remedy often proposed is a drastic slow down of arms sales, with tight international controls implemented.

Others see current arms sales as nothing of great concern. To them, sovereign nations have every right to purchase the weapons they feel are necessary to protect themselves. By giving or selling arms the supplying country acquires political influence or friendship and receives economic benefits. Regional peace may be enhanced rather than hindered by the transfer of arms. In any case, there is little that can be done unilaterally about the international trade in arms.

Arms sales may be destablizing, or they may restore a balance. They may promote an arms race in a particular region, or help deter conflicts. What might be true in the short run may not hold true in the long run. What remains are several unanswered questions raised by the persistence of arms sales throughout the world. Who is to say how a weapon system is going to be employed 10 years from now? Who can vouch for the future political leadership of a given country? Will the future leadership act responsibly in the use of weapons in the future? Will the alliances of today remain the same next year?

Arms sales are riddled with policy dilemmas. There are no easy answers to these questions. There are no simple truths to guide future policy decisions. Long-term risks must be weighed against short-term benefits. The economic advantages of a sale may have to be balanced against potentially disadvantageous political or arms control consequences. Strengthening an alliance relationship or a nation's ability to defend itself could run counter to other goals, such as promoting human rights. As debates on past arms transfers have shown, every decision will involve competing objectives. It must be realized that there is no magic formula to determine if a sale should be made. This reality is made more sobering by another reality confronting policymakers. Try as those policymakers may, conflict will continue to be a prominent characteristic of international relations, and arms, some of them from the United States, will be used in those conflicts.

ENDNOTES

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