

ANDREW J. PIERRE

The Global Politics of Arms Sales



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THE GLOBAL POLITICS
OF ARMS SALES

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The Global Politics of ARMS SALES

Andrew J. Pierre

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PREFACE

Writing this book has been both challenging and frustrating.

The role of arms sales in world politics has grown greatly over the past decade, yet it has received little serious and systematic attention. The literature on the global diffusion of conventional arms is sparse indeed, in comparison with the extensive bookshelf on strategic arms and nuclear proliferation. Yet the importance of arms sales is increasingly evident—in the foreign policies of supplier and recipient nations, in regional politics and balances, and in the East-West competition as in North-South relations. The opportunity to undertake a comprehensive and sustained study, seeking to bring some analytic order to this amorphous phenomenon, has been the challenge.

The frustration has arisen from several sources. One is the sheer complexity of the global politics of arms sales. We are dealing with the political motives, economic incentives, and security perspectives of practically all nations of the world. Because the sale of arms is a political act, whatever the other incentives, it affects both bilateral and multilateral relationships among states. In addition to the complexity of the phenomenon is its scope. Arms sales have become a daily occurrence. Hardly a day has gone by in the past years when I have not clipped some relevant item from the newspapers. Yet the organized data on the transfer of weapons are very limited, most governments choosing not to release information on their sales or purchases, and what does exist is often inconsistent. The availability of data is discussed in the first note in the back of the book. Suffice it to say here that I have not found the problem such as to impede analysis of principal trends in the transfer of arms or the political consequences of weapons sales.

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Perhaps the most challenging *and* frustrating aspect of my task has been the circularity of the arguments involving arms sales. For every pro or con there is likely to be a fair amount of validity in the counter-argument. Answers must be tentative and conditional. They will be greatly influenced by the weight that one gives to competing considerations. Intuition rather than accepted wisdom must often serve as guide. Much will depend upon the time frame involved. In part, this is because the politics of arms sales is now being played out mainly in the Third World, which is marked by internal instability and external fluidity in relationships with outside arms suppliers. Moreover, there is a lack of norms by which to assess the requirements of international security. The criteria for restraint in the proliferation of conventional arms, for example, are far more difficult to establish when one is moving from the East-West to the North-South context. Nevertheless, I have not hesitated to offer my own preferences and policy judgments throughout this book.

A few words about what this book does not seek to do may be appropriate. This is not primarily an analysis of United States policy, although American practice is discussed in some detail, including the early approach of the Reagan administration. Most of what has been written on arms sales has concentrated on the United States, giving insufficient attention to broader aspects of the issue, and I have therefore chosen to undertake a global examination. This is not an exposé of wheeling and dealing or of the "merchants of death" in the underworld of the arms trade. Much of that involves small arms and does not have the impact upon world politics of the government-sponsored arms sales discussed in this volume. (The reader will nevertheless find a few spicy vignettes.) Nor is this book an exercise in abstract theory or model-building. The subject remains too inchoate to be amenable to such methods; an overly theoretical approach runs a high risk of being divorced from political reality. What I have attempted to do, simply stated, is to increase our knowledge of a very complex but not well-understood phenomenon. The organization of the book, part functional and part geographical, has been chosen as the best way to accomplish this end. A discussion

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partially rooted in regional and national perspectives is essential, in my view, to achieving true insight.

Writing this book has taken me to twenty countries in five regions of the globe. It has been a fascinating and instructive experience, giving me the opportunity to deal more fully with political and security issues in the Third World, after having long concentrated on East-West and European-American relations. Along the route the number of people who have been of assistance are legion. I have also received support from a number of foundations and institutions, for which I am grateful.

A Rockefeller Foundation Fellowship in its Conflict in International Relations Program enabled me to take a year's leave of absence from the Council on Foreign Relations. During 1977-78 the Atlantic Institute for International Affairs in Paris provided me with an office and an intellectual home. A grant from the Ford Foundation made it possible for me to undertake research in five countries in Latin America. Travel assistance provided by the Council on Foreign Relations allowed me to speak with scores of individuals in eight countries in the Persian Gulf and the Middle East. An invitation from the Institute for the Study of the United States and Canada in Moscow gave me the opportunity to learn more about Soviet perspectives on arms sales. Pen was first put to paper during a productive month at the Bellagio Study and Conference Center of the Rockefeller Foundation in Italy. Earlier, during the summer of 1976, a NATO Research Fellowship first gave me the opportunity to explore this question in a number of European capitals.

I have benefited from visits to many institutions, among them the International Institute for Strategic Studies and the Royal Institute for International Affairs in London, the Institut Français des Relations Internationales in Paris, the Stockholm International Peace Research Institute, the Center for Political and Strategic Studies of Al Ahram in Cairo, the Iranian Institute of Political and Economic Studies and the Iranian Institute for Communications and Development in Teheran, the Shiloah Center on the Middle East and Africa and the Center for Strategic Studies in Tel Aviv, the Leonard Davis Institute for International

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Affairs in Jerusalem, the Institute of International Studies in Santiago, the Instituto Rio Branco in Brazilia and IUPERJ in Rio de Janiero, the Centro de Estudios Militares and the Institute for Peruvian Studies in Lima.

I attended conferences whose discussions contributed to my thinking about conventional arms sales at the Ditchley Foundation in the United Kingdom, at the Aspen Institute in Berlin (for the United Nations Association of the United States), at the Centre Quebecois des Relations Internationales in Quebec and one organized by the Carnegie Endowment for International Peace and the Arms Control Association in Talloires, France.

Literally hundreds of conversations have given me guidance, many of them with senior officials in ministries of foreign affairs and defense, as well as with the foreign affairs staffs of heads-of-state. In a number of countries I also spoke with representatives from the arms manufacturing industries. An assurance of confidentiality does not allow me to name all. For the sake of brevity I will not list the scores of Americans, in and out of government, with whom I have talked about arms sales over the years. I would, however, like to give special thanks to a number of persons in Europe, the Middle East, and Latin America who willingly spoke to me.

In London: Christoph Bertram, Shahram Chubin, Julian Critchley, François Duchêne, John Edmonds, Martin Edmonds, Lawrence Freedman, Denis Healey, Arthur Hockaday, Kenneth Hunt, Mary Kaldor, Jenny Little, James Meacham, Andrew Palmer, William Rodgers, John Roper, Anthony Sampson, Ian Smart, Dan Smith, John Stanley, Sir Lester Suffield, John Thompson, Christopher Tugendhat, and Valerie Yorke. In Paris: Christian d'Aumalle, Jean Louis Gergorin, Gerald Hibbon, Jacques Huntziger, Jean Klein, Jacques Martin, André Mistral, Thierry de Montbrial, Pierre Morel, Yves Pagniez, Gabriel Robin, Walter Schutze, and Jacques Vernant. In Bonn: Peter Corterier, Helga Haftendorn, and Walther Stütze. In Stockholm: Nils Andren, Frank Barnaby, Karl Birnbaum, Bjorn Hagelin, Ron Huiskens, and Signe Landgren-Backstrom.

In Cairo: Mohammad Sid Ahmad, Tahseen Basheer, Ali Des-

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souki, Major-General Hassan El-Badry, Lufti Khouli, Samy Mansour, and El Sayed Yassin. In Damascus: Ahmed Iskander Ahmed, Rafik Atassi, Adnan Baghajatti, Khalid Fahoum, Safwan Ghanem, Abdulillah Mallah, and Hamoud Shoufi. In Teheran: Abbas Amirie, Shaul Bakhash, Darius Bayandor, Dara Chehrazai, J. Nadim, General Toufanian, and Manouchehr Zelli. In Amman: Crown Prince Hassan, Abnan Abu Odeh, Lieutenant-General Sharif Zeid bin Shaker, and Sharif Abdul Hamid Sharaf. In Jerusalem and Tel Aviv: Mordechai Abir, Yeheskel Dror, Abba Eban, Boaz Evron, Yair Evron, Shlomo Gazit, Galia Golan, Yosef Govrin, Yehoshofat Harkabi, Shelom Keital, David Landau, Avraham Lif, Yaacov Lifschitz, Moshe Maoz, Matityahu Mayzel, Nissan Oren, Shimon Peres, Mosker Raviv, Eli Rekhess, Gideon Samet, Zeev Schiff, Shmuel Segev, Amnon Sella, Haim Shaked, Shimon Shamir, Zvi Sussman, Major-General Israel Tal, General Ahron Yariv, and Moshe Zak.

In Brasilia and Rio de Janiero: Walter de Amusatogui, Rubens Antonio Barbosa, Sergio Bath, Fernando Henrique Cardoso, Colonel Luiz Francisco Ferreira, Jose Nogueira Filho, Walter de Goes, Ivan Zanoni Hansen, Helio Jaguaribe, Candido Mendes, and Hugo Scolnick. In Buenos Aires: Victor Beauge, Mario Corti, General Ubaldo Diaz, Claudio Escriviano, Aldo Ferrer, Ezequiel Gallo, General Juan Guglielmelli, Fernando Petrella, Louis H. Sales, and Torcuato di Telli. In Santiago: Enrique Inglesias, Alejandro Magnet, Anibal Pinto, Walter Sanchez, and Colonel Ernesto Videla. In Lima: Alberto Tamayo Barrios, Jose Coz Botteri, Julio Cutler, Jose Antonio Encinas, Mercado Jarrin, Jose Matos Mar, and Vice Admiral Ricardo Zevallos Newton. In Caracas: Gene Bigler, Nava Carillo, Antonio Casas Gonzalez, Carlos Gueron, Juan Carlo Puig, and Carlos Rangel.

In each country I spoke with the American ambassadors and their staffs and often with their European counterparts. The assistance received from them, especially in opening doors and arranging meetings, was invaluable.

A study group of the Council on Foreign Relations, chaired by Paul Warnke, which met in Washington in 1976-77 represented a first cut into the subject. The papers prepared for it have been

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published in Andrew J. Pierre, editor, *Arms Transfers and American Foreign Policy* (New York: New York University Press, 1979). Looking at the arms sales question initially from an American policy perspective reinforced my conviction that more attention had to be given to the global context.

A special debt of gratitude is owed to a number of persons who read the manuscript and offered comments (or evaluations). The manuscript as a whole was read by Richard Betts, Barry Blechman, Peter Dawkins, Edward Kolodziej, Robert Osgood, and Richard Ullman. Others read the regional sections: Harold Saunders (Middle East), Alan Romberg and Michael Blaker (Asia), Robert Bond (Latin America), William Foltz and Jennifer Whittaker (Africa). The above bear no responsibility for the final product but each contributed toward its improvement.

Winston Lord and my colleagues on the Studies Staff of the Council on Foreign Relations were unflagging in their encouragement of a book that never seemed to be finished. Special thanks is due, and warmly given, to those who helped me directly with the manuscript, in one way or another, at various stages: Kay King, Tami Bauer, Betty Bradley, Pat Berlyn, and Rob Valkenier. The incomparable Grace Darling Griffin, true friend of remarkable abilities, assisted the book with every means at her command.

At Princeton University Press, Sandy Thatcher recognized the timeliness of the subject and with his professional skill managed to shepherd the book through the usual publication process with unusual dispatch. At home Clara, my writer-wife, was quick to respond to such questions as: "Is this a sentence?"

New York, N.Y.
August 1981

A. J. P.

THE GLOBAL POLITICS
OF ARMS SALES

PART ONE

DILEMMAS

Arms sales have become, in recent years, a crucial dimension of international affairs. They are now major strands in the warp and woof of world politics. Arms sales are far more than an economic occurrence, a military relationship, or an arms control challenge—*arms sales are foreign policy writ large*.

The dramatic expansion in arms sales to the developing world during the 1970s is by now widely known. Less clear is what judgment to make of this important phenomenon.

To some observers, the arms delivered feed local arms races, create or enhance regional instabilities, make any war that occurs more violent or destructive, and increase the tendency for outside powers to be drawn in. The arms received are often seen as unnecessary to the true needs of the purchasing country and as a wasteful diversion of scarce economic resources. The remedy often proposed is drastic curtailment of arms sales, with tight international controls as the best means for achieving this.

To others, the recent increase in arms sales is no cause for particular concern. Sovereign nations have every right to the weapons that they deem necessary. By giving or selling arms the supplier country acquires political influence or friendship. It receives economic benefits. Regional peace and stability may be advanced rather than hindered by the transfer of arms. In any case, there is little that can be done about the international trade in arms. If one country does not sell the weapons, some other state will be only too happy to oblige. Accordingly, seeking international restraints is a will-o'-the-wisp.

Neither judgment is fully right or wrong. In order to be better understood, the arms trade phenomenon must be viewed in the wider context of the transformations under way in world politics.

Arms sales must be seen, essentially, in *political* terms. The world is undergoing a diffusion of power—political, economic, and military—from the industrialized, developed states to the Third World and the so-called Fourth World (poor and without

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oil). The acquisition of conventional arms, often sophisticated and usually in far greater quantities than the recipient state previously had, is a critical element of that diffusion.

Arms are a major contributing factor to the emergence of regional powers such as Israel, Brazil, South Africa, or, until recently, Iran; their purchase makes a deep impact upon regional balances and local stability. The diffusion of defense capabilities contributes at the same time to the erosion of the early postwar system of imperial or hegemonic roles formerly played by the major powers around the globe. Thus the superpowers, and even the medium-sized powers such as Britain and France, are losing the ability to "control" or influence events in their former colonies or zones of special influence. And the transfer of conventional arms is only one element of the diffusion of military power. Another, of prime importance, is the trend toward nuclear proliferation. As we shall see, the relationship between the two is intricate and complex.

Arms sales must also be seen in the context of North-South issues. They constitute a form of redistribution of power whose significance in certain cases may be equal to or greater than that of some of the well-recognized economic forms. Certainly the withholding or granting of arms can have a great political and psychological impact. Arms transfers can also be a form of transfer of technology; an increasing number of states do not want the weapons fresh out of the crate but the technology that will enable them to build, or "co-produce," them at home.

Finally, arms sales remain a key element of the continuing East-West competition. Indeed, they may now be the prime instrument available to the Soviet Union, and a significant one for the United States, in their rivalry for the allegiance of much of the world. The condition of mutual deterrence at the nuclear level, and the risk that a conventional conflict could quickly or uncontrollably escalate to the nuclear level, make a direct military confrontation between the two superpowers unlikely—hence the tendency toward competition by "proxy" in the Third World, with the superpowers supporting friendly states or regimes, or (in the case of the Communist states) assisting "move-

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ments of national liberation." Sometimes alliances and the identification of "friends" alter quickly, as happened in the Horn of Africa where the Soviet Union initially supported Somalia with arms and the United States supported Ethiopia, only to see their respective roles reversed. A contributing factor to the emerging importance of arms transfers as an instrument of the East-West competition has been the relative decline of ideology as an element in the continuing struggle, because of the diminishing attractiveness of both the United States and the Soviet Union as models. Yet another factor has been the declining size and role of economic and developmental assistance. Both the United States and the Soviet Union now give less in economic assistance than the value of their arms sales.

Arms do not of themselves lead to war. The causes of war are manifold and complex, but the underlying roots are usually found in political, economic, territorial, or ideological competition. Yet arms sent into a region may exacerbate tensions, spur an arms race, and make it more likely that, as Clausewitz taught us, war will emerge as the continuation of politics by other means. Once war has started, the existence of large and sophisticated stocks of weapons may make the conflict more violent and destructive. And if the arms have been acquired from abroad, often with the establishment of a resupply relationship and sometimes including the presence of technical advisers from the producing country, they may have a tendency to draw the supplier into the conflict. Yet these undesirable developments need not be inevitable. Arms may deter aggression, restore a local imbalance, and generally enhance stability. All depends upon the specifics of the case and the perceptions that exist about it.

Nevertheless, the people of the world can take little comfort from the trend toward a higher level of global armaments. Total world military expenditures have grown from \$100 billion in 1960 to \$500 billion in 1980. Measured in constant prices this is an increase of 80 percent. The rise in arms spending in the developing world has been especially acute. Since 1960 military expenditures in the Third World have risen over fourfold (in constant prices), while those in developed countries have gone up

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a more modest 48 percent.¹ (Note 1, this chapter, discusses fully the data base for this study.)

For all these reasons, we need a more complete and sophisticated understanding of the global politics of arms sales. We also need to think more creatively, as well as realistically, about developing some type of international management for the process of transferring weapons.

Neither of these aims is easy to achieve. What we term the global politics of arms sales involves an enormous number of variables: the foreign affairs of close to 150 nations; their economic affairs, ranging from their industrial or development policies to questions of balance of payments and trade; their approach toward the acquisition or sale of technology; their perceptions of the threats to their national security and what must be undertaken to maintain it. This involves, in turn, a very large number of bilateral and multilateral relationships. Arms are usually sought because of the desire to maintain security vis-à-vis one's neighbors, or to enhance one's role and status within a region—hence the importance of a regional approach to both comprehending and controlling arms transfers. This regional emphasis is reinforced by the present diffusion of political, economic, and military power away from the principal postwar centers of power and influence.

Beyond the task of better understanding the arms transfer phenomenon is the need to manage or regulate it. But this is *uncommonly difficult because of the lack of norms by which to measure restraints and controls, or even of agreement on the basic necessity for them.* With regard to the spread of nuclear weapons capabilities, a general consensus has been reached in the world that nuclear proliferation is undesirable. There are some exceptions to this agreement but they are quite negligible. The nuclear non-proliferation debate today, significant as it is, is about the means for preventing or retarding proliferation, not about the widely accepted end goal. No equivalent consensus exists on the proliferation of conventional arms.

With regard to conventional arms three general points of view can be identified. Some persons perceive arms to be inherently

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wasteful or even evil. They seek a maximum curtailment of their production and distribution. At the opposite end of the spectrum are those who make no moral judgment on arms and who view their sale abroad as essentially a commercial activity. They would prefer to have a minimum of regulation by governments, with the arms trade left to the forces of the marketplace. A third perspective—and the one reflected in this study—is primarily concerned with the impact of arms transfers upon regional stability and international security. Arms transfers, it is argued, should be managed so as to prevent or contain conflict and enhance the forces of moderation and stability.

But how are such laudable purposes to be achieved? Assuming that some restraints or controls over arms transfers are desirable in principle, how are they to be created in practice? Underneath the practical aspects of the problem is the difficulty in making normative judgments that have universal applicability.

A particular sale may be destabilizing, or it may restore a balance. It may promote an arms race in a region, or it may act so as to deter a potential conflict. Moreover, what is true in the short run may not hold true for the longer term. Who is to say how a weapon transferred now could be employed in ten years' time? And who can vouchsafe that the political leadership of a country will be as sober and "responsible" about the use of weapons in the future as it appears at present? Or that the alliances and foreign policy alignments of today—upon which the prospective supplier must base his decision—will be the same tomorrow?

Arms sales are fraught with policy dilemmas. There are no easy answers to the above questions. There are no "simple truths" to guide policy makers. Even when a supplier country has adopted general policy guidelines, each weapons transfer decision will involve complex judgments and trade-offs. Long-term risks must be weighed against shorter-term benefits. The prospective economic advantages of a sale may have to be balanced against potentially disadvantageous political or arms control consequences. One foreign policy goal, such as strengthening an alliance relationship or a nation's capacity for self-defense, may run counter to another goal, such as promoting human rights. As

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the debates of recent years on individual arms transfers show, one can almost take for granted that every decision will involve competing objectives.

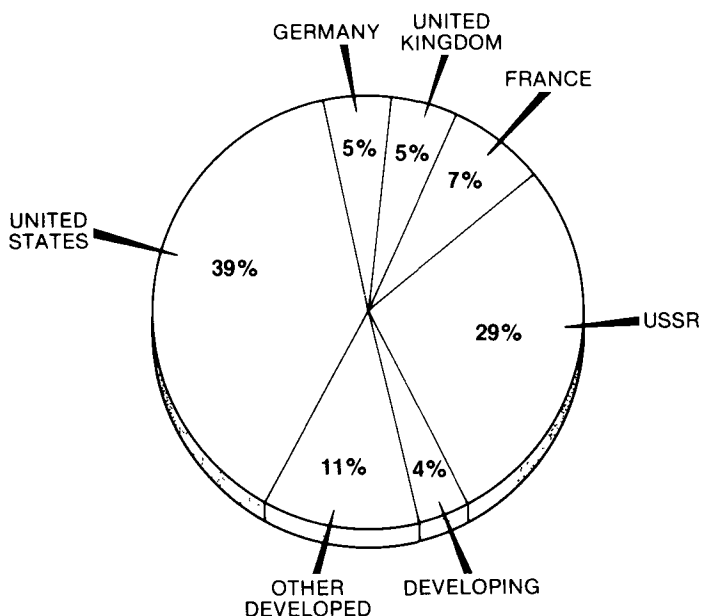
TRENDS IN TRANSFERS

It is, of course, the major increase in both the quantity and the quality of arms sent to the Third World that has given this problem its current salience. Complete and reliable data on arms

FIGURE 1

World Arms Exports, 1977

Shares by Suppliers



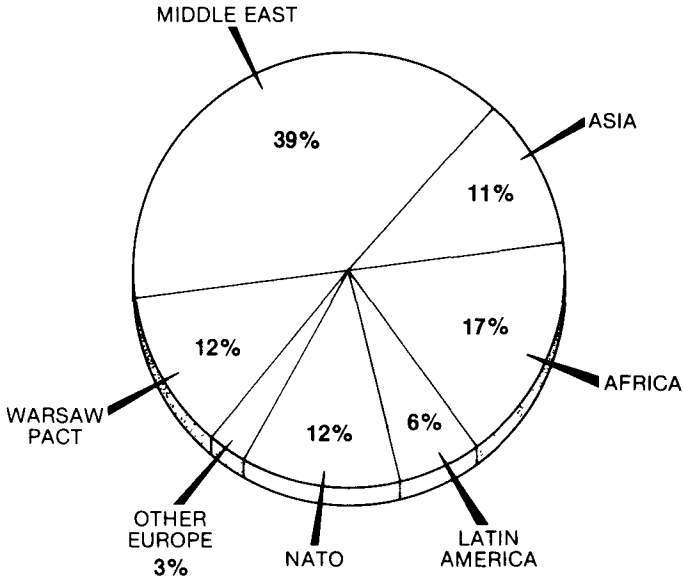
SOURCE: ACDA, *World Military Expenditures and Arms Transfers 1968-1977*, p. 10.

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FIGURE 2

World Arms Imports, 1977

Shares by Regions



SOURCE ACDA, *World Military Expenditures and Arms Transfers 1968-1977*, p. 8.

transfers are not readily available. Governments are not inclined to release data that could prove to be embarrassing either at home or abroad. Nevertheless, enough is known to give a reasonably accurate impression of the trends.

In worldwide terms, arms transfers have more than doubled in the past decade, having grown from \$9.4 billion in 1969 to \$19.1 in 1978 (in constant dollars).² At the beginning of the 1980s most estimates of arms sales worldwide were on the order of \$21 billion per annum.

The United States has been the largest supplier of conventional

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arms and has had the greatest increase in sales. American foreign military sales (the accounting for these sales includes items other than weapons, such as training and logistical assistance, which can account for 40 percent of the total) totaled \$1.1 billion in 1970 and rose sharply to \$15.8 billion in 1975.³ They have since remained above \$10 billion per annum, with a projected all-time high for 1981 of \$16 billion. As sales went up, however, there was a decline in grant aid through military assistance programs. Equally significant has been the more than quadrupling of the French and British export of arms since 1970, as well as a marked increase in the level of Soviet transfers.

Changes in the qualitative dimension of the arms trade have been as significant as its quantitative expansion. In the past, most arms transferred to less developed countries were the obsolete weapons of the major powers which they wanted to eliminate from their inventories to make room for new, more advanced ones. Often they were gifts from surplus stocks of over-age, technologically inferior equipment. Thus many of the arms transferred to the Third World prior to the 1970s were still of the World War II, or early postwar, vintage. Even in the early 1960s, the aircraft transferred to the developing world more often than not were ten-year-old American F-86s and Soviet MiG-17s rather than the first-line planes of the period (such as F-4s and MiG-21s). In contrast, today many of the arms being sold are among the most sophisticated in the inventories of the supplier states. This is strikingly evident with certain advanced fighter aircraft. The F-15, the most sophisticated plane of its type, is being sold to Saudi Arabia and Israel, and plans are in progress to have it co-produced in Japan; the Soviet MiG-23 is being exported to several nations in the Middle East, as is the French Mirage F-1. It is less evident, but equally significant, in smaller yet very advanced systems such as the TOW anti-tank missile, which was not released from the American inventory until the critical stages of the Yom Kippur War but has now been approved for sale to more than a dozen countries. As was the case with the \$1.3 billion sale of the Airborne Warning and Control System (AWACS) aircraft to Iran, foreign orders have been

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accepted while the producing country was still deciding about procurement for its own armed forces. Foreign orders have occasionally been given higher priority than domestic ones or have become the necessary element in a favorable decision to start a production run to equip the supplying country's own armed forces.

Another dimension of the qualitative change has been the significant growth in the transfer of arms through co-production agreements. These enable states to acquire through licensing arrangements the knowledge to manufacture or to assemble a weapons system. More than two dozen developing countries now participate in such arrangements. As a result of this trend, there has been a spread in sophisticated weaponry around the globe.

The acquisition of a new weapon by one country in a particular region creates strong pressures in the surrounding countries for the acquisition of comparable weapons. In 1960 only four developing nations had supersonic combat aircraft; by 1977 the

TABLE I
IMPORTS OF ARMS BY DEVELOPED AND
DEVELOPING NATIONS, 1969-1978
Billions of Constant (1977) U S Dollars

<i>Year</i>	<i>Developed Nations</i>	<i>Developing Nations</i>	<i>Total</i>
1969	3.2	6.2	9.4
1970	2.7	6.4	9.1
1971	2.5	6.9	9.4
1972	4.4	10.3	14.7
1973	4.6	13.0	17.6
1974	4.1	10.2	14.3
1975	3.9	10.1	14.0
1976	4.4	12.9	17.3
1977	4.1	15.2	19.3
1978	3.6	15.5	19.1

SOURCE: Calculated from ACDA, *World Military Expenditures and Arms Transfers 1969-1978*, p.

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total had risen to forty-seven. There has been a similar proliferation with respect to long-range surface-to-air missiles, from two nations in 1960 to twenty-seven by the mid-1970s.⁴

A third change has been in the direction of the arms flows. Until the mid-1960s most weapons transferred went to developed countries, usually the NATO allies of the United States or the Warsaw Pact allies of the Soviet Union. It was not until the war in Southeast Asia in the second half of the decade that the dominant portion went to the developing world. Nor was the trend reversed by the end of the Vietnam War. During the late 1970s the Persian Gulf and Middle East countries received by far the largest portion of arms. Iran, Saudi Arabia, and Israel were the major recipients of Western arms, while most Soviet weapons were shipped to Syria, Iraq, Libya, and, a little earlier, Egypt.

TABLE 2
WEAPONS DELIVERED TO THE THIRD WORLD
BY CATEGORY, 1972-1978

<i>Equipment Description</i>	<i>United States</i>	<i>U.S.S.R.</i>	<i>Major West European Nations</i>
Tanks and self-propelled guns	6,110	8,570	2,090
Artillery	3,715	6,310	955
Armored cars and personnel carriers	9,735	6,975	2,430
Major surface combatants	83	7	17
Minor surface combatants	157	94	247
Submarines	24	9	20
Guided missile boats	0	60	15
Supersonic combat aircraft	11,160	1,990	355
Subsonic combat aircraft	925	390	35
Helicopters	1,730	575	1,180
Other aircraft	1,520	260	855
Surface-to-air-missiles (SAMs)	6,240	15,745	1,065

SOURCE. U.S., Congress, Senate, Committee on Foreign Relations, *Prospects for Multilateral Arms Export Restraint*, Staff Report, 96th Cong., 1st sess., April 1979, p. 11.

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The importation of weapons by Third World countries rose from \$6.2 billion in 1969 to \$15.5 billion in 1978 (in constant dollars).⁵ Over three-quarters of the global arms trade now goes to the Third World. No area has not seen some growth in its imports; after the Persian Gulf and Middle East, the most notable increases have been in arms sent to Africa and Latin America.

Quite interestingly, only a very small number of countries constitute the principal suppliers of arms, thereby maintaining the pattern of the past twenty-five years. Four states accounted for 87.5 percent of the value of the major weapons transferred to the developing world during the decade of the 1970s: the United States (45 percent), the Soviet Union (27.5 percent), France (10 percent), and Britain (5 percent). When one adds a few members of the NATO alliance (West Germany, Canada, Italy, the Netherlands) and the Soviet Union's Warsaw Pact ally Czechoslovakia, the figure is raised to 94.3 percent. The largest supplier not included in one of the two alliances is the People's Republic of China, but it only accounts for slightly more than 1 percent of transfers.⁶ Other industrialized countries that export arms, such as Sweden and Switzerland, are still relatively minor suppliers.

There are a number of new arms manufacturers within the so-called Third World (a misnomer for which there is no satisfactory alternative) such as Brazil, South Korea, India, South Africa, and Israel that are developing their industries and actively seeking export markets. This is a relatively recent phenomenon. Two decades ago almost none of the states in Asia, Africa, and Latin America could produce arms indigenously. Arms production in the Third World is likely to continue to expand at a steady rate and is a new dimension of world politics. But, as discussed subsequently, because these countries are mainly dealing in second-echelon technology, and in most cases cannot provide the political support the principal suppliers do, which is often part of the attraction of doing business with them, these new arms producers are unlikely to present a serious challenge to the four major suppliers. From 1969 to 1978 arms exports by developing countries grew from \$276 million to \$837 million (in constant dollars), but this only accounted for 4.4 percent of world arms exports.⁷

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This configuration of the suppliers becomes significant when one considers opportunities for developing some form of arms control or international management for arms transfers, as discussed later in this book. The domination of the arms trade by the Big Four should facilitate efforts in this direction because they are but four and, in effect, have an oligopoly. Moreover, they all have experience and past involvement in the pursuit of common objectives, either in East-West arms control negotiations or in intra-Western alliance diplomacy. As much as 67 percent of arms transfers to the Third World were undertaken in 1978 by members of NATO, while the Warsaw Pact accounted for another 29 percent.⁸

UNCERTAIN RATIONALES FOR ARMS SALES

The dilemmas created by the international trade in arms, which face decision makers presented with an arms transfer request, arise from the difficulty in reaching a judgment as to whether a given transfer would be "good" or "bad." This can best be illustrated by examining some of the justifications traditionally given for making weapons sales or grants. We do this here in general terms, postulating the justifications and questioning or examining their validity, before turning in the following sections to some of the more specific situations and dilemmas that exist in particular countries and regions.

Influence and Leverage

A major political rationale for arms transfers has been the influence the supplier gains in dealings with the recipient nation. Arms can be an important symbol of support and friendly relations and thereby create influence. Arguments for the sale of weapons to China have been based not so much on the need to enhance its military capabilities against the Soviet Union, for the Chinese will remain comparatively weak under any circumstances, as to demonstrate American friendship and further the normalization of relations. After the invasion of Afghanistan,

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pressure on the Soviet Union became an additional objective. Similarly, the Soviet Union has transferred arms to Arab states and to national liberation movements as a demonstration of ideological support or affinity. Moscow sold weapons to Peru on a long-term, low-interest basis in order to establish a base of influence in South America. American arms sales to Saudi Arabia have been justified by the need to maintain a "special relationship" with that country.

Arms may provide access to political and military elites. This has been the traditional justification for many of the U.S. military assistance programs to Latin American nations, where often there was no serious military threat or need for arms. The continuing contacts between defense establishments, which accompany arms transfers through training missions and the sending of Latin American military officers to U.S. military schools, is thought to be important because of the political role played by the military on the continent. Similarly, the Soviet Union has competed with China for access to foreign elites through the sale of weapons to countries such as Indonesia and India.

When countries are dealing with established allies, arms can give substance to treaty commitments. NATO and the Warsaw Pact are the most obvious cases. But in a more fluid situation where there is no formal alliance, and when a prospective recipient may turn to one side or the other, the argument for an arms transfer has often been made on preemptive grounds: to deny the transfer, and the influence that presumably flows with it, to the competing side. Many recipient countries have become adept at this game. Faced with American reluctance to provide a modern air defense system, King Hussein of Jordan discussed such a purchase with the Soviet Union in 1975 before being able to get from the United States the 500 Hawk surface-to-air missiles that he wanted. Preemptive selling is not limited to the East-West competition but often occurs between Western states, although the motivations in such cases are more commercial.

The most important political benefit of arms transfers may be leverage over other countries' sensitive foreign policy decisions. In the Arab-Israeli conflict, the offer of arms has been used to make difficult political and territorial decisions more acceptable.

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Former Secretary of State Henry Kissinger, who was especially inclined to use arms transfers as an instrument of foreign policy, promised Israel substantial amounts of new weapons (including the first sale of the F-15 to another country) in exchange for its leaders' approval of the 1975 Sinai disengagement agreement. The Carter administration's decision in 1978 to sell F-5E fighters to Egypt was strongly influenced by the need to buoy up Anwar Sadat in order to dissuade him from breaking off the peace negotiations after the initiative he had launched seemed to be going nowhere. Implicit in the large-scale provision of arms to Iran and Saudi Arabia was the belief that this would make it less likely that the Shah or King Khalid would support an OPEC embargo cutting off the supply of oil.

Yet one must be very cautious in accepting some of the generalized justifications for arms transfers. Influence and leverage are transitory phenomena: they can be lost even more quickly than they are acquired. The Soviet Union developed a close relationship with Egypt when it began supplying arms in 1955; after it refurbished the Egyptian armed forces following the 1967 war it gained the use of naval facilities in Alexandria for its Mediterranean fleet and access to air bases, and greatly augmented its physical presence in the country. Still, the very existence of this arms supply relationship led to friction between Cairo and Moscow. Sadat expelled the Soviet advisers in 1972, and after the Yom Kippur War changed the orientation of Egypt's foreign policy toward close ties with the United States. To take another example, the United States brought promising military officers to the States for training as part of its Latin American military assistance programs, partially in order to indoctrinate them with the democratic values it sought for the Western hemisphere; yet the leaders of most of the military juntas that today exercise repression and violate human rights in Latin America are graduates of these programs.

The most vivid demonstration of the uncertain nature of the influence that arms can achieve is the course of events in Iran. Because the United States sold large quantities of sophisticated arms to Teheran, it was seen by many Iranians as a strong sup-

porter of the Shah—to some he was even an “American puppet,” with the arms the most visible symbol of American support. Came the revolution, the United States was thoroughly discredited. Not only did it lose all influence, but America became *the* enemy against which conflicting groups within Iran rallied so as to achieve a common goal. If arms sales have the effect of closely associating the supplier with a certain regime in a country, and that regime is overturned, the former association can have serious negative consequences. Local conditions can always change, and general assumptions that underpin the sought-after influence or leverage are always subject to being undermined.

One can also question the essence of the leverage that arms provide over specific foreign policy decisions. The United States used its arms relationships with success in deterring a war between Greece and Turkey in 1967, but in 1974 it was powerless to prevent Turkey's invasion of Cyprus. Nor, it should be noted, did the subsequent arms embargo legislated by the Congress succeed in bringing about Turkish concessions; on the contrary, Ankara responded by placing restrictions on NATO bases in the country. Western largess in making arms available to Iran (in some cases delaying the equipping of the supplier state's armed forces) did not persuade the Shah to help keep oil prices down; Iran was a consistent advocate within OPEC for higher oil prices—in part, to help pay for the weapons it was purchasing.

Indeed, the provision of arms can even give the recipient “reverse leverage” over the supplier. Perhaps the most striking example of this occurred during the Vietnam War when America's deep commitment to that country was played upon by the Thieu government in vetoing various peace proposals. A different kind of reverse leverage can exist when arms have been made available in exchange for base rights. In the Philippines, for example, Washington has been limited in the extent to which it can make known American disagreement with the internal human rights policies of the Marcos government. Washington's continued dependence on U.S. bases for its Pacific strategy encouraged Manila to demand substantial military and economic assistance in return for the use of bases on Philippine soil.

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The transfer of arms can go so far as to make the supplier hostage to the recipient. As a 1976 report to the Senate Foreign Relations Committee on American arms sales to Iran noted, the large-scale sales to Teheran invariably involved a commitment to provide support for the weapons. The United States could not abandon its arms-support activities without provoking a major crisis in Iranian-U.S. relations (and such a crisis, were it to occur, could have a major consequence for the supply of oil). If Iran had become involved in a war then, it would have been difficult to keep American personnel uninvolved. Thus the 24,000 American personnel in Iran at the time, whose number was expected to increase substantially in the coming years as more arms were scheduled to be delivered, could physically become hostages at a moment of crisis. The report concluded that because of the political symbolism that stems from a close supplier-client arms relationship, "it is not clear *who really has influence over whom* in time of an ambiguous crisis situation."⁹ Although events did not proceed exactly as foreseen—they rarely do—the warning was prescient. Reverse leverage of another type came into play in the spring of 1981 when the level of Saudi oil production was linked to arms sales. Speaking on American television Sheik Ahmed Zaki Yamani, the Saudi oil minister, stressed the importance that his country attached to the planned sale of five AWACS planes in the context of a discussion on both the price and the future output of Saudi oil.

In short, it is clear that the provision of arms may provide influence and leverage. Arms sales can be important tools of foreign policy. As such, they are attractive to policy makers who are in immediate need of instruments to help implement their strategies.

But experience suggests that the political value of arms sales in global politics can be overrated. Creating an arms supply relationship is not sufficient to cement relations between two countries and entails certain risks. The influence acquired may be of surprisingly short duration. The amount of leverage will depend upon the alternatives available to the recipient state. If there are other suppliers, then the degree of leverage will be less than if

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the recipient has little or no choice. The supplier may find that there are incalculable political costs in applying leverage. The recipient may come to regret his dependence and the implicit conditions attached to a sale. In short, the transfer of arms can often create an uncertain and symbiotic supplier-recipient relationship which ends up limiting the freedom of action of both.

Security and Stability

Another traditional rationale for supplying arms is to help fulfill the security requirements of allies and friends. From the early postwar period until the mid-1970s, when most U.S. arms transfers were in the form of military grants, this was the basic reason for transferring arms to NATO and to other allies such as Japan and South Korea. As the danger thought to be posed by internal subversion in South Vietnam and elsewhere came to occupy the attention of the Kennedy administration, arms for purposes of counterinsurgency were deemed to be important. Later, the Nixon Doctrine expanded the reliance upon arms transfers by emphasizing the role of U.S. weapons for indigenous forces as a replacement for the direct presence of American military personnel. Only in recent years as arms transfers have become predominantly sales rather than grants, and the bulk of U.S. transfers has gone to the Persian Gulf and Middle East, have they become controversial and have the presumed benefits become more difficult to identify with certainty.

Providing military support for allies and friends has also been an important Soviet motivation in countries such as North Korea, North Vietnam, Syria, Iraq, Somalia, and Cuba, as well as in the Warsaw Pact countries. Arms have been transferred to Cuba to encourage and enable it to become or remain involved in conflicts in Angola and elsewhere on the African continent. France and Britain, as they withdrew from their colonies, often transferred some of their remaining arms or undertook to provide new ones for the new states; but most of their more recent sales have been essentially commercial rather than political or security related in nature.