

# The Global Arms Trade

Policy Analysis



The Organization for World  
Peace

# **The Organization for World Peace Analysis of the Global Arms Trade**

**World Peace IS Possible**

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# Table of Contents

<b>1. Our Aim</b>	<b>3</b>
<b>2. Our Scope</b>	<b>3</b>
<b>3. Why is the Global Arms Trade Important?</b>	<b>3</b>
<b>4. Actors in the Global Arms Market</b>	<b>4</b>
<b>a. Key Suppliers</b>	<b>4</b>
<b>b. The Demand for Arms</b>	<b>10</b>
<b>c. Arms in the Hands of Illegitimate Actors</b>	<b>10</b>
<b>5. Other Issues to consider</b>	<b>19</b>
<b>a. Corruption</b>	<b>19</b>
<b>b. Transparency</b>	<b>21</b>
<b>c. Economic Gains</b>	<b>25</b>
<b>d. The NRA's Influence</b>	<b>25</b>
<b>6. Current and Past Approaches</b>	<b>26</b>
<b>a. UN Disarmament</b>	<b>26</b>
<b>b. The Arms Trade Treaty</b>	<b>27</b>
<b>c. The EU Common Position</b>	<b>31</b>
<b>d. Wassenaar Agreement</b>	<b>33</b>
<b>e. South American Approaches</b>	<b>34</b>
<b>7. Policy Approaches to Consider</b>	<b>35</b>
<b>a. Legal Avenues</b>	<b>35</b>
<b>b. Arms Embardoes</b>	<b>37</b>
<b>c. A Potential Blacklist</b>	<b>38</b>
<b>8. Our Recommendations</b>	<b>42</b>

## **Our Aim**

To provide a series of recommended strategies and policy approaches to reduce the spread of conventional arms and munitions. Specifically, to reduce the transfer of arms into areas that suffer from instability and conflict. These recommendations should be bold, yet realistic. We hope that by slowing the circulation of arms in conflict zones, or areas prone to the outbreak of conflict, we will be able to reduce the escalation of conflict and human harm. This will require and promote cooperation between states and corporations within the international arms trade. The cooperative bonds built through this process should pave the way for future multilateral approaches to the reduction of human suffering and conflict resolution.

## **Our Scope**

The global arms market is the trade of all arms within and around the globe. Our study will focus on conventional arms. This includes hand held guns, missiles, missile launchers, tanks, artillery systems, attack helicopters, armored combat vehicles, combat aircraft and warships. These are traded both within the law and illicitly.

It is important that we know the size and dynamics of the global arms market in order to provide efficient solutions to ease the flow of arms and reduce the capabilities for warfare. The main sources of supply and demand drive the market for arms around the world. An efficient solution to the spread of arms will need to be multifaceted, tackling both the supply of and demand for arms.

## **Why This Report is Necessary**

The international flow of arms, both legal and illegal, has significantly increased in the 21<sup>st</sup> century. This market has thus become a serious concern for world peace and stability as the weapons are used in some of the world's leading conflict zones, escalating these conflicts and consequently harming or killing many people. There is growing recognition among scholars, politicians and members of the public alike, of the need to address the proliferation of conventional arms, which is seen as a source of great instability in the world. A leading cause of this instability is the fact that not all exporters place value in ensuring that their weapons may be on sold to human rights abusers and contribute to the escalation of war.

# Actors in the Global Arms Market

## Key Suppliers

The five largest arms exporters are the United States (34%), Russia (22%), France (6.7%), Germany (5.8%) and China (5.7%), accounting for 74% of the total volume of arms exports worldwide. Other significant suppliers of arms include the United Kingdom, Israel, Italy, South Korea and the Ukraine. The main arms suppliers are responsible for a significant percentage of the global arms supply and as the supply of arms grows, so does the number of weapons circulating the globe. Four of the five largest suppliers of arms are permanent UN Security Council members (the United States, Russia, France and China), holding veto power, making arms trade regulation difficult.

## The United States of America

The USA is the world's largest arms exporter and spends by far the most of any country on its own military capabilities. The US export of major arms grew 25% between the period of 2008-12 and 2013-17, widening the gap between them and the rest of the world. From 2013 to 2017, U.S. arms exports were 58% higher than the number supplied by the second largest exporter, Russia. Currently, the US supplies arms to at least 100 countries around the world, and half of its exports are to the Middle East. In recent years, the concentration of arms exports to the Middle East, where its leading client states are its allies, Saudi Arabia and the UAE, has become quite controversial, largely because much of that weaponry has been used in the endless war in Yemen. More troubling, the United States' status as the region's "prime supplier" looks set to continue for years to come, particularly considering that concerns over Iranian regional might has fueled the increased militarization of Tehran's regional rivals (with U.S. assistance). There is a clear correlation between the buildup of arms, largely led by US allies, and instability in the region.

Shipments to states in the Middle East accounted for 49% of American arms exports between 2013 and 2017, followed by states in Asia and Oceania (33%). With minimal conflict in Europe and the Americas, American arms exports to these regions were low, at 11% and 4.8%, respectively. Previously, exports to the Americas have been significantly higher as the U.S. sought to expand its influence in the region. Strategically important regions, such as the Middle East and Asia, receive a large proportion of US exports as they remain in conflict, or are threatened by other regional actors, leaving them at risk of potential conflict. Much of their supply of arms is to challenge China and Iran, making America's arms supply a valued foreign policy tool. Saudi Arabia is one of America's most important allies and also the largest recipient of U.S. arms, accounting for 18% of total exports. Between 2008 and 2017, the U.S. arms exports to Saudi Arabia increased by 448%. During this time, Saudi Arabia's involvement in regional conflicts such as those in Syria and Yemen has increased.

The global arms supply is led by private American firms. Seven of the ten largest arms suppliers in the world are American companies, including the most dominant, Lockheed Martin, which had \$40.8 billion in arms-related sales in 2016. The second and third largest suppliers are also American (Boeing and Raytheon). While the U.S. government does not produce its own arms, it strongly supports American suppliers of arms, which have great political and economic power.

Currently, there are two systems set up for arms transfers by the United States: the Foreign Military Sales Program (FMS) and the Licensed Commercial Export System, or Direct Commercial Sales (DCS). The FMS is a foreign policy tool that allows the sale of defense articles and services to other countries. It is authorized by the Arms Export Control Act (1976), executed by the Secretary of Defense, while the Secretary of State decides which countries receive FMS. Direct Commercial Sales are a much more flexible process because the purchaser consults directly with industry about specific products and services it needs. Qualification for an export license through DCS depends on how the product or service is categorized by the State Department's Directorate of Defense Trade Controls, which means anything on the U.S. Munitions List is up for an export license, if in compliance with the International Traffic in Arms Regulations (ITAR).

U.S. President Donald Trump has taken steps toward expanding the already huge increase in arms sales that began in the Obama era. He has loosened rules for weapon and drone sales abroad, saying that "economic security is national security." The rules rolled out on April 19, make economic benefits a consideration when approaching new arms deals. President Donald Trump has also expanded the defense budget, expanding the potential profits for private arms contractors. The current military budget in the U.S. is \$700 billion, most of which is for new weapons and upgrading technology. Since Donald Trump has been in office, many steps towards deregulation have made it increasingly possible for private weapons contractors to sell new technologies abroad. In fiscal year 2016, the Pentagon issued \$304 billion in contracts to corporations (nearly half of the department's \$600 billion-plus budget for that year). In the U.S., the top five private arms dealers were given just under \$100 billion of U.S. tax dollars [Lockheed Martin (\$36.2 billion), Boeing (\$24.3 billion), Raytheon (\$12.8 billion), General Dynamics (\$12.7 billion), and Northrop Grumman (\$10.7 billion)]. Defense contractors have spent \$34,657,206 on lobbying efforts since the start of 2018, and over \$1 billion since 2009, giving them tremendous weight in relevant political decisions.

## **Russia**

Despite the fact that Russia's exports went down 7.1% from 2008-12 to 2013-17, they remain the second largest exporter of arms. The export of arms decreased due to smaller volumes of trade, not fewer arms deals. Between 2013 and 2017, Russia delivered arms to 47 states as well as rebel forces in Ukraine. 58% of their arms deals went to their top three recipients in 2013-17: India

(35%), China (12%), and Vietnam (10%), making Asia and Oceania their largest regional buyer (66%), with Africa (13%) below, and the Middle East behind that (11%). Russian exports to Europe and the Americas are low due to Western dominance in these areas. Russia's influence in nearby Asia helps it secure arms deals in the region and is of use to its own foreign policy objectives.

Following the collapse of the former Soviet Union, Russia saw its military expenditure drop quite significantly from USD \$350 billion in 1988 to USD \$60 billion in 1992. Russia found itself in need of new markets to export weapons to, as they previously exported mainly to Iraq and former Warsaw Pact members. Russia developed a fruitful supplier-buyer relationship with China. During the 1990s, China lagged behind the other major powers in terms of its arms manufacturing capabilities owing in large part to the lack of technical expertise needed to produce the sort of weapons being exported by the likes of the US, Russia, and the UK. Between 1998 and 2006, China became Russia's chief buyer with a 60% share of the total arms sold by Russia during this period. There has been a significant shift in the relationship between the two countries since then, with China's purchase of Russian arms exports dropping to 10% of Russian exports by 2010. In some cases, Russia has been able to expand its arms trade, filling markets vacated by the U.S., such as China and India, due to stronger regulations. Their client list has also expanded to include former Soviet republics, Syria, India, Vietnam, and North Korea. This is where Russia seems to hold an advantage in relation to its leading rival arms exporters. Worth mentioning is the fact that at present Russia's situation has changed significantly, as it now enjoys a total annual value of arms exports between USD \$13.5 billion and USD \$15 billion. There are concerns, however, regarding Russia's ability to remain competitive. Russia consumes a larger portion of its GDP and its economy isn't growing at a rate comparable to other exporters, such as China. But its willingness to sell arms to states that most Western rivals are afraid to do business with remains an area in which it still holds somewhat of an advantage over other leading arms exporters.

Russia's arms industry operates within a vertical and highly-centralized system controlled by President Vladimir Putin. At the heart of this system is Rosoboronexport, which in 2007 became the only company with the right to engage in the foreign trade of military goods. In other words, it is the sole state-owned intermediary allowed to handle import and export operations. Originally set up by President Putin in 2000 Rosoboronexport replaced the previous system, which was characterized by the presence of various individual defense companies, many of whom were allowed to sell weapons to foreign customers directly, without the involvement of the Russian government or state. They are now responsible for 85-90% of Russian arms exports. The closely controlled arms export system in Russia is one in which military and technical cooperation is headed by the Russian president, who has the ultimate say on all key decisions relating to arms exports. President Putin is the one who decides who is eligible to receive Russian arms exports and where they import from. This feature of the system together with the

fact that all arms contracts require approval from the Cabinet and the president, provide a reduced chance for arms to leak into illicit circulation, if managed properly. Equally important to the fight against the illicit trade of weapons, as it relates to Russia, are measures such as the one under the terms of Resolution no. 604 of October 2006 (and the amendments introduced in 2009), in which a government commission may travel to a foreign customer's country to ascertain that weapons "are still present on the country's territory, and that they are being used for purposes which comply with the end-user certificate." In essence, despite often being accused of not applying a "criteria-based approach in its decisions on licensing arms exporters", Russia's arms export system is quite stringent and should continue to be so while the current regime is still in power.

## **China**

China is now the third largest producer of arms and the second-biggest spender on national defense. In the last two decades, growth in the Chinese defense budget has exceeded its general economic growth and shows no signs of slowing. The Chinese arms industry is state-owned and had an estimated output of USD \$362 billion in 2016 alone. In recent years though, Chinese officials have been increasingly vocal about the need to implement deep defense reforms aimed at improving efficiency and innovation, while relieving some of the financial burden placed on the state. This has included recent changes to allow private capital to support the defense industry. Over the past few years its arms exports have increasingly become focused on advanced weapons. China's general sale in arms has accounted for 6.2% of the global weapons trade from 2011 to 2017, an increase of 74% compared to the 2007-11 period. This surge in arms sales has allowed China to overtake leading exporters like Germany, France and the UK to become the third-largest exporter in the world. Its current position in the arms trade export ladder reflects the tremendous growth it has experienced over the last quarter-century—a period in which it went from being heavily reliant on Russian arms imports to producing quality armaments of its own. China's capabilities have transformed to the point where some of its own technologies have surpassed those of Russian production. Owing to the economic and industrial resources available to China, the next few years could see China surpass Russia in all aspects of arms manufacturing. China has experienced a growth in research and development capabilities, as well as the production of advanced weapons. Key customers include Pakistan, Myanmar, and Bangladesh who are all neighbors of India, a key regional rival. The supplier-buyer relationship with Pakistan is quite significant—it currently buys 35% of Chinese arms exports—due to the friction it could lead to with India owing to both countries' proximity and troubled history. China also has an advantage over its competitors due to its willingness to provide technological support and consultancy when selling weapons to other countries. However, it lags behind Russia and the US when it comes to real-time battle experience.

China's exports increased by 38% between 2008-12 and 2013-17. Asia and Oceania accounted for 72% of China's arms exports, and Africa accounted for 21%, with the Middle East only



accounting for 2%. This reflects their desire for regional influence in Asia, and trade relationship with Africa. Their lack of activity in the Middle East is reflected in their relatively low level of arms exports to the region. China delivered major arms to 48 countries from 2013 to 2017. Pakistan was the main recipient (35%). While the U.S. exported a much greater number of arms in total, China has become the one country where a dramatic growth in exports has created the possibility for a future rivalry with the U.S. Up until the 1980s, China only sold small arms to mostly developing countries with foreign policy and ideological considerations; since then, however they have opened up to the international arms market and sold weapons for profit to benefit from excess capacity. China also entered the market due to the country's interest in obtaining new technologies that would modernize their own weaponry. A large portion of arms sold after they entered the market went to the Middle East, and in 1987 China moved into the top five exporters of arms. As China continues to grow as a global arms producer, its defense industry is becoming increasingly self-sufficient, only relying on foreign trade to buy large transport aircrafts and engines. Demand for arms in the Asia-Pacific region is one cause for China's push to expand exports. This demand is likely driven by the growth of China and India as regional powers. In 2018, China raised its military budget by 8.1%, making the 2018 defense budget 1.11 trillion yuan (\$175 billion). The extent of China's military spending can be difficult to pin down given the lack of transparency.

## France

The 4<sup>th</sup> largest arms industry in the world behind China, France has been a mainstay in the top-five list of arms exporting countries. French arms exports grew by 27% between 2008-2012 and 2013-2017, delivering to 81 states in the latter period. Despite losing third place to China during the 2011-2015 period, it managed to surpass Germany, which has experienced a dip in arms sales over the last decade, largely a result of increasingly restrictive laws. Many of its exports during those five years went to regions such as the Middle East (27%) and Asia/Oceania (28%). Those figures—not dissimilar to those of fellow leading arms exporters—demonstrate a willingness by the French arms industry, to do business in areas that have become increasingly militarized in recent times. Lest we forget, the 2011-2015 period saw increased conflict in places like Yemen, the Sinai Peninsula in Egypt (an important buyer of French arms throughout this period and active participant in the Yemeni conflict), and Syria. Qatar, another important French client saw a 279% increase in arms imports between the 2006-2010 and 2011-2015 periods. France has played a part in that growth and is expected to deliver 24 combat aircrafts to the Gulf nation which will see a substantial increase in “the size of Qatar's military arsenal.” Just like Russia, France often chooses to ignore human rights violations when exporting weapons, allowing it to supply to actors who may be seen as off-limits to other exporting states.

In France, the Ministry of Defense presents reports to the French Parliament regarding arms exports. These reports are the only publicly available documents that indicate the number of registered brokers in the country, unlike some other European countries where records of brokers

are listed in a public register. Any legal entity or individual seeking to produce, trade or engage in the brokering of conventional weapons has to submit to an application process through the Ministry of Defense. After acquiring the license, arms brokers and manufacturers are expected to meet certain industry and export standards or risk running afoul of France's domestic laws that give "authorities the right to suspend, modify, withdraw, or remove previously granted export licenses". French law places export restrictions on the following goods: military technology and equipment, explosive devices, goods that could be used for torture, firearms and ammunition for civilian use and lastly, dual-use goods and technologies. The French Control System, which features laws that are similar to those found in places like Germany, lags behind its rival in terms of public debate (or the lack thereof) concerning the activities of the defense sector in relation to the export of arms. That would help to explain why successive French governments have opted to stick with controversial arms deals (i.e. the ones it has in place with the countries that are actively involved in the conflict in Yemen), whereas the German government has prioritized security and humanitarian concerns over economic ones.

### **Germany**

As the 5<sup>th</sup> largest arms exporter in the world, Germany has dropped behind France and China over the last decade, due in no small part to increased regulation and cuts to EU Member States military spending after the 2008-09 global recession. During the five-year period from 2011-2015, its sales decreased by 36%. In the period between 2006-2010 and 2011-2015 the decrease was 51%. Increased regulation was also significant in reducing German arms exports. German arms producers are now required to gain authorization from the Economic Affairs Ministry to sell their products and services abroad. This increased regulation, coupled with the level of public debate that is non-existent in other leading arms exporting countries such as France, has dampened sales.

Despite this, arms sales in Germany look to be strong in the short run, considering that the current CDU-SPD cabinet, headed by Angela Merkel, set new arms sales records by approving USD \$30.9 billion worth of weapons sales since taking power in 2014—more than any other German government in modern history. In the long-term though, growth could be stunted by the fact that increased restrictions have limited the number of arms sales issued by the government. After criticism resulting from the sale of arms to conflict zones in the Middle East where a Saudi-led coalition (significantly supplied by Germany) has waged a bloody and endless war in Yemen, the Merkel led government promised to improve controls on arms exports.

Germany stands out among its competitors for its restrictive licensing policy in the area of weapons production and exportation. A recent report issued by the German Federal Ministry of Economic Affairs and Energy, outlines the stringent measures first put into place by the Federal Government in 2016 (and continued into 2017). Among the measures listed in the document, are stricter rules that: (1) push for the greater regulation of small arms and the adoption of the "Small

Arms Principles” that seeks to prevent the proliferation of small arms to “third countries”; and (2) post-shipment controls that have been introduced on a pilot-basis in “third countries” to allow for follow-up inspections following the export of arms to said countries. This is aimed at determining whether “the arms are still in the possession of the end-user in the destination country”. The document also points to two of the principles and procedures observed when issuing licenses. First, it speaks of the heightened level of scrutiny surrounding brokers, whereby, the issuing of licenses can only be carried out “if there is no danger that the military equipment will be used in connection with peace-disturbing acts”. Second, export applications are examined, and the criteria for the examinations differentiate between the EU, NATO, and NATO-equivalent countries (Australia, Japan, New Zealand, Switzerland) on the one hand and “third countries” on the other. An applicant, according to German laws and procedure is “basically entitled to receive an export license unless essential security or foreign policy interests of the Federal Republic of Germany or other reasons argue against this. Public scrutiny has proven to be effective in Germany as the German government restricted arms exports to Yemen in an attempt to minimize their involvement in the bloody Yemen Civil War after facing public backlash.

## **Global Arms Demand**

Regional tensions within and across borders have caused high levels of military build up around the globe. The largest importers of arms are India, Saudi Arabia, Egypt, the UAE, and China. India and Saudi Arabia alone accounted for 22% of arms imports between 2013 and 2017.

### **Asia**

Regional instability, primarily between China, India, and Pakistan, has fuelled arms imports in the region (Asia received 46% of arms imports between 2013 and 2017, up from 42% in the previous five-year period). However, China’s arms imports have decreased recently (by 19% between 2008-2012 and 2013-2017) as they now produce their own arms and are a top 5 exporter. India is the largest global arms importer, with a 12% share of global imports. Vietnam has emerged as one of the globe’s top importers amid regional tensions. Vietnamese arms imports rose by 699% between 2006-2010 and 2011-2015, contributing to 3% of global purchases from 2011 to 2015. Vietnam, the Philippines, and Indonesia also have some of the fastest-growing defense budgets in the world. Vietnamese arms imports rose by 699% between 2006-2010 and 2011-2015, contributing to 3% of global purchases from 2011-2015.

### **Middle East**

In the wake of destabilizing conflict in Syria and Yemen, the Middle East has seen the greatest increase in imports for the 2013-2017 period, with a 103% rise from the 2008-2012 period. The US, France and the UK are responsible for around 70% of all major conventional arms sold to the region. In the last five years, Gulf States have massively increased their imports of major

conventional weapons: Saudi Arabia received 31% of Middle Eastern arms imports over the last five years, a 225% increase from the last five years. Imports in Qatar rose by 166%. Israel increased by 115%, and in Egypt increased by 215%.

### **Africa**

Arms imports in Africa decreased by 22% from the 2008 – 2012 to the 2013 – 2017 period. However, African governments and rebel groups imported 45% more weapons in 2014 than in 2005. The region's largest importers were Algeria with 52% of all African imports, Morocco with 12%, and Nigeria with 5.1%. Sudan and Cameroon also played a role in Africa's arms market. Driving arms purchases in the continent is Algeria's long-standing rivalry with Morocco, and Uganda's involvement in South Sudan's civil war. Meanwhile, Cameroon and Nigeria showed significant demand for weapons in their fight against Islamist rebel group Boko Haram. Involvement of Uganda, Ghana, and Kenya in military operations mandated by the African Union and the UN also contributed to a rise in arms imports.

### **The Americas**

The Americas have also seen a significant 29% reduction in arms exports between the 2008–2012 and 2013–2017 periods. The United States was the largest importer of major weapons in the region, with 2% of the total global arms imports. This is due to its military involvement in multiple hotspots around the world but lessened by its own arms manufacturing capabilities. Arms imports for South American states fell by 38% in the 2013-2017 period compared to the 2008–2012 period. This dip in arms imports can be attributed to the efforts of governments and non-governmental organizations to reduce the number of weapons in circulation—at least 45 million to 80 million of those weapons are circulating around the region and end up falling into the hands of individuals, criminal gangs, and militias. But, they (South American arms imports) still accounted for 43% of transfers into the Americas. Venezuela has been the largest importer in South America over the ten-year period of 2008–2017. Internal conflict, and previously signed contracts being fulfilled, is the reason for Venezuela's share in the America's arms market.

## **Arms in the Hands of Illegitimate Actors**

Of all the biggest exporters of arms globally, the exporters that are most complicit in the illicit arms trade are the United States, Russia and China. There are medium players such as the UAE, Iran and Saudi Arabia, often with opposing interests, who use their wealth to purchase weaponry and transfer them to armed groups, through small or middle-sized arms manufacturers in Eastern Europe. Small sized arms manufacturers such as those in Latin America, Argentina, Brazil, Mexico and Chile, constitute a significant portion of Latin America's arms trade through organized crime, with the rest coming from the United States' gun manufacturing companies. The other small-sized arms manufacturers that export weapons to the conflicts in the Middle East

are mostly from Eastern European nations that provide Soviet-era arms. It's clear that there are some other countries that are willing intermediaries in the transportation of the arms, such as Azerbaijan, Turkey, and the Republic of Congo.

There is a prevalence of newly manufactured Chinese, Iranian, Russian and Sudanese ammunition that was acquired during the Syrian conflict. ISIS is increasingly dependent on homemade/improvised munitions such as mortars, rockets, associated launchers and explosives. This suggests that they lack a sufficient amount of military-grade equipment in their inventories. Turkey is a hub for components like detonating cord and agricultural fertilizer that were being used by ISIS to make suicide bombs. Other actors that purchase arms on the illegitimate market often deliberately remove their serial numbers to conceal their origin and weapon identity. This makes tracking the exchange of arms in the illegitimate market extremely difficult. Weapons sold by China to its ally Sudan have been funneled to opposition rebels in South Sudan, where two Chinese peacekeepers were recently killed. We observe a link between allies and the transfer of arms through the black market.

The Dominican Republic has seen a series of recent seizures of illicit arms shipments. Officials reported the weapons had been sent from various cities in the United States. Paraguay is one of the main sources of weapons for the South American region, with the Ministry of Interior estimating about 700,000 unregistered weapons in the country. Colombia, the country with perhaps the broadest array of illicit armed groups in the hemisphere has scored one of the biggest recent successes in reducing violence and access to arms. A Wilson Center report points out that Guatemala had registered a surplus of seven firearms for every soldier in 2010. During the same year it is estimated that 27,000 arms from the Guatemalan military stockpiles ended up in the hands of criminal groups both there and in Mexico—40% of which came directly from the US. Almost 50% of guns found at a crime scene in El Salvador in 2014 were traced to the United States—many of them smuggled through Mexico. A majority of the weapons traced in the Caribbean and Mexico were sourced from the United States. 60% of the weapons traced in Central America were determined to be from non-US suppliers. Brazil, Mexico, Argentina and Chile, the largest regional producers of small arms and the four largest regional exporters, have each transferred \$15.5 million, \$3.6 million, \$3.2 million and \$657,000 worth of weapons, respectively, to other Latin American countries.

According to an investigative report published by the Bulgarian “Trud” newspaper, the Azerbaijani state-owned airline, Silk Way Airlines, is said to have transported tons of weapons which were headed to war conflicts across the globe. The report was based on information provided by a trove of documents leaked by Twitter account, “Anonymous Bulgaria.” Among the items included in the leak, was correspondence between the Bulgarian Ministry of Foreign Affairs and the Embassy of Azerbaijan to Bulgaria, with attached documents for weapons deals

and diplomatic clearance for over-flight and/or landing in Bulgaria, as well as many other countries such as the U.S., Saudi Arabia, UAE, and Turkey. Silk Way Airlines, according to the documents, offered diplomatic flights to private companies and arms manufacturers from the U.S, Balkans, Israel, as well as the militaries of Saudi Arabia, UAE, and the U.S. Special Operations Command (USSOCOM), and the military forces of Germany and Denmark in Afghanistan, and of Sweden in Iraq. The weapons supplied by American companies were non-US standard weapons, therefore, not to be used by U.S. forces. Over the last three years, American companies were awarded \$1 billion contracts in total under a special U.S. government program for non-U.S. standard weapon supplies, all of which used Silk Way Airlines for the transport. Journalists found and documented nine underground warehouses full of heavy weapons, with Bulgaria as their country of origin, being used by Al Nusra Front. On 18 October 2016, a flight carrying 15.5 tons of 122 mm rockets bought by Chemring in Belgrade (Serbia) was diverted from its intended destination, Kabul, and instead landed in Lahore, Pakistan for 2 hours before going back to Kabul. Offloading in Pakistan is suspected as the only possible reason for an unannounced 1000 km detour. In 2016 and 2017, there were 23 diplomatic flights carrying weapons from Bulgaria, Serbia and Azerbaijan to Jeddah and Riyadh. Weapons not compatible with its military standard, ending up in the hands of armed groups in Syria and Yemen that Saudi Arabia officially admits to supporting. The UAE is another country that has purchased Eastern European weapons, which are not compatible with military standards and were apparently re-supplied to a third party. The consignee being the UAE army, supplied by Orbital ATK LLC, subsidiary of the American military company Orbital ATK, and the sponsoring party being Saudi Arabia. Some of Silk Way Airlines' diplomatic flights carried weapons for different conflict zones crossing Europe, Asia and Africa.

### **The Flow of Arms into Syria**

The legal flow of arms into Syria is difficult to track, given the large number of international players involved, and the fact that the Syrian government and the opposition are procuring their weapons through discreet sales from other states or from the black market. In 2016, it became clear that some Eastern European states had discretely sold weapons to the value of more than 1 billion Euros to Middle Eastern states. These arms travel into the Middle East through the Balkans route, which skirts near to Syria; many of these arms have ended up in Syria. Although not an illegal arms trade per se, these deals and transfers have taken place out of the international spotlight. On the one hand, the Pentagon has backed arms transfer to anti-government forces in Syria, including Kurdish forces. On the other, Eastern European arms purchased by Saudi Arabia have also ended up in the hands of Syrian rebels, allegedly in transfers coordinated by the CIA. While the major pipeline of these Eastern European arms seems directed to opposition forces such as Kurdish groups and the Free Syrian Army (FSA), *The Guardian* has reported that these arms have also been seen in the hands of groups such as Ansar-al-Sham and Jabhat-al-Nusra, which, although part of the opposition, are also known terrorist groups - al-Nusra is the main affiliate of al-Qaeda in Syria.

The problem, of course, with the discreet sales of arms is that they have a higher tendency to disappear onto the black market. In June 2016, the New York Times broke a story that revealed how CIA and Saudi-purchased arms, shipped through Jordan, had been diverted onto the black market by Jordanian intelligence officers. This is the perfect example of how legal arms flows become illegal arms flows, particularly in the Middle East. Where there is a desire to keep arms shipments less visible, these shipments become easier to divert onto the black market. The diverted weapons had been shipped to Jordan as part of Operation Timber Sycamore, which began in 2013 as a way to arm and train Syrian rebels. The movement of these arms onto the black market has been concretely linked to the murder of contractors in Amman. The black market in Syria has flourished in the last several years, driven by the raging civil war. Black market arms dealers have noted that the price of arms rose nearly 90% in Syria between January and December 2014 as the conflict intensified. Aside from the flow of weapons from major powers (including Saudi Arabia, the US, Iran, and Russia), the black market is supplied by players across the board. ISIS' seizures of weapons depots fuel the market; observers have also noted that government soldiers have been known to sell weapons to rebel forces. Another intricate piece to the Middle Eastern black-market arms puzzle is the conflict in Ukraine. Since 2015, experts have noted that the chaos in this state has led to an increase in arms from Ukraine being moved onto the black market. Abandoned bases and pillaged arsenals have provided a abundance of arms to be moved to the black market, including by organized crime groups in Ukraine. Experts say many of these weapons have or will be transferred through the Balkans or the Caucasus regions into the Middle East, many to be diverted to Syria.

### **Arms in the Yemen Conflict**

The presence of Saudi Arabia, the UAE, and other Gulf states in Yemen enables a deeper understanding of how the presence of arms impacts the conflict. Despite the understanding that many arms in the region arrived there legally and through easily traceable paths, there are still a large number of arms that have arrived there through other means. Some have noted that Saudi Arabia has likely pushed some of its discreetly purchased arms to Yemen as well as to Syria. Unlike Syria, however, Yemeni government forces are fighting Houthi opposition with the direct, on-the-ground help of most of their international backers, meaning that Saudi Arabia and its partners have a lessened need to funnel arms into the state. On the other hand, Iran has been known to funnel arms onto the black market in support of its Houthi allies in Yemen. Iran has been accused of manufacturing arms sent illegally to Yemen in early 2017, highlighting an Iranian black-market pipeline to the state. Iran has been under international sanctions prohibiting it from exporting arms for years, yet it has been linked to weapons appearing in conflicts including Iraq, Syria, and Yemen. Whether arms arrived in Yemen through legitimate means or not, their presence in the country has turned Yemen into one of the most heavily armed states in the world. Weapons provided by the Gulf Cooperation Council (GCC) alliance of countries (minus Qatar and Oman) are given to a wide range of militias who, loosely, fight the Houthis,

but who may also choose to simply sell the weapons to the highest bidder, creating a situation where Houthi and separatist forces are also armed with Saudi-provided weapons. This has turned Yemen into one of the world's largest black markets for weapons and other arms. Pro-government forces and the Houthi opposition pursue these markets, as do forces such as al-Shabaab and al-Qaeda in the Arabian Peninsula (AQAP). AQAP's access to this market as both buyer and seller has allowed the group access to both arms and funds. The flow of weapons from Yemen has also greatly benefited al-Shabaab, which has lesser access in Somalia but has been able to purchase and transfer weapons from Yemen, leading to increased regional proliferation.

### **Black Market Arms in Africa**

The African black market for small arms is estimated at a value of \$1 billion per year. Liberia's fourteen-year civil war was just one representation of the effects of the arms trade in Africa, fueled by the black market. Somalia also serves as an example of how material and financial support to non-state actors undermined the consolidation of peace and security by the transitional federal government. The influx of light weapons financed by cash, diamonds, or other commodities did not cause Africa's wars, but it has prolonged them and made them more lethal.

War profiteering (particularly by soldiers and guerrillas) is a significant impediment to the solution of African conflicts. The illegal arms market continues to offer many opportunities to those who possess assets other than hard currency, such as diamonds, gemstones and minerals, to finance weapons purchases, which enables cash poor governments and insurgents to acquire arms. Most of the illicit small arms used in Africa originate from China, Israel, and more than 20 OSCE member-states. The majority of these weapons come from either remnants of large-scale weapons shipments to rebel movements during the Cold War, or are recent supplies from the massive, sanctions-busting shipments organized by the so-called "merchants of death", the globetrotting arms brokers who specialize in clandestine delivery of weapons to war zones and dictators.

### **Black Market Arms in Europe**

The criminal groups involved in weapons trafficking primarily originate from the western Balkans and the former Soviet Union. The main sources of illegal weapons are: the reactivation of neutralized weapons; burglaries and thefts; the embezzlement of legal arms; the selling of legal arms on the illegal market, including the dark net; the reactivation of decommissioned army or police firearms; and the conversion of gas pistols. In 2014, Europol estimated that there were almost half a million lost or stolen firearms in the EU. In April 2017, over 578 firearms and 776 pieces of ammunitions were seized as part of a joint operation targeting the illegal movement of firearms, explosives, chemical, biological, radiological and nuclear material through the Ukraine-Moldova border.



The director of the Zastava Factory in central Serbia told Reuters that his company found that guns from one batch were sent to military depots in Slovenia, Bosnia and Macedonia. Every E.U. member state has slightly different laws on firearms, and the differing standards for deactivation mean a deactivated gun that is legally sold in Germany or Slovakia could be converted to live-firing and used elsewhere. In 2013, the EU Commission made tackling gun violence a priority. Intelligence on the size of the market and how organized crime and gunrunning networks function is still fairly unclear, particularly with regards to sharing of information with the Balkan nations.

### **Black Market Arms in Asia**

Arms trafficking is one of the most lucrative businesses in Cambodia, which is currently one of the most important sources for illicit arms in Southeast Asia. This is due to a lack of governance, failed UN disarmament programmes following the end of the third Indochina War in 1991, and Cambodia's strategic location in the heart of mainland Southeast Asia. The flow of these illicit arms is facilitated through neighboring Thailand, which acts as the main transit area for light arms from Cambodia, with 80% of all illegal consignments passing through the country. The factors that contribute to this include the kingdom's geographic proximity to Cambodia, the large turnover of foreign tourists and businessmen travelling to the country, the existence of a relatively advanced communication and transportation infrastructure, and highly porous land borders. Many of the weapons are trafficked to narco-insurgents in Myanmar, who either keep the arms for their own use or resell them, most often to groups operating in India or Sri Lanka. China and Pakistan are also key sources for light weapons within Southeast Asia. In China, this is driven by the declining domestic legal demand for small arms. During the Cold War, the US set up a major arms pipeline through Pakistan to ensure that Mujahideen rebels had sufficient firepower to mount a concerted resistance against the Soviet army. Many of these weapons never made it to the front line due to diversion by Pakistan's Inter-Services Intelligence (ISI), which controlled and monitored the pipeline. According to some estimates, 70% of those weapons never reached their intended destination and now contribute to illegal arms proliferation in the region.

### **Black Arms Market in Oceania**

Australia was the largest small arms importer in Oceania from 2001 to 2014. This comes as little surprise, since it is one of the only developed nations that does not have a domestic gun manufacturing industry. Australia is also a large exporter because it acts as a trading hub in the Oceania region, with Australian importers on selling weapons throughout the rest of the region. The Oceania region of the world is considered one of the safest in terms of gun violence and a relative model for controlling the flow of arms trafficking in terms of volume and value. Australia's strict gun laws limit the size of the domestic market, whilst the government still imports large quantities of weaponry. Any gun trafficking that occurs in the rest of the Oceania region pass by Australia as a transit point, and whilst the value and volume in total have risen in

recent times, the weapons imported are different to the rest of the world, mostly being hunting guns. Despite the declining demand for small arms, gun manufacturers are still finding loopholes in the laws that provided for the Australian recreational hunting market and exploiting them, leading to the existence of an element of black-market arms in the region. Despite the declining demand for small arms, gun manufacturers are still finding loopholes in the laws that provided for the Australian recreational hunting market and exploiting them.

### **Terror Organizations**

Given the abundance of terrorist organizations operating in conflict zones around the world, the role of terror groups in the illicit arms market is obviously important. There are several general ways in which legal arms make it onto the black market and into the hands of terrorist organizations. Many states in the Middle East, as well as major powers such as Russia and Iran have been known to hand arms over to terrorist organizations (those operating against Assad in Syria, for example, or Iran's support of Hezbollah). Arms also make their way onto the black market through corruption of legitimate ends. For example, in Iraq, experts have noted that American arms intended for the Iraqi army have many times made their way onto the black market and from there into the hands of terrorist organizations. Iraqi army insiders blame corruption within the army itself for this trend; a similar issue has been noted in other areas of the world, where American arms were diverted from their legitimate ends and put on the black market.

ISIS is known to have gathered weapons in various ways, including designing and manufacturing their own weapons using captured materials, as well as looting US and Saudi-supplied weapons from captured anti-Assad militias. The secrecy of these US and Saudi supply chains to rebel groups has made it simultaneously harder for the West to track and easier for ISIS and other terror organizations to loot militia arms. Conflict in both Iraq and Syria, paired with corruption, has made it easier for ISIS to get their hands-on weapons. ISIS is also known to have purchased and sold arms through the black market, using both its purchasing and supply power to fund and arm its insurgency. Boko Haram's actions both in Nigeria and surrounding states have had great repercussions on the black market for arms in Central and West Africa, even outside of the group's interactions with the market. Much like ISIS, Boko Haram has obtained weapons through a variety of means. This includes stealing arms from police stations, military bases, or government troops, as well as designing and creating their own weapons. For what they cannot gain through creation or theft, they purchase off the black market - a source that has allowed it to gain access to arms such as tanks and armored personnel carriers by carrying out attacks like the seizure of the Joint Task-force headquarters in January 2015. The group also has access to anti-aircraft guns, assault rifles, rocket propelled grenades and industrial fertilizer, among other things. Altogether, these weapons represent the bulk of the group's arms.

Nigerian government officials, on the other hand announced in 2015 that the Nigerian government had been purchasing weapons off the black market, due to the lack of Western support for the anti-terror effort in Nigeria. Western officials alleged concerns that corruption would see Western-supplied weapons end up in Boko Haram's hands, via the black market in Nigeria, in a manner not-so-dissimilar to what became of US and European arms in Iraq. In light of this fact, one begins to see a feedback loop emerge in Nigeria, wherein Boko Haram seizes government and police arms, and the government, in response, purchase arms from the black market, only for Boko Haram to steal them again. In this way, Boko Haram fuels the black market, both as a driver of outside demand and as a purchaser in its own right. Central and West African black arms markets are saturated, providing plenty of black-market purchasing opportunities for the group. Since pledging allegiance to the Islamic State, it is likely that Boko Haram has received funding from the larger group to fuel their arms purchasing. Boko Haram's own activities such as kidnappings and looting are thought to supply other funds.

Al-Shabaab, which emerged in 2008 following the collapse of the Islamic Courts Union and the Ethiopian invasion of Somalia, pledged allegiance to al-Qaeda and has, since then been a major player in Somalia, the Horn of Africa and the Gulf of Aden. The ongoing lack of rule or law or complete government control in Somalia, combined with the chaos in Yemen, has given al-Shabaab clear access to the black arms market, one of the largest of which is in Yemen. The collapse of the Somali government in 1991 released many Somali government arms into East African markets, both legal and illegal. These arms, combined with the end of the Cold War, changed the arms market in the region, and experts have noted the large number of state and private entities trading and selling arms in the region. Somalia itself remains a mostly ungoverned space, despite official government gains in territory and ongoing AU presence in the state. Given this, al-Shabaab has access not only to this multitude of regional markets but also to the black market in Somalia itself and the larger black market in Yemen. As in both Nigeria and Iraq, international or Western arms intended for the official Somali government are making their way into the hands of al-Shabaab fighters. In 2016, several Western diplomats broke the story that UN-approved arms were being resold on Mogadishu's black market. Some of this loss may have been due to corruption within the Somali government, while other elements can be attributed donor inability to correctly track weapons once they enter the region.

Looking at the interaction of the abovementioned terror groups with the illicit arms market, one sees several trends emerge. Firstly, terror groups may not be gaining the bulk of their weapons from black market purchases but rather from the looting or theft of official government and police stockpiles. Additionally, this loss of arms by governments, either through theft or corruption, may drive official governments to purchase arms from the black market, further perpetuating the cycle and success of black-market arms. As seen in the graphic below, the black market thrives in spaces where conflict and terror are ongoing. So long as both illegitimate actors

(terror organizations) and legitimate actors (states such as Nigeria), some of whom are listed in this report, continue to purchase arms from the black market, the cycle will be perpetuated.

## Key Issues to Consider

### Corruption in the Global Arms Trade

The global arms trade has long been known for its lack of transparency and, due to the high-stakes nature of the world's biggest arms deals, it should come as no surprise, even to the most casual of observers, to know that the global transfer of weapons is plagued by rampant corruption. To make matters worse, national security concerns (for exporters and importers alike) only help to increase the level of secrecy surrounding the decision-making process at the heart of such deals. Those involved in the more illicit aspect of the arms trade are rarely held accountable for their actions, and in most cases are never identified. In some countries though, there tends to be greater oversight regarding the arms industry, but attitudes towards corruption vary from country to country (or region to region). Major contractors in the US and Europe, for example, tend to have stronger anti-corruption systems than companies in other parts of the world. As Western governments cut their weapons budgets, however, many contractors are looking to raise sales in the Middle East and Asia, where corruption has been rampant; a fact that is worrisome considering how those weapons are used to fuel deadly wars and propagate the human suffering of populations that could have benefitted from greater investment in public works, education and job creation.

#### **“Commissions” as code for “bribes”**

While others refused to comment on corruption in the arms market, Jonathan M Winer, the former US Deputy Assistant Secretary of State, sought to dispel the notion that bribery is a non-Western phenomenon, when talking to Joe Roeber of Prospect Magazine. Winer pointed out that the word “commission” is the preferred euphemism for “bribe.” Arms companies, he said, pay commissions to middlemen who pay bribes to the men of influence. “It is a handy fiction because it allows companies to bribe while claiming ignorance of what the middleman was doing.” In June of 2004, a former Russian defense minister said arms deals in many countries were possible “only when handing over some kind of commission to the buyer.” A high-profile case at the European Court of Human Rights seems to confirm that assertion: The French aircraft company Dassault paid a bribe to the Socialist party of Belgium to secure a contract for upgrading F-16s, a job for which the company was not obviously qualified. At his judicial examination in 1995, Serge Dassault said that “everyone pays commissions.” His government agreed. When the Belgian courts issued a warrant for Dassault's arrest, the French Minister of Foreign Trade protested that commissions are a normal part of the arms business and had been organized in that manner for decades. The Court's failure to successfully prosecute Dassault shows how complicated the rooting-out of corruption among Western states can be. An

American law aimed at limiting potential bribery in the arms industry, the Foreign Corrupt Practices Act, criminalizing the bribery of foreign officials, was passed in 1977 following a Watergate-inspired investigation of corporate slush funds. Although this law has been in place ever since, some US companies still attempt to commit bribery, but on a relatively small scale. The effects of such legislation are mitigated by the fact that the US enjoys a sizeable chunk of the world market for weapons exports and buying arms from America creates a defacto defence pact, which makes the US an extremely attractive partner - a situation that is unlikely to change in the foreseeable future.

### **Data on corruption in the arms trade (US and Britain)**

The only publicly available statistical data on corruption comes from the compliance department of the US Department of Commerce, which collects reports of corruption to monitor performance under the OECD convention and other treaties. According to its annual report on compliance, rather more than half of the bribe offers reported to it are for defense contracts, despite the fact that they account for less 1.5% of world trade. Meanwhile in Britain, the closest one can get to comprehensive, systematically collected data on corruption in the arms trade is found in restricted reports by the intelligence agencies or the National Audit Office (NAO) report suppressed by successive British governments. The NAO report was commissioned in 1989 in response to the refusal by the Ministry of Defense to make available Parliament's Public Accounts Committee information on the huge Al Yamamah arms deal with Saudi Arabia, worth over £20bn. When the report appeared three years later, the committee's chairman decreed that it should be kept from his committee members for reasons, it was widely rumored, to do with the revelation of commissions paid on the back of the deal. The Labor party said it would publish the report when it came to power, and then refused.

### **Some of the more prominent criminal investigations into cases of bribery:**

(1) BAE Systems, Europe's largest military contractor, pled guilty to criminal charges in the United States and Britain related to billions of dollars in questionable payments in Saudi Arabia, the Czech Republic and Hungary. The Justice Department said that the British arms giant made the payments through middlemen and offshore bank accounts to win contracts for fighter planes and other equipment American military companies were seeking.

(2) India's military suspended a \$750 million deal in February to buy helicopters from an Italian company. Italian company Finmeccanica found itself in the middle of a kickbacks scandal after being accused of paying Indian officials to win the contract. This scandal prompted India to unveil a new military acquisition policy on June 1 aimed at easing corruption.

(3) A controversial \$5bn arms deal signed in 1999, which eventually led to the firing of Jacob Zuma as Vice-President of South Africa is a perfect example of how corruption can have far-

reaching consequences. The deal was questioned due to corruption. But it took six years for the case to go to court, where, Schabir Shaikh, a businessman, was found guilty of corruption and fraud, mainly arising from his corrupt relationship with Jacob Zuma. He was described as having solicited bribes of £43,000 a year from French contractor Thales (which was party to the deal) in order for Zuma to protect the company and the deal from parliamentary investigation. Shaikh was then sentenced to 15 years in prison and Zuma was sacked a week later. It was also revealed that Chippy Shaikh was head of procurement in the Ministry of Defence at the time. At the same time, President Thabo Mbeki said that the country didn't have the funds to medicate 5 million HIV-infected citizens. Between 2000 and 2005, according to Harvard University research, 330,000 South Africans died because they couldn't afford treatment for HIV or Aids. That fact alone speaks to the one aspect of arms dealing that is often ignored: more often than not, these agreements come at the expense of much-needed investment in the health, education, public works, and development sectors of the importing nations.

### **Tools to Combat Corruption**

Transparency International offers an example of a model to follow when assessing arms Recipients. Founded in 1993 at a time when there was a growing realization of the corrosive effects of corruption across many areas of society, Transparency International has devoted itself to fighting it ever since. Today it is best known for publishing a yearly Corruption Perceptions Index, which measures levels of perceived corruption around the world, along with the Government Defence Anti-Corruption Index. The Government Defence Anti-Corruption Index, which was last published in 2015, assesses the existence, effectiveness, and enforcement of institutional and informal controls to manage the risk of corruption in defense and security institutions. It compiles information on 82 countries and scores each country from A (the best) to F (the worst). These bands are based on scores on an assessment consisting of 77 questions; for each question, the government is scored out of four. The percentage of marks overall determines which band the government is placed in. Countries were also scored in five risk areas: political risk, financial risk, personnel risk, operations risk, and procurement risk.

## **Transparency**

A lack of accountability and transparency in particular creates high vulnerability for corruption, especially in arms procurement processes. There are many ways in which military budgeting and expenditure processes can fall short of best practice in terms of transparency and accountability, such as but not limited to:

- *Lack of effective policy and planning:* Many countries lack a well-defined defense policy vacuum, wasting money on unnecessary systems while failing to meet genuine security needs, and with an enhanced risk of corruption. Even where defense policies are clearly elucidated, there may be a disconnect between policy, budgeting and procurement practice.

- *Weak civilian and democratic control*: Many developing countries, even those with generally democratic governments, have very weak oversight of defence matters by parliament, due to a number of factors. There is an ingrained belief that the military sector is a no-go area. The military itself may discourage interference from parliament, or from the civilian government generally. There are usually consequences as well if there is to be a deficient assessment of the military's needs against other priorities, often to the military's advantage.

- *Sensitivity or security concerns*: Often used as an excuse for secrecy, resulting in insufficient transparency in defence budgeting and procurement. The claim is that the military requires special treatment compared to other sectors of the government, since they deal with national security matters. The result is insufficient disclosure of the defence budget, with only very general headings publicly available.

- *Extra-budgetary spending on the military from other sections of the state budget*: Off-budget spending comes from outside the state budget altogether, may allow the military to conduct procurement without going through the parliament or the ministry of defence, so that purchases are not assessed against strategic needs.

- *Weak monitoring, control and auditing*: facilitate corruption and waste. Budgeting for the military sector in Africa found extremely weak capacity for controlling spending in many of its case study countries.

- *Within military spending, a particularly problematic area can be arms procurement*. Both the international arms trade and more generally, arms procurement procedures – whether from domestic or overseas sources are highly susceptible to waste and corruption. Even in the absence of dishonesty, poor processes can lead to purchases with high cost, questionable strategic purpose and severe delays.

Public procurement can offer extremely lucrative opportunities to domestic and foreign business. A further concern can be political interference in tendering processes, as was the case in the controversial 1999 South African Strategic Defense Procurement package, which has been the subject of severe corruption allegations. In the U.S, a 2010 government accountability office report found that the 98 ongoing major defense acquisitions programs were collectively \$402 billion over budget. China, the world's second largest military spender, has in recent years initiated a major crack-down on military corruption, as it has become aware both of the huge scale of the problem in the People's Liberation Army and the potential for corruption to compromise China's military capability, undoing the effects of their vast spending on military modernization.

The register of Conventional Arms came into effect in 1992. Member states are requested to provide data for the register, addressed to the Secretary General on the number of conventional arms imported into or exported from their territory. Member states are invited also to provide available background information regarding their military holdings, procurement through national production, and relevant policies to the Secretary-General. Information shall be recorded in respect of each member state and the registry shall be open for consultation by representatives of member states at any time. The Secretary General shall provide an annually consolidated report to the general assembly, together with an index of the other interrelated information. The United Nations Programme of Action (PoA) aims to combat and eradicate the illicit trade in small arms and light weapons in all its aspects. The PoA was agreed on in 2001, after a great deal of discord and acrimony with considerable uncertainty about its prospects. It is considered a pillar of the nascent regime to exercise better control over the international arms trade. It recommends action on national, regional and global levels. The assembled governments committed themselves to addressing the illicit trade in small arms and light weapons by developing or strengthening norms to prevent, combat and eradicate the illicit trade, manufacturing of and trafficking in small arms and light weapons, with a particular emphasis on post-conflict situations, and excessive and destabilizing accumulations of small arms and light weapons. States are requested to report on their activities in many substantive and procedural areas. More than 70 countries have reported on their PoA activities over the last two years, including each of the top ten conventional arms suppliers identified by the Stockholm International Peace Research Institute (SIPRI).

In order to assess countries' transparency in their small arms exports, the revised barometer guidelines take into account: National arms export reports, including national contributions to the EU annual report on military exports as well as submissions to the SEESAC regional report, submissions to the UN register of conventional arms (UN Register), and submissions to the UN Commodity Trade Statistics Database (UN Comtrade). The transparency barometer uses the following seven categories for the overall points distribution:

- Timeliness;
- Access and consistency;
- Clarity;
- Comprehensiveness;
- Deliveries;
- Licenses granted;
- Licenses refused.

Increasing transparency and oversight of the international arms trade are at the heart of the Arms Trade Treaty. States have three reporting obligations. First, they must provide a one-off report that outlines the measures it has taken to implement the treaty, to be updated if new measures are



undertaken. Second, make available an annual report on their authorized or actual exports and imports of conventional arms, which could contain the same information as provided to the UN register. Third, encouraged to report on measures they have taken to address the diversion of arms. Canada's federal government is implementing new legislation to include the international Arms Trade Treaty (ATT) which is expected to increase transparency and accountability in the global arms trade market. Currently, about half of Canada's arms exports go to the United States, whilst its rules intentionally do not require any record-keeping or reporting on all arms shipments and transfer to the U.S. This approach is more convenient for businesses to not have any regulation over their cross-border trade regarding this particular industry. In effect, the border barely exists for the defense industry, and that is the way the integrated supply chains want it to be. Canada's existing system of export controls, at present, meet or exceeds the majority of ATT provisions, but to both enhance transparency and fully comply with the treaty, legislative amendments are needed to the Export and Import Permits Act. First, there is a need to establish controls over brokering in military goods between two countries outside of Canada, as well as creating a legal obligation for the minister of foreign affairs to consider certain assessment criteria before authorizing permits. Increasing the maximum fine under the EIPA from \$25,000 to \$250,000 for summary conviction offences, would also be highly beneficial to the end-goal of transparency and accountability. Canada needs to implement brokering controls to meet its obligations under article 10 of the ATT. The bill being proposed by the Canadian government will amend the EIPA to prohibit brokering transactions involving the movement of arms from one foreign country to another foreign country, without a permit. This applies to any person or organization in Canada, as well as to any Canadian citizen, permanent resident or Canadian organization abroad. Doing so will exceed the ATT requirements by covering more goods and technology, by controlling brokering by Canadians abroad, and by weighing brokering transactions against the ATT's assessment factors. Article 7 of the ATT also includes specific obligations to regulate the risks of specific goods or technology being used to contribute to undermine peace and security, or the risk that it could be used to commit or facilitate a serious violation of international humanitarian law or international human rights law, an act of terrorism or an act relating to transnational organized crime, and violence against women and children. The bill also includes an annual May 31 deadline for the federal government to table two reports in parliament.

There are multiple international and multilateral, as well as regional mechanisms to ensure transparency and accountability in regards to the arms trade. However, they are all dependent on good will and are voluntary, without any mechanisms on how to ensure or enforce compliance. The Arms Trade Treaty was a good step in harmonizing approaches to it on a universal level, and countries such as Canada are taking extra steps to ensure being world leaders in regards to accountability standards. Their relationship with the U.S. however, may complicate things moving forward.

## Economic Gains

Table below: The five companies profiting the most from war, as reviewed by 24/7 Wall St. based on SIPRI's list of the top 100 arms sellers in 2012 report. Arms sales, including advisory, planes, vehicles and weapons, were defined by sales to military customers, as well as contracts to government militaries. Also considered the company's 2012 total sales and profits, and the total number of employees at the company

<i>Arms Manufacturers</i>	<i>Arms Sales (2012)</i>	<i>Total Sales (2012)</i>	<i>Profit (2012)</i>	<i>Employment (2012)</i>
<u>General Dynamics</u>	\$20.9 Billion	\$31.5 Billion	(-)\$332 Million	92,200
<u>Raytheon</u>	\$22.5 Billion	\$24.4 Billion	\$1.9 Billion	67,800
<u>BAE Systems</u>	\$26.9 Billion	\$28.3 Billion	\$2.6 Billion	88,200
<u>Boeing</u>	\$27.6 Billion	\$81.7 Billion	\$3.9 Billion	174,400
<u>Lockheed Martin</u>	\$36 Billion	\$47.2 Billion	\$2.7 Billion	120,000

*Source: SIPRI - Stockholm International Peace Research Institute.*

While more and more in terms of absolute value is being spent on arms deals around the world. It seems that the employees at arms companies, or citizens of countries selling arms to other nations, are benefitting less and less. It is unclear why, but perhaps it could be due to automation, that the amount of the arms is growing but individual citizens are not benefitting as much as they're used too, and that arms deals no longer create as many jobs as before. The trend in arms deals now is that the buying nation wants to retain as much economic benefit from the deal as possible, thus insisting on having the production based in its own country, creating jobs for its citizens, rather than the selling nation. This is also true in terms of getting logistics and technological know-how that the buying nation wouldn't otherwise receive.

## The NRA's Influence on The Global Arms Market

America's National Rifle Association (NRA) has been in persistent opposition to any global arms regulations, and when the international community was deciding the fate of the ATT, the NRA staunchly lobbied against it. The NRA commented on the ATT saying that "The most pressing international threat to U.S. gun owners is the UN Arms Trade Treaty.... [If passed,] U.S. firearms policy could become the rest of the world's business and subject to its approval, on pain of trade restrictions if it doesn't meet international norms. If state actors and arms manufacturers around the world are going to be held accountable for their actions, it will require many states to reconsider their own domestic arms markets. In the United States this will become clear, because it is the country that buys and sells the most weapons, and its citizens are 25 times more likely to

be murdered with a gun than in other ‘developed’ countries. Around the world, the NRA’s message of gun ownership as a human right has been used to promote loose weapons regulations, and that has made an impact on the global arms market. In an article titled Gunning for The World published in Foreign Policy, David Morton had this to say: “The NRA may not be actively funding gun lobbies around the world — the organization claims its charter prohibits it — but its influence is felt in much more than dollars. It lends support to the anti-gun control effort at the United Nations. It promotes lines of argument, strategy, and political tactics that others adopt for local use. And, if you contact the association, its representatives will come to explain how to get it done. Although many of the NRA’s members may not own a passport, their leaders are savvy operators in international politics. For all their red-blooded American pretensions, they have a deep understanding of how globalization works.” The influence of the NRA is felt globally and is a major roadblock in the way of an arms market that respects both peace, and human rights. As economic turmoil and democratic decline persist in many regions of the world, the international community will require the accountability of gun manufacturers, and those who lobby on their behalf.

## Current and Past Approaches

### UN Disarmament

The Charter of the United Nations, Chapter VII, Article 51 states that “nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.” This quote justifies significant autonomy within states to choose how they contribute to the global arms market. It’s a fair statement, but one that has proven to be a difficult issue throughout the UN disarmament programs work to make the world a safer place.

The General Assembly of the United Nations created the United Nations Disarmament Commission in 1952. It came with a mandate for a treaty for the regulation, limitation and balanced reduction of all armed forces and all armaments, including the elimination of all weapons of mass destruction. As of 2000, the council has dealt with only two substantive items each year, including one on nuclear disarmament. The United National Office for Disarmament Affairs was established in 1998 as the Department for Disarmament Affairs. This UN department attempts to set norms for disarmament, improve transparency and build confidence in defense

matters. The United Nations Trust Facility Supporting Cooperation on Arms Regulation (UNSCAR). UNSCAR works to move resources in support of the Arms Trade Treaty (ATT). It also works to provide better coordination, matching needs with resources, and sustainability through more predictable sources of funding. Since its creation, UNSCAR has worked on 39 projects with a budget of \$6 million dollars. It had 11 projects from 2015-16, and spent \$1.7 million. The type of activities it engages in is capacity building, implementing tools, contributing to ongoing multilateral processes, databases, and supporting national processes. It focuses heavily on managing stockpiles, reporting, weapons destruction, border control, children and gender, and national points of contact.

## **The Arms Trade Treaty**

The Arms Trade Treaty (ATT), seen by many as an historic achievement for the international community, is the first global, legally binding arms treaty of its kind, entered into force in December 2014. A decades-worth of debating and lobbying culminated in the April 2013 UN General Assembly endorsement of the ATT by a vote of 156-3, with 23 abstentions. So far, it has 96 States Parties and 130 Signatory States, with the notable absence of major arms exporting countries like China and Russia (the US and Israel have so far failed to ratify it).

Although the ATT is the first international control mechanism of its kind, there are other, prior instruments that have laid the groundwork for and continue to interact with, the ATT, such as the US Program of Action (PoA) on Small Arms and Light Weapons, the International Tracing Instrument (ITI), and the Firearms Protocol. The treaty's main objective is to establish "the highest possible common international standards for the regulation of the international arms trade, and to prevent their diversion." Specifically, those standards apply to the trade of conventional arms.

### **What are some of those standards?**

(1) Reducing human suffering caused by illegal and irresponsible arms transfers; (2) Improving regional security and stability; (3) Promoting accountability and transparency by state parties concerning transfers of conventional arms; (4) Requiring that states develop a national control system; (5) Requiring each state to annually submit a report of the preceding year's export and imports of conventional arms, but allows states to exclude commercially sensitive or national security information.

### **Weaknesses of the ATT**

The ATT has a range of weaknesses and will fail to address major concerns in the global arms trade. The ATT does not place restrictions on the types or quantities of arms that may be bought, sold, or possessed by states. It makes the distinction between legitimate and illicit arms trade, pledging to eradicate the latter. By doing so, it ignores the fact that the "legitimate" face is just as

(if not more) lethal than the illicit trade, if you consider some of the world's deadliest wars that have been fueled by legal arms exports.

There are low levels of national compliance with the treaty's minimal requirements. Over its first two budgets, only 78% of the 140 assessed nations paid into the treaty. It has failed arms exporters like the UK, which had publicly backed the adoption of an international arms treaty, from selling arms to states involved in some of the world's bloodiest conflict zones (i.e. the Saudi-led coalition currently fighting in Syria). It does not address non-state actors, thus not provide solutions to the illicit trafficking of arms. Arms transfers will not be judged specifically on whether they will have a detrimental impact on development or poverty reduction. A significant number of the world's biggest contributors to the flow of arms around the globe are not party to the treaty. These include China, India, Pakistan, Russia and Iran.

One major issue with the ATT is that it has done nothing to actually stop the sale of arms in areas where it will directly contribute to violence. Arms are still flowing to countries such as Saudi Arabia, where it is understood they will contribute directly to the current humanitarian crisis. The ATT in some ways has become a prop to embolden the legal arms trade. Countries can use it as a way of claiming their commitment to peace, but still profiting off the violence caused by the legal arms trade. It was in fact the United States that weakened the Treaty, staying committed to not signing because of the strict rules on trading with the danger of them being used for human rights violations, and also because it would not accept any international enforcement of the treaty (almost making it a completely empty promise).

The treaty has no effective requirements for record keeping and reporting, either. The ATT was first sold as a method to improve transparency and accountability to an otherwise murky trade by requiring comprehensive record keeping and public reporting of all arms transfers. Originally, the draft required states to submit annual reports on arms transfers to be published by an international body. The final text however, only requires states to record a minimal list of arms exports that need not even include the type, model, or value of the exports. States are also allowed to leave out anything they deem as "commercially sensitive or national security information." This is a standard lower than the reporting that is currently carried out by some of the world's largest arms exporters, including the UK, US and Germany. There simply won't be a way to tell whether the treaty is actually effective in stopping any arms exports without proper reporting provisions.

The treaty only covers specific types of conventional weapons as well. The list excludes certain types of arms including surface-to-air missiles, armored troop-carrying vehicles, light artillery, tear gas and most notably, drones. Such a poor reflection of modern warfare equipment threatens to make the ATT irrelevant before it has a chance to prove its potential. While the treaty doesn't mention ammunition and components, these are exempt from some of the treaty's key provisions. At the insistence of the US, there is no requirement to keep records or report on the export of ammunition or components. Given the key role that ammunition plays in sustaining

conflict, this is a huge loophole. Arms dealers can also avoid key regulations by trading in kits of parts for assembly in the destination country, instead of whole weapons.

Arms transferred as part of a defense cooperation agreement are exempt from the treaty. Seeing as how easy it is for two nations to define their relationship as a defense co-operation agreement, there is nothing stopping them from circumventing all the provisions of the treaty altogether, making it practically useless. Furthermore, the original draft applied to all types of international arms transfers, whereas the final draft referred to arms sales, which means that it doesn't apply to arms that are loaned, leased, bartered or transferred as gifts or as part of an aid package. This was done on China's insistence, not wanting to be prevented from giving arms to its allies. Lastly, the treaty doesn't cover licensed production agreements, whereby a country that owns the design to a particular weapons system grants a license to another country to manufacture that weapons system itself. A very common arrangement used by arms companies for decades as a way of avoiding arms embargoes.

The responsibility for assessing the risk of an arms export is entirely dependent on the export country. There is a clear conflict of interest here. A country that wants to export arms will tend to decide that there is no "overriding" risk. An export's decision is not open to international review and there are no legal sanctions for violating the treaty. The U.S. made it clear that it would not accept the creation of an international body to enforce the ATT.

Despite the great potential that the ATT had in tightening the sale and transfer of arms around the world, it inevitably was diluted throughout the negotiations, and has left a lot to be desired, with a lot of disappointing loopholes to its efficiency. For one, the treaty's threshold for refusing arms exports is far too high. As is, the treaty states that arms should not be exported if there is an "overriding risk" of serious violations of international humanitarian or human rights law. "Overriding" is open to interpretation, leading a nation to decide that it means that it should only be stopped in extreme or exceptional circumstances, or that a state could decide that the risk of abuse was not enough to override the perceived benefits of the arms export. Original drafts of the ATT said that arms transfer should be refused if they were "likely" to be used to commit serious violations. Later drafts raised the threshold to "substantial risk" and in 2012 it was once again changed to "overriding risk", an insistence of the U.S.

The lack of consequences and enforcement is evident in multiple disasters, the worst of which is Yemen. US and Saudi arms have contributed to the humanitarian crisis in Yemen, with some calling major powers' actions in that conflict war crimes. Despite this, however, none of these major powers have faced true consequences. A landmark legal decision in the UK argued that the British government had "[placed] undue reliance on Saudi assurances that they are complying with international law," and that the British government itself was not following its obligations under the ATT.

### **Strengths of the ATT**

While it has weaknesses, it also has a lot of strengths. This leads many supporters of the treaty to claim the ATT as a success. It aims to reduce gender-based violence, believed to kill at least 66,000 women each year. Under the ATT, exporting states are obliged to consider the risk that

weapons could be used to facilitate serious acts of gender-based violence and/or violence against children. A recent appraisal of the treaty, published by Control on Arms in 2017, highlighted “encouraging signs” including better reporting of arms sales at the national level and the limitation of exports to South Sudan, where a ghastly civil war has given way to famine. It constrains the “actions of arms suppliers as much as of arms importers.” Concurrently, sub-regional agreements (i.e. the Nairobi Protocol establishes many of the principles and practices enacted in the ATT) can regulate the flow of arms within some of the most vulnerable regions in the world, while the ATT looks to address the flow of arms to those areas. The ATT essentially reinforces pre-existing regional arms control agreements. This treaty establishes a standard for the international trade of conventional weapons and seeks to reduce the illegal trade of arms and the harm it produces. The treaty itself requires all state-parties to follow basic regulations and weapons transfers processes, and also requires annual reporting of imports and exports. The treaty attempts to ensure states have a transparent national control system, and control list. The treaty prohibits states from transferring weapons anywhere it is known human rights violations will be violated, or if the weapons will lead to the undermining of peace and security. There are also rules on how states must deal with the control of weapons sales, especially those in the UN Register of Conventional Arms (battle tanks, armored combat vehicles, large-caliber artillery systems, combat aircraft, attack helicopters, warships, and missiles and missile launchers), small arms and light weapons. Transparency is important throughout all of this, and annual reports are required by member states.

The strength of the arms trade overall shows how ineffective the U.N. has been at combating dangerous arms transfers, both legally and illegally. A great deal of the problem also lies in the signing countries and their unwillingness to commit to transparency, or even just the basic rules, especially the bigger exporters such as the U.S. and Russia. The ATT has some way to go before it starts to have a profound effect on the international arms trade. Nevertheless, it deserves some credit for having shifted the world's attention away from nuclear, biological, and chemical weapons towards conventional weapons, which have played a more prominent (and deadlier) role in some of the world's bloodiest conflict zones. The challenge of the ATT now rests in universalizing its common standards on international arms regulation, a task that requires greater transparency, stronger enforcement, and greater support from major arms exporting and importing countries.

### **What A Treaty Needs**

One of the first things that must occur for any future treaty to work is transparency. At the moment, many of the major exporters have an extremely opaque trade system. Arms are moving and little to no information is being collected on what is happening after their sale. We must hold the larger arms exporters accountable to where their arms end up, and not only in the first hands, but after that as well. If a treaty like the ATT is to ever be helpful, there must also be an international mechanism to supervise countries and implement its laws. In addition, there must

also be actions to disarm, not just regulate. The goal must be to lower the already high numbers of arms around the world, not just limit trade.

### **Other Relevant Instruments**

**Program of Action on Small Arms:** this instrument encourages national governments to improve domestic laws and actions concerning small arms and light weapons manufacture and sale, allowing it to fit into the broader global effort to limit the sale, particularly the illicit sale, of SALW.

**International Tracing Instrument:** politically binding instrument that outline requirements on reporting and transparency in order to enable cooperation on tracing illicit small arms and light weapons (SALW). The ITI focuses on marking, record-keeping, cooperation in tracing, implementation, and follow up with partner states in an attempt to keep the illicit trade in check.

**UN Firearms Protocol:** legally binding instrument that attempts to counter the illicit manufacturing and trade of firearms, as well as their component parts and ammunition. The Firearms Protocol is meant to give states an instrument to control and regulate illicit arms. It also attempts to work as a crime control method, giving states an instrument by which to criminalize and control illicit manufacturing and sale

## **EU Common Position**

Since 2008, European arms exports have fallen under a European common policy known as the EU Common Position on arms exports. The Common Positions stated aim is to “enhance the convergence of EU Member States’ arms-export-control policies, since arms export remain ultimately a matter of national competence in accordance with Article 346 of the Treaty on the functioning of the EU.” It includes a set of 8 risk assessment criteria which force EU member states to consider the effects of their arms exports.

### **The Eight Criteria to consider**

- 1) Respect for the international obligations and commitments of Member States, in particular the sanctions adopted by the UN Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.
- 2) Respect for human rights in the country of final destination as well as respect by that country of international humanitarian law.
- 3) Internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
- 4) Preservation of regional peace, security and stability.
- 5) National security of the Member States and of territories whose external relations are the responsibility of a Member State, as well as that of friendly and allied countries.



- 6) Behavior of the purchasing country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.
- 7) The existence of a risk that the military technology or equipment delivered to the purchasing country or that it is re-exported under undesirable conditions.
- 8) Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that states should meet their legitimate security and defense needs with the least possible diversion of human and economic resources for armaments.

Member states are expected to take the common criteria into account when assessing export license applications for military and equipment, but also for brokering, transit transactions and tangible transfers of technology. Having replaced the 1998 EU Code of Conduct on Arms Export, which is seen as having a patchy record of blocking controversial sales, the EU's Common Position is recognized as having led to increased information-sharing and transparency among EU Member states with regard to arms exports. There is still scope, however, for further convergence of arms export policies and better implementation with more accountability and transparency. What the EU Common Position seeks to do is harmonize the national arms trade policies of individual EU Member States with the EU arms trade policy. The EU has an administrative body known as the Council Working Group on Conventional Arms Exports. This body meets regularly in Brussels to discuss and compare the arms export policies of the 28 EU Member States with the ultimate aim of creating a level playing field in the European arms export sector. EU policies such as the one requiring member states to publish national reports on defense exports, are imperative to the functionality of the working group.

The EU Common Position on Arms Exports does have imperfections, though. Fourteen years after the establishment of the EU Common Position, many countries still do not fully report on their military exports. Only 23 Member states publish a national report and most member states submit only partial information to the EU's annual report arms exports. This speaks directly to the issue of the lack of transparency that many in Europe are trying to address. But transparency isn't the only issue impeding the effectiveness of the EU Common Position. The EU's common criteria "do not demand that in case of doubt [that] an export license has to be denied, only in the case of an arms embargo or an actual war, is the export of arms [considered] to be a violation of EU rules." That leaves room for a less-than-strict interpretation of rules in the sale of weapons to reputed violators of human rights. It is up to the exporting countries to decide to stick to the criteria or apply it flexibly. There's too much of a gap between the moment when licenses are issued (or exports made) and the date of publication of the EU's Annual Report relating to those exact same licenses. The EU Annual Report is often not useful in providing the public and their parliaments with information designed to answer key questions such as what types, how many and to whom have weapons been exported. To include details on how the decision has been made against the criteria would also be useful in this context.

The issues listed above could help to explain how, during the 2011 Arab Spring, several EU Member States failed to adhere to the EU's 8 criteria. This is all despite the fact that they agreed to the eight criteria as a guide to export license decision-making.

In the future, the EU should seek to make improvements to the most pressing issues affecting the Common Position's overall effectiveness. Only then will it be able to truly strengthen existing commitments on conventional arms transfers and succeed where other treaties have failed. What regional arms-control systems like the legally-binding EU Common Position do, is help address such issues by reiterating and strengthening commitments regarding conventional arms transfers laid down under other treaties, such as the non-binding Arms Trade Treaty or Wassenaar Arrangement.

## **The Wassenaar Agreement**

The Wassenaar Agreement on Export Controls on Conventional Arms and Dual-Use Goods and Technologies was created to improve global security by placing tighter controls on and encouraging transparency in the areas of conventional arms and dual-use products and technology. The Wassenaar Agreement is the successor to a similar Cold War agreement known as the Coordinating Committee for Multilateral Export Controls. The idea behind both agreements was to prevent any state from building up either conventional arms or dual-use technologies that could be used to overly enhance military stockpiles.

The Wassenaar Agreement is voluntary and, as it is not a treaty, it is not legally binding, meaning that, though member states are supposed to exchange information every six months on the arms and dual-use technologies they sell to non-Wassenaar members, this sharing is, again, not legally enforced.

The Wassenaar Agreement has forty-two-member states, with India joining in December 2017 as its most recent member. Weapons giants such as the United States and the Russian Federation are also members of the Arrangement. The Wassenaar Agreement covers eight categories of dual-use technologies (known as the Basic List). They are Special Materials and Related Equipment, Materials Processing, Electronics, Computers, Telecommunications and Information Security, Sensors and Lasers, Marine, Aerospace and Propulsion. It also includes the Minisitions list, in which the main categories are Small Arm and Light Weapons, Tanks and other Military Armoured Vehicles, Armoured/Protective Equipment, Aircraft and Unmanned Airborne Vehicles.

### **Criticism of the Wassenaar Arrangement**

Despite how rosy the outlook of the Wassenaar Agreement appears on the outside, there are several serious criticisms to be leveled against the accord. First, as previously noted, the

Agreement is not legally binding; thus, all reporting is voluntary. There are no legal penalties for failure to comply. Note that massive arms exporters the United States and Russia are members of the Wassenaar Agreement, and yet continue dominating the arms industry. The fact that the Arrangement is not legally binding hold states' moral responsibility to limit arms and dual use technology control and make these sales transparent up against the profitability of continuing to export these technologies. Alongside the issues of the non-binding nature of the Agreement, there have also been concerns surrounding the Agreement's effects, namely in the areas of cybersecurity.

The group placed export controls and reporting requirement on certain dual-use cyber technologies, commonly known as cyber-weapons in December 2017, in order to control the possible damaging effects of these technologies. While some experts have hailed this as progress on the cybersecurity front, many tech companies (including Google and Facebook) have argued that these new regulations and reporting requirements will make research vulnerable and dampen the flow of information, slowing the rise of new technologies in that field. Google compliance experts noted that export controls “would have a significant negative impact on the open security research community.” There are also concerns that limiting access to and use of this technology by legitimate researchers might make it more difficult to defend against cyber-attacks by hackers and other illegitimate actors, who would be less concerned about the restrictions placed on these weapons' use. All told, though the Wassenaar Agreement is the inheritor of other arms control arrangements, there are several serious issues with the group.

## **South American Approaches**

Latin American countries' views on arms control is often informed by their shared and individual experience with criminal violence and drug trafficking. As such, the region has based much of its regional mechanisms around these interconnected issues.

### **South American Mechanisms:**

The OAS Convention/CIFTA/Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Explosives, and Other Related Materials: Seen as ineffective since it excludes small arms and light weapons—a key concern for Latin American countries. Civilian firearms alone are said to total between 21.7 million to 26.8 million. However, it is legally-binding and has served to inspire the Latin American countries to address small-arms violence.

The Central American Integration System (SICA): Central America has been especially active on small arms, helping to explain the universal adoption of this politically binding code of conduct. SICA prohibits signatory states from transferring weapons to governments that commit human rights abuses or violate international humanitarian law.

Decision 552: “Andean Plan to Prevent, Fight, and Eradicate Illicit Trafficking in Small Arms and Light Weapons in all its Aspects” - Approved by the Andean Community—Bolivia, Colombia, Ecuador, Peru, and Venezuela—in 2003, Decision 552 is an internal Andean strategy

to crackdown on illicit arms trafficking, by strengthening Member States control of the production and trade of weapons, giving them power to identify, confiscate and even destroy them.

The Joint Firearms Registration Mechanism: Adopted in 1998 by the MERCOSUR states—Argentina, Brazil, Uruguay, Paraguay, Venezuela—this mechanism has not yet become operational.

### **The regulation efforts/initiatives of individual states**

Some countries like Brazil, Argentina, and Nicaragua have each adopted national policies and unilateral small-arms policies to tackle arms proliferation.

**Brazil:** One measure adopted by the Brazilian government in cooperation with civil society organizations, is the collection and destruction of firearms. In 2001 alone, 100,000 guns were publicly destroyed. Such efforts have continued ever since. In 2004, a yearlong collection program removed 450,000 firearms from the hands of civilians. Although the move ultimately failed, Brazil unprecedentedly voted on a resolution that would ban civilian possession of guns and ammunition. What it did, was serve to raise awareness about small-arms issues throughout Latin America.

**Argentina:** In 2007, the government launched a gun-buyback and amnesty program, which within 6 months of its launch, led to the destruction of 70,000 weapons and the collection of 50,000 rounds of ammunition.

**Nicaragua:** The Nicaraguan government has worked with the US government for several years to destroy its many shoulder-fired SAM-7 missiles, received from the Soviet Union in the 1980s.

## **Responses to Consider**

### **Legal Avenues**

While international treaties and regional organizations' efforts are essential to ending the proliferation of Small Arms and Light Weapons (SALW), consideration must also be given to other avenues, namely legal suits by individuals or groups against SALW manufacturing companies, and the states that sell SALW. These two avenues are distinct but interconnected. They should be considered first separately, and then in conjunction to best understand how a legal strategy for ending SALW proliferation can move forward.

#### **Suing SALW Manufacturers**

The search for a successful way to hold arms manufacturers accountable for their crimes or the injuries their products caused has been difficult. In the United States, this search has expressed itself in various court cases or attempts at suits against gun manufacturers, as in the case of the Sandy Hook shooting. Overall, however, these cases have not been successful, due in no small

part to the Protection of Lawful Commerce in Arms Act (PLCAA), which protects manufacturers from any liability when crimes are committed with their weapons. Manufacturers can be sued for defective or malfunctioning products, but not for the injuries or losses caused by the proper functioning use of their weapons. The PLCAA also extends to American-manufactured SALW sold abroad, stating “business in the United States that are engaged in interstate and foreign commerce... are not, and should not, be liable for the harm caused by those who criminally or unlawfully misuse firearms products or ammunition products that function as designed and intended (15 US Code § 7901).” This law explicitly states that it seeks to “prohibit causes of action against manufacturers, distributors, dealers, and importers of firearms or ammunition products...” Therefore, laws such as the PLCAA in the USA make it more difficult to sue arms manufacturers and dealers for the harms caused by their weapons.

The legal field has begun attacking the idea of immunity for manufacturers; it has been posed that arms manufacturers are a solid case for suit, given that they are easily located and have a clear place in the chain of SALW creation and distribution. There is, however, a small precedent that might be useful in this case, it is the Alien Tort Claims Act of 1789 (ACTA), which allows foreign citizens to sue in American courts for acts committed outside the U.S. In *Kiobel v. Royal Dutch Petroleum Co.*, the court ruled that a company may be held liable under ACTA, which could serve as a basis for a case against an arms manufacturer, if a legal argument to circumvent PLCAA could be found. ACTA has also been found to create tort liability when international norms violated by the company are specific, universal, and obligatory. Human Rights Watch has also recently advocated for the use of international torts claims to combat human rights abuses, which could be extended to conflict and thus the proliferation of SALW. A 2004 article in the *Cornell Law Review* makes a similar argument, stating that weapons manufacturers should be liable under ACTA if they knew or had reason to know that their weapons would be used by child soldiers. These arguments could, theoretically, be extended and move into creating a legal norm whereby SALW manufacturers could be held liable under an international tort law for the harms caused by their products.

### **Suing States that Sell SALW**

The first issue that suits against states that sell SALW runs up against is the doctrine of state immunity. However, there is a growing movement in the international legal community to allow victims of human rights abuses to recover damages from states that caused those abuses. One recent example would be Korean citizens attempting to recover reparations from the Japanese state for actions taken during WWII.

The Foreign Claims Act is a law that allows foreign citizens to gain compensation for any personal injury, death, or property damage caused by the US military. It was put into place after WWII, but has never been used to allow the citizens of an “unfriendly” country to recover such damages. The fact that it has never been done, however, does not preclude building a legal claim.

In fact, the FCA may create an avenue by which the United States can be held liable for torts claims by foreign citizens. Such a law could also be expanded into a more international arena, creating a space and avenue for individuals to sue states under torts claims for human rights abuses, or losses caused by the state sale or transfer of SALW.

## Arms Embargoes

Arms embargoes have long been used as a way to halt the transfer of weapons or dual-use-technology to states for a variety of reasons. They are placed as a signal of disapproval to another state, a way of maintaining neutrality in a conflict, a way of limiting violence within an already existing conflict, or as a way to weaken a state's military. Both single states and international governmental organizations such as the United Nations or the European Union are capable of utilizing arms embargoes. Although they are often considered ineffective, arms embargoes have been frequently used in the past decade. Their failures have often come from the ability of state and non-state actors to illegally proliferate arms, and the power of strong states to disregard embargoes completely. According to Michael Brzoska, in his article *Measuring the Effectiveness of Arms Embargoes*, the effects of arms embargoes should be measured by both how they limit weapons from going to a certain target, and how that target's policy has been changed. If one powerful state is able to change another's policy, that could be a successful arms embargo. However, it is usually the case that a multilateral arms embargo paired with other sanctions that have the strongest chance for success.

Looking at the history of arms embargoes is discouraging. As reported by Oxfam, all 13 of the United Nations arms embargoes in the past decade have been systematically violated. Many of those arms embargoes were also late in their application, usually coming after large-scale human rights violations had already been committed. Created as a last stand effort, arms embargoes are poised to fail from their delayed beginnings. The effect arms embargoes have had on states policies have been mediocre at best. As research done for the aforementioned Brzoska article, *Measuring the Effectiveness of Arms Embargoes*, has shown, UN sanction have only had a 15% success rate in policy impact. Even worse, EU sanctions have had an even worse success rate at 7%. However, arms embargoes most positive impact was seen in Brzoska's article as their ability to make some changes in the target countries arms imports, their weapons market prices, and their military behavior. The effectiveness was much higher in this category, at 57%. The unfortunate take away from Brzoska's analysis is that while there is no infallible use of an arms embargo present so far, going forward there can be hope for more comprehensive actions that can eliminate the transfer of arms to state and non-state actors using weapons to commit human rights violation.

Taking a look at the case of North Korea, it can be seen that an arms embargo can isolate a nation on a large scale, and coupled with economic sanctions can find some measures of success. However, it does not always lead directly to disarmament and peace talks. When

faced with isolation from the arms market, North Korea focused on domestic weapons manufacturing and even bolstered war talk for a while. In the cases of Somalia and Libya, arms embargoes had little effect on the flow of arms or conflict. Arms embargoes have been consistently unsuccessful on a state-by-state level, and on the multilateral level. Their failures are due to the movement of illegal weapons, the refusal of powerful states to follow embargoes, and the lack of structure to support the enforcing of arms embargoes. Overwhelming arms embargo failures have led to the focus on treaties, many of which have seen better success rates than embargoes. However, they will also face a considerable amount of similar problems with enforcing the treaties.

## A potential blacklist

### Legalizing The Golden Rule

When considering which countries should be blacklisted from receiving arms, it is agreed upon by both the U.N. and groups like Human Rights Watch and Amnesty International that any state which is suspected of genocide, war crimes, or any crimes against humanity should not be allowed to enter the global arms market. It was in 1948 that the Universal Declaration of Human Rights was adopted by the UN General Assembly, and that made it possible for the Arms Trade Treaty (ATT) to claim a the need for an international system of accountability for the arms trade. So far the ATT has done little to curb arms sales to human rights violators, mostly due to the work of large exporting countries. However, international pressure is mounting against some of the most horrific examples of the flaws that exist in the arms trade. Moving forward in limiting the death and destruction caused by the arms trade will require an unbiased look at what actors not be receiving arms. This is a list of candidates for a potential blacklist, they would likely not all be included in a blacklist if actually developed. A blacklist could serve as a baseline for limiting the arms market based on human rights, and would be the first line of defense against the use of legally sold arms in human rights violations.

### Middle East

Armed conflicts between state and non-state actors have caused an overwhelming number of civilian casualties in the Middle East. “Failed leadership, failed governments, and failed policies have brought nothing but catastrophe for the youth and future generations of the Middle East caught up in the region’s wars,” said Sarah Leah Whitson, Middle East and North African Director at Human Rights Watch. A serious constricting of weapons sales to the Middle East as a whole will be an important step in controlling the humanitarian crises’ currently taking place. However, it is important to first stop all arms being sold legally to any state within the Middle East committing human rights violations.

**Saudi Arabia** - Since March 26, 2015, a Saudi led coalition of nine Arab countries has directed attacks against Houthi armed groups and carried out countless unlawful attacks which have killed hundreds of civilians, which has caused a humanitarian crisis. A group of eight human rights groups, including Amnesty International and Human Rights Watch have called on all countries to stop supplying arms to those involved, directly or indirectly in the Yemen Civil War.

**The United Arab Emirates (UAE)** - The United Arab Emirates has played a key role in the Saudi led coalition that has caused the humanitarian crisis in Yemen and is a major violator of human rights at home.

**Afghanistan** - The United Nations Assistance Mission to Afghanistan recorded 2,640 war-related civilian deaths in Afghanistan. Most of those deaths were at the hands of terrorist groups and some from government actions. Weapons flowing into the country have often been lost by the Afghanistan government and found in the hands of terrorist groups.

**Syria** - According to Human Rights Watch, over 400,000 citizens have died since 2011 in Syria. The government has used chemical weapons against civilians and committed multiple human rights and international humanitarian law violations. Due to the government's use of chemical weapons and the various human rights abuses, Syria should be blacklisted from the global arms market.

**Turkey** - Under Turkey's current President, Recep Tayyip Erdoğan, human rights have been eroded in the country. Media outlets in the country have been shut down and turned into state propaganda, human rights watch workers have been jailed, and a violent ethnic cleansing of the Kurdish population has been occurring.

**Iran** - In Iran, human rights have not been protected under President Hassan Rouhani. The right to political expression and dissent has been destroyed in Iran, and women have been receiving the harshest punishments. With a government that is willing to commit human rights violations in order to protect its political livelihood, the country should be blacklisted from the arms trade.

**Israel** - Military contracts, aid, and shared weapons technology has helped secure Israel one of the most powerful militaries in the world. It has also supported the continued human rights crisis currently occurring in Gaza.

**Bahrain** – Their inclusion is based on their continued use of heavy force to repress peaceful protests.

## **Africa**

Long-standing internal conflicts have been causing many regions in Africa high levels of tragedy, death, and displacement. Mass poverty and structural decimation has given many rebel groups the ability to build strong militias that rival state militaries. In the ATT, risk assessment plays an important role in the validity of an arms transaction. With that in mind, various countries in Africa should be blacklisted from the global arms market due to their lack of human rights and inability to secure weapons from being taken by violent militia groups.

**South Sudan** - Large numbers of civilians have been killed due to their ethnic background or political preferences in South Sudan, and the country's infrastructure has often been reduced to rubble. The UN has already placed an arms embargo on South Sudan, but many countries in Africa refuse to comply with the embargo.



**Burundi** - Human rights violations have been on the rise in Burundi and reports of murder, arbitrary arrests, and persecution have been met with total denial by the Burundian authorities. Due to the continued violence against Burundian civilians, and the lack of accountability for human rights violations, the country of Burundi should be blacklisted from the global arms market.

**Central African Republic** - Violence has broken out in the Central African Republic, and civilians are been in a dangerous position between Seleka factions in the central regions and more militia violence in the northwest. Internal and international cohesion will be necessary to aid the protections of civilians.

**Ethiopia** - A state of emergency was put into place in Ethiopia in February of 2018. Authorities in the country regularly arrest innocent people, silence journalists, and prosecute political opposition. The Ethiopian government does not perform meaningful investigations into human rights abuses and has the restricted accesses of various human rights groups.

**Somalia** - Violence in Somalia has been widespread due to military operations against Al-Shabab forces. Both government forces and the militias have been responsible for human rights violations, including sexual violence and arbitrary detention of children. Due to these human rights violations, Somalia should be blacklisted from the international arms market.

**Libya** – Increasing instability and hostility between the two different governments in Tripoli and Benghazi puts Libya in danger of re-entering civil war. Until they reach long term stability and conflict is reduced, they should not be importing arms to fuel tension.

**Eritrea** – The people of Eritrea suffer from severe repression of their human rights. There are clear violations within the country, that need to be taken seriously.

**Cameroon** - for their crimes against humanity, specifically targeting the anglophone speaking communities that are demanding more representation.

**Sudan** – Sudan import a lot of arms, particularly from their ally, China, which fuel ongoing war crimes against the inhabitants of the Darfur region, in South Sudan.

**Egypt** – The government continues to use heavily armed forces and the military to repress peaceful protests.

**Mauritania** – In Mauritania, roughly 20% of the population are still slaves, and yet there has only been one conviction for the crime of being a slave owner. Arms imports fuel the power imbalance, prolonging the peoples enslavement.

### **The America's**

Weapons imports in the America's decreased 29 percent between 2008-12 and 2013-28, and in the same period arms imports in South America fell by 38 percent. While many countries in South America struggle with poverty and infernal conflict, the arms market has continuously shrunk as states and militias are unable to pay for weapons. While arms sales have decrease in

Latin America, the danger of human rights violations being committed by foreign military equipment still exists. Poor living standards and failing states have caused persistent violence throughout the region.

**Brazil** - According to the 11th Annual Brazilian Yearbook of Public Security, Brazilian police killed 4,224 people in 2016. The number of total homicides also rose by 3.8 percent. Around 76 percent of those killed by Police in Brazil were black, and 80 percent were between 12 and 29 years old.

**Columbia** - Persistent militia build up along the Columbian border has caused the displacement of Columbian citizens, and violence that has spread across South America. At least 105 human rights defenders were killed in 2017, according to amnesty international. Due to persistent human rights violations, and the lack of legal actions taken against those who commit them, Columbia should be blacklisted from the global arms market.

**Nicaragua** - Pro government armed gangs have been causing violence in Nicaragua, and human rights abuses have gone unpunished. According to the United Nations High Commissioner for Human Rights, both pro government and the police have been committing human rights violations.

**Venezuela** - Hunger and political violence has made Venezuela a dangerous place for arms imports. Both government forces and paramilitary groups in Venezuela should be blacklisted from the global arms market.

**Mexico** – High levels of corruption and narco-terrorism that has infiltrated even the security and political infrastructures, leading to de-facto state-supported organized crime groups that are heavily armed. The death tolls in the country speak for themselves. El Salvador and Honduras would be included for those same reasons.

### **Asia and Oceania**

The region has seen an increase in weapons imports, mainly to the Southern Asia country of India. As countries battle for power and non-state actors fight the state, various human rights violations are the causes for some countries need to be blacklisted from the global arms market.

**Burma/Myanmar** - In 2017 Burma faced a humanitarian crisis fueled by a stalled democratic transition. It has been reported by Human Rights Watch that violence driven by racial prejudice has caused several hundred thousand people to flee to Bangladesh.

**North Korea** - Under the leadership of Kim Jong-UN, North Korea has been subject to the denial of human rights. Due to the country's continued threat to peace in Asia, and various human rights violations, it should be blacklisted from the global arms market.

**Philippines** - Under president Rodrigo Duterte, the Philippines have faced serious human rights violations. The "war on drugs" has led to the death of over 7,000 suspected drug dealers and users, and the national police have acted more like legalized death squads. Human rights groups have reported large numbers of disappearances and random acts of killing.

**Cambodia** – Cambodia has violently suppressed peaceful protests and forced disappearances. They also have a historically poor human rights record.

## Europe

In Europe, a powerful arms build is occurring, and many countries are currently expanding their exports as well. The European Union has a code of conduct for trading arms, however, many countries still trade with countries that will use arms to limit human rights and commit atrocities.

**Poland** - The government in Poland has been disastrous for human rights in the country, introducing laws to limit free speech and harass all political dissent. Polish soldiers have also been charged with refusing access to asylum at the Belarus-Poland border and return asylum seekers to Belarus.

**Hungary** - The government in Hungary continues to deny citizens the rule of law and has engaged in various human rights violations. The government has focused on persecuting any organization that receives funding from outside the country and has engaged in fervent xenophobia.

**Russia** - Human Rights Watch has described Russia to be more repressive now than any other post-Soviet era. Russian police have also been involved in various cases of violence against human rights defenders, and often fabricate criminal cases against them and imprison them. The government has been accused of various disappearances of civilians, and also torture.

**Ukraine** - Due to the ongoing war and its toll on civilian life, the country of Ukraine should be blacklisted from the global arms market.

## Final Recommendations

Based on the research presented in the preceding sections, this report makes the following recommendations concerning efforts to impede the growth of the international arms trade. Our recommendations are centered primarily around the Arms Trade Treaty given it provides the greatest potential for meaningful reform and influence within the global arms trade, despite its current ineffectiveness.

### Suggested Modifications to the Arms Trade Treaty (ATT)

A possible modification to article 5(2) that allows states to exempt themselves from the treaty by arranging “defence cooperation agreements”:

- Modification: The implementation of this treaty shall not prejudice obligations undertaken with regard to other instruments *provided that those obligations are*

*compatible with their obligations under this treaty and do not undermine the object and purpose of this treaty.*

A possible modification to article 2A, which does not include ammunition or parts and components as part of the ATT:

- Modification: *Ammunition and munitions and parts and components shall be covered by this treaty to the extent described in article 6.*
  - Article 6(4): Each party shall establish and maintain a national control system to regulate the export of ammunition *and other munitions* for conventional arms under the scope of this treaty, and shall apply *the criteria set out in article 3, and paragraphs 1,2,3,4 and 5, taking into account the considerations detailed in paragraph 6 of article 4* of article 4 prior to authorizing any export of ammunition.
  - Article 6(5): Each state party shall establish and maintain a national control system to regulate the export of parts and components, to the extent necessary, for the conventional arms under the scope of this treaty, and *apply the requirements set out in article 3 and paragraphs 1,2,3,4, and 5 of article 4, taking into account the considerations detailed in paragraph 6 of article 4 prior to authorizing any export of those parts and components.*
  - Article 10(1): Each state party shall maintain national records, in accordance with its national laws and regulations, of the export authorizations or actual exports of the conventional arms under the scope of this treaty *and related items referred to in articles 6(4) and 6(5)* and, where feasible, details of those conventional arms transferred to their territory as the final destination or that are authorized to transit or transship territory under its jurisdiction.
  - Article 10(5): Each state party shall submit annually to the secretariat by 1 July a report for the preceding calendar year concerning the authorization or actual transfer of conventional arms under the scope of this treaty *and related items referred to in articles 6(4) and 6(5)*. Reports shall be made available and distributed to states parties, *and made public* by the secretariat. The report submitted to the secretariat may contain the same information submitted by the state party to the relevant United Nations frameworks, including the United Nations Register of Conventional Arms. Reports may exclude commercially sensitive or national security information.

A possible modification to Article 4(4) that sets a very low threshold for decision-making under the criteria that is now unclear:

- Modification: If, after considering the assessment called for in paragraph 1 and 3 of this article, and after considering the mitigation measures provided for in paragraph 4 of this article, the state party finds that there is risk of any of the consequences under paragraph 2 of this article, the state party shall not authorize the export.

A possible modification to Article 3(2) that states that only weapons that are transferred for the purpose of facilitating genocide or war crimes are ‘prohibited transfers’:

- **Modification:** A state party shall not authorize a transfer of conventional arms within the scope of this treaty *where the conventional arms would facilitate* the commission of genocide, crimes against humanity, *or war crimes including* grave breaches of the Geneva Conventions of 1949, *and* serious violations of common article 3 of the Geneva Conventions of 1949.

A possible modification to Article 10(5), which does not address the need for increased transparency in arms transfers:

- **Modification:** Each state party shall submit annually to the secretariat by 1 July a report for the preceding calendar year concerning the authorization or actual transfer of conventional arms under the scope of this treaty *and related items referred to in article 6(4) and 6(5)*. Reports shall be made available and distributed to states parties, *and made public* by the secretariat. The report submitted to the secretariat may contain the same information submitted by the state party to relevant United Nations frameworks, including the United Nations Register of Conventional Arms. Reports may exclude commercially sensitive or national security information.

A possible modification to Article 20(3) aimed at strengthening the treaty over time:

- **Modification:** Any amendment to this treaty shall be adopted by consensus, *or if consensus is not achieved, by two-thirds* of those state parties present and voting at the conference of states parties.

### **Suggested Solutions to Overarching Issues with the ATT**

Aside from the modifications to the ATT detailed above, this report also concludes that, in order to more effectively inhibit and control the trade of arms worldwide, the following facts and recommendations should be considered:

While international attention is focused on the need to control weapons of mass destruction, the trade in conventional weapons continues to operate in a legal and moral vacuum. That allows for the steady flow of arms from manufacturers and exporters to governments and non-state actors who then go on to use those same weapons to commit a wide-range of crimes, which include (but are not limited to) human rights abuses, gender-based violence, and genocide. Between 1989 and 2010, the world witnessed the outbreak or continuation of 131 international armed conflicts, involving the forces of 112 countries and 217 political opposition groups. The adoption of the legally-binding Arms Trade Treaty (ATT) in 2014 served to introduce international standards to govern and regulate the trade in conventional arms. It was hoped that the universal adoption of those standards would help limit the devastating impact of the proliferation of weapons, which has helped fuel and perpetuate cycles of violence around the world. Since coming into force, however, the ATT has proven to have several shortcomings. Four of these shortcomings are discussed below, followed by possible solutions derived from the larger study of the global arms trade.

First, it is difficult to assess if the treaty makes an actual difference to the flow of arms to the world's war zones, since the decision-making process behind the authorization of sales is highly secretive (i.e., states do not always share their reasons for failing to authorizing certain sales).

**Solution:** Improve the national reporting aspect of the ATT by requiring member states to submit biennial reports rather than annual reports. The UN Programme of Action on Small Arms, whose members voluntarily submit their reports concerning small arms, make use of biennial reporting. The ATT, which is legally binding, could adopt a stricter approach by providing a clear reporting template for states to follow. This would establish a standard of reporting arms exports and imports emphasizing quality and detail.

Second, the overriding risk assessment aspect of the deal is open to interpretation, since most states assess risks differently. There is no clear enforcement mechanism in the ATT. States cannot be brought to court if they fail to live up to the treaty. It is permissible to export arms to destinations like Syria, which has long been accused killing its own people during that civil war, as long as the recipient of those arms is not under a UN arms embargo.

**Solution:** Not only are ATT rules often left to the interpretation of the reader, there are also no sanctions for countries that fail to comply with them. These particular shortcomings necessitate the establishment of an agency with the power to both oversee the actual implementation of the treaty and propose sanctions on states found to be ignoring their treaty obligations.

Third, the ATT does not cover all types of arms transfers. If an exporting state decides to classify an arms transfer as part of a "defense co-operation agreement", an agreement through which the military forces of two or more countries work together, the deal is exempt from the treaty. The treaty also applies only to arms sales and does not cover arms that are loaned, leased, bartered or transferred as gifts or as part of an aid package.

**Solution:** If the requisite political will exists, this time would present an opportunity for exporting states to close these loopholes. The proposal is submitted to the Secretariat, which is then circulated to all State Parties, not less than 180 days before the next Conference of State Parties. If consensus cannot be reached on a proposed amendment, then the amendment can be adopted on a three-quarters majority vote of States Parties present and voting.

Fourth, the ATT makes the false distinction between legitimate and illicit arms trade, pledging to eradicate the latter while protecting the former. By doing so, it ignores the fact that the legitimate face is just as (if not, more) lethal than the illicit trade. For example, 26 countries legally supplied weapons to both sides of the Iran-Iraq War. The ATT has failed to stop arms exporters like the UK, which publicly backed the adoption of an international arms treaty, from selling arms to states involved in some the world's bloodiest conflict zones.

**Solution:** Currently, the ATT lacks an enforcement mechanism to review arms export decisions. Establishing an independent body to exclusively take responsibility for assessing the risk of an export would help to limit situations in which legal arms are used by importing nations to conduct wars, humanitarian, environmental and social effects of which are both long-lasting and devastating to millions of innocents.

### **Policy Recommendations for States**

The ATT has failed to create any meaningful decline in the number of weapons present worldwide. With 16 billion units of military ammunition produced every year, there are small arms and ammunition enough to shoot every man, woman and child on the planet twice. This statistic is of particular concern in parts of the world like South America and Africa, which are plagued by both a high volume of small arms and are plagued by internal conflict. Both Nigeria and Kenya are prime examples of African countries that have been faced with intensifying outbreaks of violence involving their respective nomadic and pastoral communities. These situations are worsened by porous borders, weak policing, poor stockpile management and government neglect. The frequent skirmishes and cattle raids in these countries have served drive up demand for weapons like the AK-47, which has come to symbolize the proliferation of small arms in the region.

**Solution:** The onus is on national governments to address the root issue of the conflicts, alongside the introduction of more effective national initiatives to collect and destroy existing small arms. Many of these issues could be corrected over time, as more countries sign-on to the ATT and begin to fully implement the controls. This process requires significant political will and a certain level of commitment to be successful. This report proposes several policy solutions that could help address the issues of internal small arms and ammunition proliferation.

(1) States must develop adequate measures to address the issue of ammunition proliferation. An underreported aspect of the proliferation of conventional weapons is the fact that several states other than the group of major exports/manufacturers have ammunition manufacturing capabilities of their own. The ammunition that is produced ends up on the black market and perpetuates armed conflict.

Unlike the issue of small arms, the production and proliferation of which is often traced to the world's major arms producers, ammunition proliferation is mostly homegrown. The absence of robust border controls and the existence of established trade routes only facilitates this proliferation. To adequately address this issue, national governments should strengthen their arms-related marking and tracing mechanisms, as these are two of the most basic prevention mechanisms needed to help identify the sources of arms diversion and potential criminal use.

(2) More states should look to establish governmental bodies to coordinate action on small arms at a national level. Coordinating action at a national level has been highlighted as a problem in the past, since a significant number of states have failed to fully implement some of the measures listed under the 2001 UN Programme of Action, calling for national measures to control the proliferation of small arms and light weapons. Those measures also fall in line with the 2030 Agenda for Sustainable Development, Target 16.4, call for the significant reduction of illicit trade in the arms market.

A key aspect of this reduction is the development of cross-sectoral partnerships between state and non-state actors, international organizations, and civil society organizations (CSOs). National efforts to control small arms and light weapons would benefit by involving CSOs in policies and decision-making, as CSOs have the ability to advocate policy proposals that may be a better fit with the needs, culture, and security dilemmas of the local communities. CSOs often have the trust of the communities where they work and are seen to be relatively impartial, which is crucial in post-conflict situations where mistrust and insecurity are in high supply.

(3) States must make a concerted effort to address the issue of inclusivity in disarmament, demobilization, and reintegration programmes (DDR). Increasing inclusivity, such as improved inclusion of child soldiers and women, in the DDR process in post-conflict zone helps countries address a potential source for the demand for illicit weapons.

Disarmament, demobilization and reintegration (DDR) is a post-conflict process aimed at contributing to “security and stability” in places affected by armed conflict and violence. Specifically, it is aimed at dealing with the “security problem that arises when ex-combatants are left without livelihoods or support networks, other than their former comrades, during the vital transition period from conflicts to peace and development.” While DDR programmes alone cannot resolve conflict, they do help the affected actors and countries to “establish a secure environment so that other elements of a recovery and peacebuilding strategy can proceed.”

(4) States must improve national stockpile management systems. Improving these systems would serve to address a key area of weakness in states that have had trouble tackling arms proliferation. In parts of South America and Africa, for example, legal arms stockpiles are kept in armouries whose only security features are “a lock and key.” In those places, the construction of more modern armouries would represent significant progress and would limit the possibility of diversion and theft, which is a common occurrence in states where members of the security forces or army are underpaid or prone to corruption. Stockpile management could succeed where programs of arms collection and arms destruction have failed.