

On the recipient side, the top ten importers accounted for 61 percent of the weapons. In this group one finds five Middle Eastern states, three NATO members, one Asian state, and one East European state. Overall, the Middle East, Western Europe and East Asia were the most important recipients of conventional weapons, receiving together more than three-quarters of the arms exported. A detailed breakdown of the market in 1993, and in the 1983-1993 period, is given in chapters three and five.

By themselves, however, these figures paint a misleading picture of the nature of the arms trade and the problem of conventional proliferation, since they mostly capture the inter-state trade in major weapons systems. Without additional information, one could conclude that constraining conventional proliferation was primarily a matter of gaining the agreement of the six largest arms suppliers, and placing restrictions on transfers to a small set of customers. But there are at least four reasons why such a picture is misleading:

- it excludes the black and grey market trade in weapons. The covert weapons trade is worth between 1-2 billion dollars a year, or about 5-10 percent of the total.¹ Since this trade is most important in conflict zones that have been embargoed by the United Nations or other organizations, publicly available figures fail to demonstrate the close linkage between weapons and conflict.
- most of the data that is available excludes small arms and light weapons, the weapons that are widely used in the vast majority of current and recent wars. Again, although estimates are difficult to make, the trade in light weapons is probably in the range of 5-7 billion dollars a year.²
- aggregate data captures poorly the trade in military technology and know-how, licensed production, weapons components (such as upgrade kits or new weaponry for existing platforms) or dual-use systems that are subsequently modified for military purposes (such as electronics or data-processing). The move among most armed forces to procure off-the-shelf commercial technologies further erases the distinction between military and civilian technologies, and makes defining the parameters of the weapons trade even more difficult than before.
- it misses the fact that there are multiple sources for any one item, especially as one moves further down the ladder of technology, and almost always at least one "rogue" supplier (such as North Korea or Iraq) that can provide advanced technology and know-how, or can retransfer complete weapons systems.³

As Figure 1.1 illustrates, the conventional arms market can be pictured as a wide pyramid, with few suppliers of the most advanced systems, and literally dozens for small arms and low-tech light weapons. Although this diagram does not capture the various linkages across different "tiers" it does highlight the most important

¹ This estimate is given in "The Covert Arms Trade," *The Economist*, 12 February 1994. See also Ed Laurance, "Political Implications of Illegal Arms Exports from the United States," *Political Science Quarterly*, 107:3 (1992), 109-140; R.T. Naylor, "The Structure and Operation of the Modern Arms Black Market," in Jeffrey Boutwell, et al, *Lethal Commerce* (Cambridge, Mass.: American Academy of Arts and Sciences, 1995), 44-60. Black market transactions are taken without the sanction of any government; grey market transactions are government-sanctioned but secret.

² Aaron Karp estimates that total consumption by sub-state forces in ethnic conflicts is between 2.5-3.5 billion dollars, making an estimate of the annual trade of double that figure a feasible one. Aaron Karp, "The Arms Trade Revolution: The Major Impact of Small Arms," *The Washington Quarterly* 17:4 (Autumn 1994), 73. The Secretary-General's *Supplement to An Agenda for Peace*, S/1995/1 (3 January 1995), paragraph 61, estimates that one third of the annual arms trade is light weapons, which would be at the high end of this estimate.

³ Michael Klare, "Deadly Convergence: The Perils of the Arms Trade", *World Policy Journal*, 6:1 (Winter 1988-89), 141-168.