

The second, and most dramatic development, the collapse of the Soviet Union and the Warsaw Pact, also had a great short-term impact on the supply side of the global arms market. The Soviet Union/Russia virtually disappeared as a major supplier of weapons by 1992, with its share of the market declining from more than one-third in the late 1980s to about one-quarter in 1991, to less than 10 percent in 1992.¹⁷ It was once believed that Russian arms would remain attractive, especially to poorer states, because at a certain price whatever the Russians have to sell would be competitive in hard currency terms. It is apparent, however, that the problem is more structural in nature: potential customers do not trust that a stable, reliable ongoing supply relationship can be established with Russia, and this is a critical impediment to sales of advanced weapons platforms.¹⁸ The long-term significance of this development is, however, much less clear, and may be considerably less dramatic, if economic reform can create a stable, competitive market in Russia as a base for international exports (of civilian as well as military goods).

The third short-term factor has been the global economic recession, as the economic constraints on potential purchasers of weapons have seriously curtailed arms purchases and military spending throughout the developing world, especially in the Middle East. Arms *agreements* to the Middle East in the 1989-92 period were only \$62.1 billion, a decline of more than one-third from the level of \$94.3 billion for the 1985-88 period. The figures for weapons *deliveries* have an identical pattern: they declined from \$86.9 billion between 1985-88 to \$52.2 billion between 1989-92.¹⁹ At the same time, arms purchases by East Asian states have increased in importance, although their volume has not replaced (nor will it replace) the decline in the Middle Eastern markets.²⁰ The overall result of the recession has been an increased concentration of the market among only a few major recipients: by 1992, only about 25 states were active recipients of weapons.

As a result of these three short-term trends, global arms transfers have dropped from more than \$50 billion in 1987 (the agreed-upon high point) to no more than \$22.5 billion in 1991 (in 1988 dollars).

¹⁷ 1992 figures for Russia are from Richard Grimmert, *Conventional Arms Transfers to the Third World, 1985-1992*, Congressional Research Service, report for Congress, 93-656F (Washington, D.C.: Congressional Research Service, 19 July 1993), 7. He reports the Russian share of transfers to the Third World at 5.4 percent in 1992.

¹⁸ See Michael Brzoska and Frederic Pearson, "Developments in the Global Supply of Arms: Opportunity and Motivation," *The Annals of the American Academy of Political and Social Science*, (forthcoming, September 1994).

¹⁹ From Grimmert, 57, 68. On the Middle East see Keith Krause, "Middle Eastern Arms Recipients in the Post-Cold War World," *The Annals of the American Academy of Political and Social Science*, (forthcoming, September 1994).

²⁰ On Asian weapons acquisitions see Desmond Ball, "Arms and Affluence: Military Acquisitions in the Asia-Pacific Region," *International Security*, 18:3 (Winter 1993/94), 78-112; Michael Klare, "The Next Great Arms Race," *Foreign Affairs*, 72:3 (Summer 1993), 136-152.