THE NATURE OF THE INTERNATIONAL ARMS TRADE

The first session focused on a presentation by Dr. Michael Klare, of Hampshire College, which highlighted a number of recent trends and characteristics of the international arms trade. In the 1970s, arms transfers expanded *vertically* : there was a marked increase in agreements, deliveries, sales of sophisticated weapons, and numbers of customers. Much of this expansion was fuelled by the increase in spending power of certain Third World states--an increase which followed the oil price rise of 1973.

In 1982, however, the market began to decline. The value of agreements dropped sharply, although deliveries followed more slowly as previously agreed-upon contracts continued to be filled. The number of customers levelled off, as did the sophistication of the weapons transferred. This led some observers to conclude that the market was reaching an equilibrium. But, as Dr. Klare pointed out, the market expanded *horizontally* in the 1980s, transforming itself in ways that escaped the simple statistics.

Three main changes were highlighted. The first was an increase in the number of major suppliers. Until 1970, the Big Six suppliers (the United States, the Soviet Union, Britain, France, Germany, and Italy) supplied approximately 90 percent of the arms transferred. But by 1984, this proportion had dropped to around 75 percent.[2] The remainder was made up by newly emerging producers in the developing world, such as Brazil, Israel, and Turkey, and smaller developed world suppliers, such as Sweden and Switzerland. The share of the two superpowers also declined from two-thirds to one-half of the total market.

The second change was an increase in the *internal* satisfaction of defence needs through the creation of arms industries in developing states. The motives for the creation of such industries varied. In some cases, the motive was to increase self-sufficiency (India, Israel); in others, it was to use arms industries as an engine of economic growth (Brazil); in still others it was to circumvent arms embargoes (Taiwan, South Africa, and Chile) or to enhance international trade (South Korea, Singapore). Although none of these industries were totally self-sufficient, a greater degree of autonomy had been won.

The third change was the growth of what Dr. Klare called the "black" and "grey" markets. Black market trade is conducted knowingly in

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[2]Statistics from the US Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers*, various years.