

ARMS TRADE – BETWEEN THE GLOBALIZATION, SECURITY STRATEGIES, CONFLICTS AND PROFIT

Petreski, D PhD
Military Academy “General Mihailo Apostolski”
St. Vasko Karangeleski bb
1000 Skopje,
Republic of Macedonia

Rajkovchevski, R MSc¹
Faculty of Security
St. Idrizovo bb
1000 Skopje
Republic of Macedonia

Abstract:

That capital moves the world, is confirmed in the security sphere. Although it is governed by various agreements, legal trade of conventional arms within the international community hides mysteries based on the profit and achieving the national interests of great powers and multinational companies who are directly involved in this activity. Thus, profit in a globalized world has become a top priority in making decisions related to military industry, sales and export of weapons. In combination with the interests of political elites and state interests, the profit violates the political resources of international institutions to maintain stability, peace, the principles of respect for human rights and democracy.

Countries in the crisis regions, as end users of the services of developed countries - the leaders in the manufacture of weapons, are the most frequent target group that offers opportunities for political and economic prestige in the security space. Sometimes the authorities of certain countries, even in the absence of direct armed conflict, use the arms trade's race as a way of increasing military power, to influence on weakening of the living standards of its citizens and they are making the regions where they belong to less popular for investment and economic development.

The paper gives an explanation of the relation between profits, arms trade, globalization and conflict. The paper relies on official sources of arms trade in the world and it process the time of last two decades. Analysing the security aspects of globalisation and arms trade, paper uses the international relations and security theories.

Key words: *profit, globalization, security, industry, arms, conflict, and crisis.*

¹ raderaj@yahoo.com

Introduction

Globalization, as a new term, is used frequently in daily communication, especially in the last two decades when were intensified the efforts of countries to integrate into international security, political and economic systems. Beerkens explain that the world-wide interconnectedness between nation-states becomes supplemented by globalisation as a process in which basic social arrangements (such as power, culture, markets, politics, rights, values, norms, ideology, identity, citizenship, solidarity) become disembedded from their spatial context (mainly the nation-state) due to the acceleration, massification, flexibilisation, diffusion and expansion of transnational flows of people, products, finance, images and information (Beerkens, 2004). By the term of globalization, the international community explains the impact on countries caused by the rapid and dynamic development of world economy, political and economic interdependence, trends in the development of democratic processes, the acceptance of democratic values and benefits, replacing national sovereignty with supranational and more.

Also, the term globalization brought a misunderstanding between the ordinary world and a part of the experts who tried to clarify and to predict the consequences of globalization. The benefits of globalization are used mainly by high-developed countries. Due to their power and dominance they are often leaders within the international organizations. It allows them the adjustments of international legislation and strategies according to their needs and interests. Globalization allowed to the leaders of Western world's countries to construct a unipolar world with irrevocable rights and powers of a driving force (in the present circumstances it is U.S.), which alone or together with the "great power's" elite composed of developed countries, dictates the movement of transnational capital. BRICS Initiative (Brazil, Russia, India, China and South Africa) composed of developing countries that have impressive progress in all areas, does not have enough power to dictate the globalization processes yet.

Generally, into the international relations, the dominance of developed countries enables the implementation of the doctrine of universal imperialism and thus contributes to limiting of economic-political movement and freedom to other countries and their attempts to manage independently their own potential and resources. One of the mechanisms for making a balance of power, to calm the nationals treats and to be competitive on the international security scene is the increase of national armed forces' capacities in term of the arms race. It made it the arms trade (not only conventional, the nuclear, chemical and biologic also) one of the most profitable trade branches in high-developed countries. Additionally, trade is characterized by the possibility of political interference by countries-manufacturers on the parties involved in conflicts or it allows them a possibility to manage indirectly with the dynamics of conflicts.

1. Impact of globalization on the effects of conflicts and arms trade

Globalization has rearranged the architecture of world order. Economic, social and power relations have been recast to resemble not a pyramid but a three tier structure of concentric circles. All three circles cut across national and regional boundaries. In the core circle we find the elites of all continents and nations, albeit in different proportions in relation to their respective geographic hinterlands. We may count in this core some 20 per cent of the world population who are 'bankable'. They are encircled by a fluid, larger social

layer of between 20 and 30 per cent of the world population (workers and their families) who labour in insecure forms of employment, thrown into cut-throat competition in the global market.... The third and largest concentric circle comprises those who are already effectively excluded from the global system. Performing neither a productive function, nor presenting a potential consumer market in the present stage of high-tech information-driven capitalism...(Hoogvelt, 1997). Globalization cannot be reduced to the impact of round-the-clock round-the-globe, of leading edge information technologies, of integrated world markets.... But globalization can be given a much wider meaning - one that emphasizes the impact of global environment changes, the threat of social and political conflicts that cannot be walled off by tough immigration or asylum policies or policed by superpowers, and the growth of hybrid world cultures created by the mingling of global-brand culture and indigenous tradition (Scott, 1998). Globalisation in the modern world produced the processes driven by the technological changes, the introduction of new information technologies, the interdependence created by intense inter-state communications, investments of transnational companies associated with enlarged and intensive growth in international economic activities and other effects.

Globalization should be taken as a process, while globalism addresses to the condition. Globalization associates to the process the large movement of people, goods, information and ideas through real and virtual borders, i.e. processes that take place simultaneously and spread to various destinations in the world without any obstructions from the meaning and role of national boundaries. Overcoming the traditional importance of state borders should be understood conditionally, because it does not involve deleting of the existing borders of countries and their cultures, but it means over-bridging the borders for enabling a higher degree of social development of states and to improve the chances of expressing of the individuals in the newly created environmental conditions and communities.

The implications of global trends present in the environment have brought new challenges in security and international relations and they increased the number of international risks. In an era of increased global inequality and integration, globalisation refers to the nature, transformation and consequences of homeland security also as on international relations of each country concerned with effects of globalization. Overall security challenges are in line with contemporary global developments and are due to:

- increased differences in the degree of economic and social development of certain regions and societies, as well as differences between rich and poor parts of the world;
- international terrorism in all its forms of action;
- constant threat to the environment as a consequence of technological and industrial development for achievement of individual and corporate profits, and savings in production;
- uncontrolled production and sale of weapons, including the weapons of mass destruction (nuclear, chemical and biological);
- intensive forced migration and asylum under the pressure of political and military conflicts, racial and ethnic discrimination, intolerance or political pressures on the autocratic and undemocratic regimes, and
- various forms of organized crime that encourage lasting social and political instability of countries. This state is followed by general poverty and the spread of diseases that threaten the entire population.

The link between arms trade and globalization could be explained with several international theories. Mary Kaldor's new war theory, as appropriate international relations' theory which explains the connection between arms trade and globalization,

argues that contemporary types of warfare are distinct from the classic modern forms of warfare based on nation-states. New wars are part of a globalised war economy underpinned by transnational ethnicities, globalised arms markets and internationalised Western-global interventions. The new type of warfare is a predatory social condition which damages the economies of neighbouring regions as well as the zone of conflict itself, spreading refugees, identity-based politics and illegal trade. It is also characterised by new forms of violence (the systematic murder of 'others', forced population expulsion and rendering areas uninhabitable) carried out by new militaries (the decaying remnants of state armies, paramilitary groups, self-defence units, mercenaries and international troops) funded by remittances, diaspora fund-raising, external government assistance and the diversion of international humanitarian aid (Kaldor, 1999). Offensive realism is a covering term for several theories of international politics and foreign policy that give analytical primacy to the hostile and unforgiving nature of the international system as the cause of conflict. Like defensive realism, some variants of offensive realism build upon and depart from Waltz's neorealism. Offensive realism holds that anarchy (the absence of a worldwide government or universal sovereign) provides strong incentives for expansion. All states strive to maximize their relative power because only the strongest states can guarantee their survival. They pursue expansionist policies when and where the benefits of doing so outweigh the costs. States face the ever-present threat that other states will use force to harm or conquer them. This compels them to improve their relative power positions through arms build-ups, unilateral diplomacy, mercantile (or even autarkic) foreign economic policies, and opportunistic expansion. Ultimately every state in the international system strives to become a regional hegemon - a state that enjoys a preponderance of military, economic, and potential power in its part of the globe. Offensive realists however, disagree over the historical prevalence of hegemonic regional systems and the likely responses of weaker states to would-be regional hegemons (e.g., balancing, buck-passing, or bandwagoning) (Taliaferro, 2000/2001; and Mearsheimer, 2002).

In the field of technology, information, transport, trade, finance and public health, globalization has reached a level where, together with all its advantages, there were new kinds of security risks, far different from the present ones (so called conventional risks). The arms and their use are one of the risks. In the last two decades they became easily accessible because of the collapse of the mighty armies, such the armies of the Soviet Union and Yugoslavia, but also due to rampant production and sale of arms as a result of numerous conflicts in the world. Arms manufacturers have a wide range of clients. It starts from the official state authorities (national armed forces), via groups in the crisis regions, organized crime and terrorist groups, to ordinary people who are concerned about their own lives and lives of their families.

The fertile ground for arms proliferation are the cases when there is a disproportion of the national and collective interests, comes to the emergence of ethnic, racial, cultural, civilizational and other divisions, deepening of differences in social development and the marginalization of the weak and poor countries and groups. Such differences produce the conflicts. Weapons became a basic tool used in armed conflicts motivated by the expansion of militant nationalism, ethnic cleansing, ethnic and religious conflicts, religious fundamentalism, transnational terrorism, drug trafficking, money laundering and more. Also worldwide, activation of new military hot spots, reactivation of the old, the increase of national military capacities, the expansion of global and regional terrorist networks, endangered safety of certain countries and regions, disturbed individual security and trust in state authorities in certain countries, contributed to increase the production and legal and illegal arms trade, ammunition and other military equipment. Increased demands addressed to the military industries of high-developed countries are generally focused on abroad, i.e.

in the “attractive” crisis regions for selling the modern and sophisticated weapons. This trend has made clear the desire for development and investments in military industry as a primary goal and well-paid business.

Arms trade has a special rise in the escalation of internal conflicts as a major and primary source of violence and instability in the world. Between 1900 and 1987, 170 million human beings were murdered by their own governments (The calculations were made by RJ Rummel, quoted in Tshuy, 1997). These victims of internal conflicts largely outweigh those of wars between sovereign nation-states over the same period. Ernest Regehr wrote that almost two-thirds of political conflicts worldwide were ethnic conflicts. Almost two-thirds of the current armed conflicts can be defined as identity conflicts, and some estimates count as many of 70 current political conflicts worldwide that involve groups formally organized to promote collective identity issues (Ernest Regehr, quoted in Lederach, 1995). According to other statistics, in the period from the end of the Cold War (in 1989) to the early 21st century came to 116 military conflicts in the 78 locations worldwide. Seven of them were wars between different countries and 20 internal wars were followed by military intervention from outside. In the burgeoning civil war-related activities of the United Nations, the absolute number has declined sharply. Since 1992, the number of civil war decreased steadily to less than 30 by 2003, approximately 40 per cent showed a decrease (Eriksson & Wallenstein, 2004). Ethnic conflicts and militarization of certain regions has increased the risk of terrorism, the possibility of causing riots and contributed to the growth of discontent among the local population. The displayed number of conflicts and casualties, as a result of the many vulnerable happenings in the world, shows the vast amount of weaponry that was used by the warring parties. The increase of violence in certain regions associated with arms trade and the geopolitical interests of major powers represents a significant accelerator of the problems.

In totalitarian regimes authorities supply the armed forces with weapons in term to discipline the citizens and to maintain the power. The national authorities’ “right of self-defence” use this mechanism and national capacities to fight against terrorism and constitutional values. On the other hand, rebel groups due to the repression of the authorities, discontent and disruption of their lives and material goods, need to purchase arms, ammunition and other products of military industry. Moreover they tend to find the source to obtain weapons or weapons are offered through a third party. Thus, revolutions and rebellions as a sociological phenomenon activate the military industry. The decisions to seek the source of supply of weapons are often correlated with illegal trade status because of the rebel groups are often illegitimate in international relations, and the states in which the conflict take place are always under some degree of international supervision. In such situations, when it circumvented the regular procedures for procurement of weapons, the control of the arms production and trade are always difficult to control. Loss of control is a real threat to national and international security. One of the last cases was happen recently during the Libyan civil war when France made serious breach of the UN Security Council Resolution 1970. French media reported that weapons were dropped to Berber tribal fighters in the mountains southwest of the Libyan capital Tripoli without informing the other coalition countries taking part in a military operation against Libyan leader Muammar Gaddafi. Reports said the load included anti-tank rockets and even light armored vehicles (RIA Novosti, 2011). The insufficient control allows smooth transfer of weapons to crisis regions in the world in spite of weapons from the former socialist and communist countries in Europe that had to be disarmed within their Euro-Atlantic aspirations. More prominent are the weapons produced in some Western European countries and US, as countries with developed democracy and a strong legal system.

In cases of trafficking and smuggling of weapons, as a form of transnational crime, the target group (beneficiaries) of crime organizations that sell arms represents the ordinary citizens who personally believe that the society is unsafe, and the state does not work enough to protect them. Depending on national legislation, dominates the situations in which citizens decide more easily to buy illegal weapons than to remain stuck in the administrative barriers if the weapons are purchased legally. Thus, through the purchase of illegal arms, the citizens stimulate the smuggling and trafficking in arms and ammunition which are usually controlled by the structures of organized crime.

The speed of globalization that affects on the production of weapons and its selling, seriously ignore the humanitarian efforts of various international organizations in the world which alert on the impact of the global spread of weapons. It is contradictory that efforts for peace in the world mostly come from the same countries that are dominant arms manufacturers and exporters. Increasingly, however, the major powers must worry about bad “externalities” that result from the combination of the scientific revolution and political disorder, economic collapse, and anger in the third world. These externalities include risks of catastrophic terrorism using WMD, refugee flows, health threats, enhanced drug smuggling networks, and disruption of oil supplies. Major powers can also suffer from destabilizing consequences of protracted civil wars for whole regions, as neighbouring states are weakened or regional incentives for weapons acquisition and proliferation increase. Finally, the major powers have faced significant and justified pressures for intervention on humanitarian grounds as well (Fearon & Laitin, 2004). Great Powers are often involved in resolving conflicts and situations when there is political unrest and economic collapse. Furthermore, these situations include cases where there are risks of catastrophic consequences caused by acts of terrorism, rampant use of conventional weapons that cause enormous number of victims, use of weapons of mass destruction, flow of refugees, threats to health, the enlargement of drugs’ smuggling networks and supplies and disruptions in oil supply. While in public relationships is emphasized the need for humanitarian and peacekeeping missions in order to calm down the tensions, often at the same time, the third parties arrange the arms sale to all involved parties in the conflict. Differences between declarations and actual conditions of the countries that are largest manufacturers of weapons will always exist because of the large revenues of the companies that are producing weapons and implementation of the interests of their governments.

In the Balkans, the involvement of Great Powers contributed to the faster and easier resolution of conflicts by applying the mechanisms of preventive diplomacy and with usage of threats directed to the heads of involved parties. There are other ways to resolve conflicts in which large forces are initiators for the deployment of international forces in order to ensure regional stability. As compensation for the efforts of great powers to restore peace, those within the building post-conflict society have an interest in selling weapons to the official authorities. Depending on the economic resources of the region, they have the opportunity to establish economic ties with conflicted parties in term to obtain their own profit or profits of transnational companies that are represented by them.

2. Conditions in the world in terms of arms trade

Huge budgets of the Great Powers allow them to invest billions of dollars in technology and resources for military purposes and to be able to help corporations in their dealings and contracts from the scope of the defence and research. Corporations have tax facilitation, they credit directly or they indirectly lend money to buyers of their weapons,

as kind of subvention of weapons sales. Therefore, almost there is not a situation where one of the Great Powers does not appear in dual roles, as a supervisor of world peace and arms dealer. The redefining of the geographical areas of interest in international relations and re-establishing of the relations with former colonies through economic and security dependence can be interpreted as the emergence of neo-colonialism.

Regardless of the reasons for the arms production, the manufacture of weapons became a worldwide phenomenon. Global military expenditure stands at over \$1.5 trillion in annual expenditure at current prices for 2009, and has been rising in recent years.

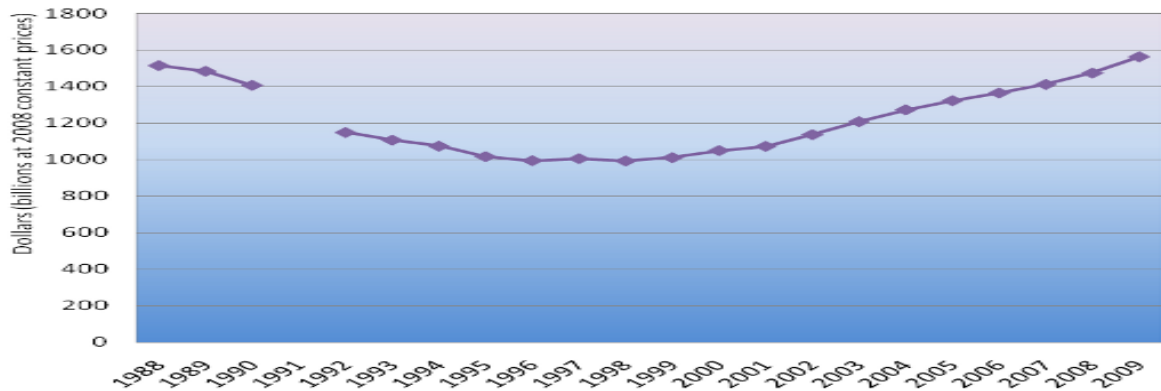


Table 1: World military expenditure 1988-2010 (Shah, 2010)

Summarizing some key details on world trends in military expenditure, the information are the follow (Perlo-Freeman, Olawale, & Solmirano, 2010):

- Estimated total world military expenditure in 2009 was \$1531 billion (at current prices).
- Spending increased by 5.9 per cent in real terms over 2008 and by 49 per cent compared to 2000.
- The USA’s real-terms increase of \$47 billion accounts for 54 per cent of the world increase.
- Spending increased in all regions and sub-regions except the Middle East.
- The region with fastest real-terms increase in 2009 was Asia and Oceania, at 8.9 per cent.
- The sub-region with fastest real-terms increase in 2009 was South Asia, at 10.9 per cent.
- The global financial crisis and economic recession have had little impact on world military expenditure.

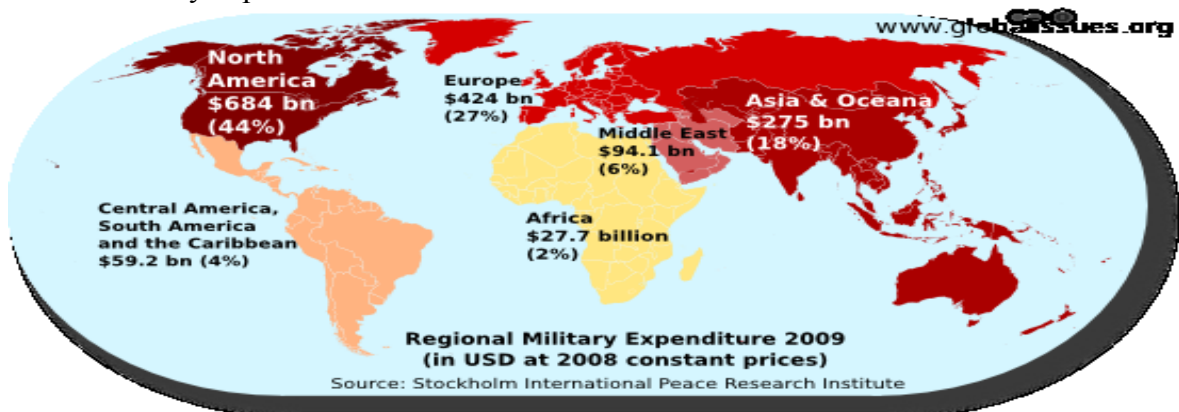


Table 2: Military spending is concentrated in North America, Europe, and Asia (Shah, 2010)

The quantity and types of weapons held by states directly affect on increasing of their military power. In some regions it is a source of tension with neighbouring states and beyond. Usually the analysis of arms trade, basically have the data from the period of the Cold War. Those figures are compared to the crucial events that are considered that had played an important role in the arms production and trafficking, such as the Fall of the Iron Curtain, the collapse of the USSR and Yugoslavia, the Gulf Wars of 1991 and 2003, terrorist acts in Europe since '90-ies and in U.S. in 2001, the war in Afghanistan and others.

During the Cold War, the U.S. sent arms to many countries and groups to oppose the expansion of communism and the interests of the Soviet Union. However, after the turbulent security changes, it contributed the same weapons to be used against the forces of countries that have delivered, as it happened in cases with: Iraq, Afghanistan, and others - i.e. countries that were/are subject of US or wider international intervention. Within Operation "Cyclone", as one of the longest and most expensive covert CIA operations ever undertaken. Brzezinski not long ago revealed that on July 3, 1979, unknown to the American public and Congress, President Jimmy Carter secretly authorised \$500million to create an international terrorist movement that would spread Islamic fundamentalism in Central Asia and "destabilise" the Soviet Union... (Friends of Liberty, 2002). With Saudi Arabia matching every dollar allocated by the CIA, the ISI soon found itself managing a huge flow of arms, ammunition, equipment and cash through a network of couriers that became known as the 'Afghan Pipeline'. Depending on whether the weapons were shipped by sea or air, the pipeline ran from Karachi or Rawalpindi to Afghanistan. From 1983 to 1987 the annual shipment of weaponry funnelled through it rose from 10,000 to a steady 65,000 tonnes (Hiro, 1995). Overall, the cost of the war for the sponsors of the Mujahedin turned out to be no less than \$5 billion a year (Halliday, 1996). Meanwhile, Edwin Wilson, who had gained his experience in the Middle East and Bangladesh, left the CIA in 1976. Wilson used his contacts to broker arms for various dictators, including Augusto Pinochet. Terpil contacted Wilson and together they set up an advisory board for Gaddafi. They supplied weapons and equipment, most of which they bought at knock-down prices in the oversupplied US market. Their margins were extremely high. In the late 1970s, for example, they sold US military equipment to Libya for \$900,000, which they had purchased for only \$60,000. The equipment was shipped using forged State Department export documents (Graduate Institute of International Studies, 2001). In the 1980s alone, tax court files on Wilson's dealings with Libya show that his business had generated a gross income of \$22.9 million. More than half this figure came from a contract to supply small arms to the Libyan Armed Forces (International Herald Tribune, 1983).

Thus, analysing the history of global security through level (status) of peace and security, arms trade and the recent effects of globalization, there is the paradoxical conclusion that the sovereignty and security of states were the most stable during the Cold War, especially during the strained 1960's. Between 1990 and 1998, total expenditures for military needs of countries were lower by about 30%, and nuclear arsenals were reduced to half of those in 1982. The number of wars in the world had not decreased. Instead of conflicts between states, there are often conflicts within states, while the military budgets of some countries, rather than to decrease, increased. Insignificant increase in 1998 until now could be an anomaly in post-Cold War decline, or it may mean that the reduction in the mid-1990s was a deviation from the overall trend of the increase observed after 1945. Also, in the last decade of the 20th century, 30% the conflict ended with peace agreements - more than in any other decade since the second half of the century (International academy of Peace, 2000, op.cit.). In the form of indirect confrontation inside the parental blocks, there were the exceptions when the big superpowers confronted the smaller states or

indirect confrontation of the Great Powers by smaller countries inside their block, ended in bloody conflicts and continued tensions.

It could be contradictory the explanation that the increased number of crisis spots in recent decades has increased the need for arms. Always in history there were a number of crisis areas, but the need for weapons remained the same, except during the world wars. Despite the application of the concept of "balance of powers" by the powerful countries in the past, however with the advent of peace in a region, war, conflict and violence dislocated to another.

Sales of weapons are directly linked with economic development. Information for the period 2000 - 2007 on sales of arms displayed on the table below:

	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL 2002-2009
United States	15,953	17,463	14,822	14,336	17,307	25,722	38,065	22,610	166,278
Russia	6,918	5,198	9,593	9,203	15,945	11,180	5,528	10,400	73,965
France	741	3,385	3,393	6,622	8,352	2,109	3,173	7,400	35,175
United Kingdom	988	3,626	4,913	3,255	4,556	10,336	205	1,500	29,380
China	494	725	1,170	3,255	1,627	2,531	2,150	1,700	13,652
Germany	1,359	846	4,679	2,245	1,736	2,004	3,173	3,700	19,742
Italy	494	725	468	1,684	1,302	1,371	3,787	2,700	12,531
All Other European	5,559	2,659	6,317	8,530	6,400	5,590	4,197	4,500	43,752
All Others	2,594	2,297	3,861	2,020	3,688	2,426	2,559	3,000	22,445
TOTAL	35,101	36,924	49,216	51,148	60,912	63,271	62,838	57,510	416,919
Dollar inflation index:(2009=1)*	0.8095	0.8273	0.8548	0.891	0.9219	0.9481	0.9769	1	

Source: U.S. Government

* Based on Department of Defence Price Deflator

** In millions of constant 2009 U.S. dollars

Table 3: Arms Transfer Agreements with the World, by Supplier, 2002-2009 (Grimmett, 2011)

At the top, as it is shown in Table no. 3, five countries that receive most of the sales of weapons are the five permanent members of Security Council of the United Nations. They are responsible for 80% of the registered (legal) export of conventional weapons. The position of these countries in the international community allows them to stay up in the race for power and prestige in the world. Their status give them the position and the right to use the veto as an organizational instrument in achieving some of the national interests that often are associated with the sale of weapons and domination in international relations.

The membership in security, political and economic unions allows to member states to reach the increased profits and dispersion of their interests in the many regions worldwide. It is used often as a tactic measure to strengths and cushioning the negative effects of globalization. Also, it allows to countries to act against national and wider security challenges with using the common capacities. It is impressive that the annual arms sales in recent years following the war in Iraq in 2003 rose to about 55-65 billion dollars. This can be explained by the mass purchase of weapons by new NATO members, as a need for standardization with NATO norms. The table shows that five of the top seven countries - the largest arms exporters, are the core of NATO actually. The category of "other European countries" largely refers to members of the Alliance and they have three time larger production then China. Other arguments that explain the price of demands, i.e. price of produced weapons, is explained by the fact that the price continuously increases with the introduction of sophisticated technology in the production and acquisition of additional military equipment (weapons and equipment to fight in special circumstances, military technological solutions, various accessories, etc.) which gradually became part of the basic versions of conventional weapons. The numerous participation of the countries of the developed world in the NATO and Anti-terrorism coalition (after 2001), increased the

demands for weapons, but also and devices for adaptation and modernization of weapons under the field conditions in countries that are subject of intervention.

In terms of countries - manufacturers of weapons can be concluded that the countries that went through a period of transition and/or participated in the regional conflicts, such as the countries of former Yugoslavia and the Soviet Union, in certain moments in the last two decades were economically weakened that caused the weakening or disintegration of their capacity to produce weapons. Also, some of their national capacities permanently lost the pace with military technology of developed countries and disappeared from the list of world arms' manufacturers. Their traditional markets in a certain period extinguished or they were permanently filled by other countries which produce the weapons. Russia as a dominant successor to the Soviet military industry in the last three years slowly returns on traditional markets and expand new ones. It is due to the huge inflow of funds generated from the export of Russian oil and gas (which directly impact on strengthening the Russian economy and investing in new military technologies) and the way of conducting the security and foreign policy.

Rank	Recipient	Agreements Value 2006-2009
1.	Saudi Arabia	29,500
2.	India	17,100
3.	U.A.E.	14,200
4.	Venezuela	11,300
5.	Pakistan	8,900
6.	Brazil	8,200
7.	Iraq	7,200
8.	South Korea	6,800
9.	Algeria	6,800
10.	Egypt	6,600

*Source: U.S. Government

**Notes: All data are rounded to the nearest \$100 million. Where rounded data totals are the same, the rank order is maintained.

***In millions of current U.S. dollars

Table 4: Arms Transfer Agreements with Developing Nations, 2002-2009: Agreements by the Leading Recipients (Grimmett, 2011)

The countries of third world and crisis regions are a frequent destination for developed countries to sell weapons. In a lack of domestic and traditional markets for military equipment and because of poor economic development, most of the countries often buy or receive donations of used arms from developed countries. The weapons came from countries that recently became part of or are on track to become members of NATO. It is their way to became free of excess, arbitrary and outmoded weaponry.

Often the arms sale and their delivery to certain countries by the major producers or directly from their governments violate the human right and freedoms. Thus, there are many cases when the final destinations are the countries and state officials with dubious democracy. But it is irrelevant for manufacturers and distributors of weapons. Good cooperation between arms corporations and governments, especially in the powerful states who possess highly developed military technology, often results with arms sales' agreements. In Africa for example, Hartung and Moix due to the continuing legacies of its Cold War policies toward Africa, they explain that the U.S. bears some responsibility for the cycles of violence and economic problems plaguing the continent. Throughout the Cold War (1950-1989), the U.S. delivered over \$1.5 billion worth of weaponry to Africa. Many of the top U.S. arms clients – Liberia, Somalia, the Sudan, and Zaire (now the Democratic

Republic of the Congo or DRC) – have turned out to be the top basket cases of the 1990s in terms of violence, instability, and economic collapse (Hartung & Moix, 2000). Even it could be taken as a good explanation; main purpose of those agreements is an achievement of certain strategic goals that are part of the geopolitical and geostrategic combinations

A decree signed by Russian President banned the supply of battle tanks, armoured vehicles, large-calibre artillery systems, warplanes, military helicopters, ships, and missiles – including S-300 air defence systems – to Iran as part of measures to bring Russia into compliance with tough sanctions agreed by the UN Security Council in June. Iran has purchased more than \$5 billion in Russian weaponry over the past decade, including Tor-M1 short-range anti-aircraft missiles, warplanes, submarines, and armoured vehicles (Weir, 2010). Even Russia decided to respect the UN Resolution and Iran filed suit against the Russian Federation with the International Court of Arbitration in Paris on the end of August 2011 (hoping to either force Moscow to sell the Russian military hardware to Tehran after all or pay reparations), it will find some appropriate way how to execute the arms orders. Continuity in the delivery of Russian arms and huge profits are stronger than UN resolutions. In the first moment when the tensions between the U.S. and Iran will be reduced, related to nuclear program, Russia will use the opportunity to deliver the arms.

In quoting a major international body, six basis points harshly criticizing the practices and impacts of the arms industry are listed below (Smith, 1994):

1. That the armament firms have been active in fomenting war scares and in persuading their countries to adopt warlike policies and to increase their armaments.
2. That armament firms have attempted to bribe government officials, both at home and abroad.
3. That armament firms have disseminated false reports concerning the military and naval programs of various countries, in order to stimulate armament expenditure.
4. That armament firms have sought to influence public opinion through the control of newspapers in their own and foreign countries.
5. That armament firms have organized international armament rings through which the armament race has been accentuated by playing off one country against another.
6. That armament firms have organized international armament trusts which have increased the price of armaments sold to governments.

According to research results for the procurement of weapons, we can conclude the following:

- a) Developing countries remain focused on buying weapons from the industrialized countries, i.e. Great Powers. But they make remarkable efforts and activities for development of domestic production, mostly by paying the licensing of military-technological solutions from developed countries. In a smaller part it is result of their own development and technology partnership for joint production of arms by bringing together the human and technological capacities. Depending on the economic development of certain countries and needs to deal with threats to national security, in the future could be occurred that certain countries will develop largely their own technology for producing the weapons;
- b) The biggest buyers are the countries of Asia, Near East and Central America as a result of regional impacts of political ideologies and the continuing tensions in the environment. Some of these countries want to flatter the U.S., but some of them are enough powerful economically (especially the countries of the Middle East, so by purchasing weapons from the U.S. they just reinforce their partnership);
- c) The production of weapons does not change the role as one of the most important branch for the development of the economies of countries in the developed world.

This industry continues to be the basis for joint profit between companies and state authorities, also as an instrument for implantation of national security strategies. Justification for the production of weapons and the creation of markets for its spending, are not the new concepts. Companies which produce weapons in developed countries, as contributors to the national exports, are lobbying for more aid from state officials in the acquisition of new customers. The need for assistance from the state, they explain it with the opportunity to disappear from the international market. For the state it means the loss of geopolitical zones of interest and closure of a large number of jobs. The inclusion of the state in protecting of this commercial category is explained by the fact that part of the assigned (specialized) industry or military industry, is under a protective cap of the state. The subjects of the military, i.e. specialized industry are often state property or privately owned with substantial participation of the state capital. If the state participates in the private equity firm, it should have representatives in the management board. So unless representation of state security interests, participation allows to state to be part of economic policies of firms. In some countries, although the firms are fully owned by private companies, because of the big profits, the managers of these firms often act as sponsors of election and other activities of political parties.

Much of world trade does not lend itself to corruption. A more relevant comparison would be with a group of trades that do. Roeber wrote that US State Department gave him a list of five most corrupted international trades. These are, apart from arms, infrastructure or civil engineering projects, telecommunications, energy and civil aviation. (Ipsa facto illegal trades like sex and drugs do not qualify.) When he looked at it, that group accounted for about 10 per cent of world trade of which arms, defence equipment and services account for about 5 per cent. Simple maths tells us that arms are indeed the most corrupt of all legal trades (Roeber, 2005). For reciprocity, when parties govern the state, the same military companies that sponsored their political campaigns would have priority during the tender's selection processes. These kinds of conditions are obvious indicator that the corruption is largely present in the business of arms; and

- d) For some countries for which oil and gas are their main export products, the last increases of their price made the advantages related to their economic power. That economic and resource movements directly affected on the supply of weapons, while countries that are importers of oil are in positions to delay their decisions or to be restrictive in procurement of new weapons. In the near future, same developments could be expected by major importers of gold and water.

Arms trade in some regions of the world is out of control. It is due to the inability to record the import of weapons, import of used weapons from third countries as a result of the agreements between the state authorities, re-export of arms to countries where there is a ban on imports by the Security Council of UN, misrepresentation of the quantities of imported and exported weapons and more. The lack of mechanisms for effective control of arms trade allows involved subjects in this business to profit permanently. Their profits are often associated with corruption scandals.

3. Dilemmas and recommendations to better control the arms trade

The fight against illegal trafficking in weapons is based on control and monitoring of arms production and their distribution to end users. Even there are many convictions and

plans to reduce the weapons as a part of international community's policies, the answer of the question "Why international community allows tolerate increasing arms sales?" is still not clear. As most appropriate explanations for this phenomenon could be the following:

- International attention is focused on control of weapons of mass destruction, while trade of conventional weapons continues to operate in a legal and moral vacuum of national and international institutions;
- More and more countries begin to produce small arms, with their modest production's facilities that are directly depending on their opportunities and customers;
- There is inefficient control of the weapons in most of the states. A lack of control is explained with unsubstantiated answers or lack of an effective legal system, and
- A key weakness is the lack of control of arms merchants, licensed manufacturers and end users of weapons, i.e. their interaction with the high circles of power, a strong lobby within the international organizations or poor control of the competent institutions involved in the chain of trafficking in weapons.

Stakeholders in the chain of arms trade are involved in illegal business of arms trafficking. They are continuously driven by the interests of achieving high profits. It makes them tolerant of disrespect and there is a lack of law enforcement by the international community bodies concerned to arms trade issues. Due to these reasons, the stated sales and number of manufactured arms are difficult to detect. This is illustrated by the facts of the actions carried out by official national authorities that capture many pieces of arms during the actions of fight against crime and special activities for finding illegal weapons. They implies to presence of the large amounts of weapons, equipment and ammunition among criminal groups and ordinary citizens in current and former crisis regions.

States within the international organizations should actively contribute to strengthening the development of international legal instruments to control the arms trade. Within the cooperation, despite the diplomatic and administrative activities (Control and Licensing), states should develop capabilities to detect the weapons that are present or transit through them. States should mutually help each other and share experiences in the field of disarmament and arms control.

Globalisation has brought a higher level of technological development. However, because of sophisticated equipment and required space for producing the weapons, the situation still do not allow the mass production in makeshift conditions. It makes difficult the path of criminals to obtain it. Change of this trend is a matter of time. Due to the fact that this status will not hold long time, the international community should intensify the efforts to monitor the arms trade and to push the authorities in countries of the major manufacturers to fully report produced weapons. Also, the manufacturers should work on providing the highest level of protection of technologies for production of weapons. The base of operations against illegal arms trafficking involves an increase in detection efficiency, improvement of technical equipment, building experts' networks, information exchange and cooperation with regional and international partners.

Conclusion

The effects of globalization in the last few decades grown up and they had significant influence in political, economic, security, cultural, confessional and other conditions in the world. They made the civilization to be more connected, closer and more transparent for the majority of humanity. Globalization, seen through the prism of the EU

and NATO, in some parts of the world contributed to increasing and securing the peace. This tendency of collective processes, and new challenges emerged internationally in several areas such as: information technology, trade, transportation, social life and more. All this contributed to the emergence of new security challenges on the world scene in accordance with modern trends.

In these conditions, the arms trade has developed a standard procedure for creating profits. The developed and rich countries are always present in the crisis regions and they have great impact (direct and indirect) on the institutions that have huge profits in the arms market. On the other hand, production and trafficking of arms became an important element for the development of the economies of countries in the developed world. Increased number of demands for weapons is mainly aimed at overseas, i.e. the crisis regions which are attractive for the sale of modern and sophisticated weapons. This trend implies the desire for development and investments in military industry as a primary goal and sustainable business within arms race.

Strengthening ties between the countries within international organizations should help to better arms control and for consistent application of principles of international law. However, it is difficult to answer the question "How much is possible the control of production and arms trade in circumstances where there are just few entities that create relations in international politics?" U.S. and some of the countries from EU and BRICS Initiative remain largest producers and consumers of weapons. U.S. allies will need a lot of time to seize some parts of the profits. There a lot of chances to become realistic the expectations that the BRICS initiative would largely disturb the world unipolarism and elitism. Leadership on the arms market will be directed from the arms price, national resources and needs, and new moments in international relations.

For all UN members apply the same rules and restrictions, but still the Great Powers are trying to be privileged. Also they are using their power, influence and position within international organization in term to achieve goals of arms trade and national interests.

Трговина оружјем-између глобализације, сигурносних стратегија, конфликта и профита

Резиме:

Да капитал окреће свет, потврђено је и у безбедносној сфери. И поред тога шта је регулисана разним споразумима, легална трговина конвенционалним оружјем у оквиру међународне заједнице још увек крије тајне које у својој суштини имају профит и остваривање националних интереса великих сила и мултинационалних компанија, које су директно укључене у ову активност. Дакле, профит је постао приоритет у доношењу одлука повезаних са војном индустријом и продајом оружја. У комбинацији са интересом политичких елита и државних интереса, трговина оружјем одржава континуитет превазилажења политичких средстава који су интегрални део међународних институција за одржавање стабилности, мира, принципа поштовања људских права и демократије.

Земље у кризним регионима, као крајни корисници услуга развијених земаља - лидера у производњи оружја, представљају најчешћу циљну групу која нуди могућности за политички и економски престиж у безбедносном простору. Понекад власти појединих земаља, у трци за наоружањем као начином за повећањем властите војне моћи, чак и у одсуству директних оружаних сукоба, утичу на слабљење животног стандарда својих грађана. На тај начин, региони, којима неке од ових држава припадају, постају мање популарни за инвестиције и економски развој.

У раду је дато објашњење о повезаности профита са трговином оружјем, глобализацијом и сукобима. Рад се ослања на званичне изворе о трговини оружјем у свету у последње две деценије.

Кључне речи: профит, глобализација, безбедност, индустрија, оружје, сукоб и криза.

Bibliography

- Beerckens, H.J.J.G. (2004). *Global Opportunities and Institutional Embeddedness*. Higher Education Consortia in Europe and Southeast Asia. Enschede, Netherlands: CHEPS/UT.
- Eriksson, M. & Wallensteen, P. (2004). Armed Conflict, 1989-2003. *Journal of Peace Research*, 41(5), 625-636.
- Fearon, J.D. & Laitin, D.D. (2004). Neotrusteeship and the problem of weak states. *International security*, 28(4), 5-43.
- Friend of Liberty. (2002). *The CIA's "Operation Cyclone" - Stirring the Hornet's Nest of Islamic Unrest* (Analysis and Forum, October 27, 2002). Retrieved January 19, 2012, from <http://www.sianews.com/modules.php?name=News&file=article&sid=271&mode=&order=0&thold=0>
- Graduate Institute of International Studies. (2001). *Small Arms Survey*. Oxford: Oxford University Press.
- Grimmett, R.F. (2010). *Conventional Arms Transfers to Developing Nations, 2002-2009* (Congressional Research Service, 7-5700, R41403, September 10, 2010). Retrieved June 15, 2011, from <http://www.fas.org/sgp/crs/weapons/R41403.pdf>
- Halliday, F. (1996). The Un-Great Game: the Country that Lost the Cold War, Afghanistan. *New Republic*, from March 25, 1996. Washington DC, USA.
- Hartung, W.D., & Moix, B. (January 2000). *Deadly Legacy: U.S. Arms to Africa and the Congo War* (Report "Weapons at War" of Research Project). New York, USA: World Policy Institute. Retrieved January 12, 2012, from <http://www.worldpolicy.org/projects/arms/reports/congo.htm#table2>
- Hiro, D. (1995, November 21). *Fallout from the Afghan Jihad*. Rome, Italy: Inter Press Services.
- Hoogvelt, A. (1997). *Globalization and the Postcolonial World*. Baltimore, USA: The Johns Hopkins University Press.
- International academy of Peace. (2000). *From Reaction to Prevention: Opportunities for the United Nations System in the New Millennium* (Report of the Conference of international politics, 13-14 April 2000). New York, USA: International academy of Peace.
- International Herald Tribune. (1983, July 30). New York, USA.
- Kaldor, M. (1999). *New and Old Wars: Organized Violence in a Global Era*. Cambridge: Polity.
- Lederach, J.P. (1995). *Building Peace: Sustainable Reconciliation in Divided Societies*. Washington, DC: United States Institute of Peace Press.
- Mearsheimer, J.J. (2002). *Tragedy of Great Power Politics*. New York, USA: W.W. Norton.
- Perlo-Freeman, S., Olawale, I. & Solmirano, C. (2010). Military expenditure (chapter 5). In Stockholm International Peace Research Institute (SIPRI), *SIPRI 2010 Year Book: Armaments, Disarmament and International Security*. Stockholm, Sweden: SIPRI.

Retrieved June 15, 2011, from <http://www.sipri.org/yearbook/2010/files/SIPRIYB201005-AB.pdf>

RIA Novosti. (2011, June 30). *French arms sales to Libya in breach of UN resolution - Lavrov*. Retrieved January 30, 2012, from <http://en.rian.ru/world/20110630/164934759.html>

Roeber, J. (2005). *Parallel Markets: Corruption in the International Arms Trade*. Goodwin paper #3. London, UK: Campaign Against Arms Trade.

Scott, P. (1998). Massification, Internationalization and Globalization. In P. Scott (Ed.), *The Globalization of Higher Education* (pp.108-129). Buckingham, UK: SRHE/Open University Press.

Shah, A. (2010). *World Military Spending*. Retrieved June 15, 2011, from <http://www.globalissues.org/article/75/world-military-spending>

Smith, J.W. (1994). *The World's Wasted Wealth II*. Cambria, California, USA: Institute for Economic Democracy.

Taliaferro, J.W. (2000/2001). Security-Seeking Under Anarchy: Defensive Realism Reconsidered. *International Security*, 25 (3), Winter issue, 152-186.

Tshuy, T. (1997). *Ethnic Conflict and Religion: Challenge to the Churches*. Geneva, Switzerland: World Council of Churches.

Weir, F. (2010, September 23). *Why Russia is cutting off major arms sales to Iran*. Boston, USA: The Christian Science Monitor. Retrieved January 14, 2012, from <http://www.csmonitor.com/World/Europe/2010/0923/Why-Russia-is-cutting-off-major-arms-sales-to-Iran>