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## **Submission from the Campaign Against Arms Trade to the Defence Committee's inquiry on the Strategic Defence and Security Review**

1. The Campaign Against Arms Trade (CAAT) in the UK works to end the international arms trade. Around 80% of CAAT's funding comes from individual supporters.
2. The Strategic Defence and Security Review (SDSR) and your Committee's inquiry into it are welcome. This response to the latter is broadly the same as CAAT's to the SDSR itself, as well as to the Public Administration Committee's inquiry into UK grand strategy, which shares much common ground.
3. However, with the SDSR itself, it has been difficult to discover even practical details such as where to send submissions and by what date. This is totally at variance with CAAT's experience with other Government and parliamentary consultations, including those of your own Committee, where such details are readily available on a website and are often sent or emailed to potentially interested parties. It seems even more odd when the Coalition government has been soliciting suggestions online from the general public on a variety of issues.
4. CAAT hopes that this does not mean that the SDSR will not consider all submissions seriously. It is vital that visions of a secure future achieved without using a military approach are not discounted.

### **What is security?**

5. Nearly everyone would agree that a priority of any government is to keep the people safe. In 2008, in its "National Security Strategy of the United Kingdom", the Government described the challenges to this, the "drivers of insecurity", as: Challenges to the rules-based international system; Climate change; Competition for energy; Poverty, inequality and poor governance; and Global trends (economy, technology and demography).
6. Today, two decades after the end of the Cold War, there is a considerable measure of agreement that a conventional military threat to the UK itself from another nation state or a coalition of them is extremely unlikely. The recent engagements by the UK's armed forces have resulted from choices made by UK governments to support United States' actions, rather than as a result of any genuine threat to the UK. The current

threats to physical security within the UK are more likely to come from UK citizens with grievances in relation to actions by the Government or others.

7. Despite the 2008 National Security Strategy and its 2009 update discussing a broader interpretation of security, to date, the debate on the SDSR has focussed very firmly on military spending. This mirrors the current allocation of resources and needs to change markedly if the "drivers of insecurity" are to be properly addressed. A rather small, but welcome, discussion, particularly by military figures, has questioned the necessity for particular items of equipment, such as new aircraft, ships and Trident replacement, but even here the alternative is seen in terms of equipment for the wars being fought, rather than more radical non-military alternatives.
8. The arms companies, however, have not been reluctant to exploit new security concerns. The European Union's Security Research Programme is fostering the growth of a "homeland security" industry in Europe and many of the familiar arms companies are setting its research agenda, proposing technical "solutions" to problems, sometimes with very questionable implications for, for instance, civil liberties.
9. The wider security challenges could be seen a great opportunity. Tackling them could not only lead to a more secure peace, but also a more sustainable economy.

### **Keeping the status quo**

10. The long time-spans of military equipment projects; a reluctance to discount any threat, however unlikely it is to materialise, as to do so might appear politically weak; and the remnants of the equation of military power with importance in the world have combined to leave the UK committed to heavy expenditure on large items of military equipment.
11. Pressure to maintain the status quo is also reinforced by the very close relationship between the arms companies and the Government. This gives the former immense influence over Government decision-making. The relationship is sustained through the use of lobbying companies, sponsorship and donations, and public-private partnerships. More importantly, the Government's arms export promotion unit, UK Trade & Investment Defence & Security Organisation (UKTI DSO); the "revolving door" whereby Ministry of Defence (MoD) ministers and officials move to work with arms companies; and joint Government-industry bodies all contribute to an unhealthy closeness.
12. This can be illustrated by looking at the career for Sir Kevin Tebbit. He was the MoD's Permanent Secretary from 1998 until November 2005. Retiring, he joined the Board of Finmeccanica UK, owner of helicopter manufacturer AgustaWestland, just months later in June 2006. He is now the company's Chair and is also Chair of the Defence Advisory Group of UKTI DSO, as well as sitting on the National Defence Industries Council, a forum for consultation between senior Government ministers and officials and industry.
13. However, it is not the career of one specific individual that proves a barrier to new thinking. Rather it is the cumulative effect of the many movements between the public service and industry which predisposes decision-making towards solutions that involve spending on military equipment, rather than on non-military alternatives.

14. Such effective lobbying by military industry, with a priority to maintain shareholder profits, can also exploit the understandable fear of arms industry workers (and their trade unions, local authorities and Members of Parliament) for their jobs.

### **Selling arms makes the UK less secure**

15. The same lobbying has made successive governments into arms sellers, promoting the wares of the military manufacturers. This is currently co-ordinated through UKTI DSO. Within UKTI as a whole, there are about 160 staff dedicated to promoting arms sales, more than those providing specific support to all other sectors of industry put together.
16. National security is the Government's main official argument for supporting arms sales. The premise is that military exports can guarantee the supply of arms for the UK armed forces by keeping production lines open in the UK. However, the arms companies that are supposed to provide the guarantee of supply are international businesses, with production taking place across the globe. All significant MoD purchases include many overseas components and sub-systems. It is entirely unrealistic to expect these companies and their international shareholders to prioritise any one country's armed forces over those of other markets.
17. The Government also speaks of the assistance given by military exports to reducing industry's fixed overhead costs and thus lowering the cost of equipment bought by the MoD. This, however, ignores the subsidy and support given to arms exports. The total subsidy is difficult to calculate, but even the Ministry of Defence, in its 2005 Defence Industrial Strategy, admitted: "Arguments for supporting defence exports in terms of wider economic costs and benefits e.g. the balance of payments, are sometimes also advanced. A group of independent and MoD economists (M Chalmers, N Davies, K Hartley and C Wilkinson - *The Economic Costs and Benefits of UK Defence Exports*. York University Centre for Defence Economics, 2001) examined these, by considering the implications of a 50% reduction in UK defence exports. They concluded that the 'economic costs of reducing defence exports are relatively small and largely one off...as a consequence the balance of argument about defence exports should depend mainly on non-economic considerations.'"
18. The argument that exports assist "defence diplomacy" and with the building of "bi-lateral defence relationships" is also advanced by the Government. That this assists national security is far from self-evident; that it enforces the military mindset and assists the arms companies is undeniable.
19. While Government speaks of strict arms export controls, its policy and practice is to promote arms sales with little or no regard for the damage they might cause or the wider implications of supplying them. Many countries where major conflicts are taking place are recipients of UK arms. Governments which abuse human rights and authoritarian regimes rank among the UK's most important markets. Development concerns appear irrelevant as long as a country is willing to pay for weaponry. The addiction to arms sales renders the export control procedures almost meaningless.
20. This means that, far from enhancing UK security, arms sales can have a negative impact on it. As well as the dangers of the actual use of equipment supplied, such exports also carry a message of acceptance and support for the purchasing government and they can ameliorate the impact of any criticism of that might

otherwise be occasioned. They can also impede efforts to tackle problems such as corruption.

21. The most obvious example of this is Saudi Arabia. Although on the Foreign and Commonwealth Office's list of countries of human rights concern, criticism of the oppression of women, homosexuals or overseas workers is tempered by the desire to sell weapons to the oil-rich Saudi royal family. In 2006 the UK government stopped the Serious Fraud Office inquiry into BAE Systems' weapons sales to Saudi Arabia, ostensibly for reasons of national security, but in reality to secure a deal to export Eurofighter Typhoons.
22. Such two-faced dealings with Saudi Arabia have not gone unnoticed. A Fatwa issued by Osama bin Laden in 1996, entitled "Declaration of War against the Americans Occupying the Land of the Two Holy Places", cites corruption in Saudi Arabia and arms purchases by the Saudi government as major justifications for his call for a Jihad not only against the United States, but also against the Saudi Royal family as well.
23. Disillusionment with the toadying to repressive regimes will have been observed by others and may have prompted violence within the UK, as well as general cynicism about those who preach democratic values. The failure of successive governments to impose an embargo on military exports to, imports from and all collaboration with Israel is another cause of anger and resentment in large sections of the community. Most will protest peacefully, or seethe inwardly, but a few may be prompted to take violent action themselves.
24. Poverty was identified as a "driver of insecurity". Arms sales to India, including the £700million Hawk deal signed during Prime Minister David Cameron's visit to that country in July 2010, will contribute to the regional arms race in South Asia, risk global security and are likely to undermine government-community relationships with UK citizens of Pakistani origin. Importantly, they also use resources desperately needed to tackle poverty in a country where the United Nations Development Programme defines over half the population as poor.
25. Arms manufacture itself is being exported. The number of UK jobs said to be supported by the Hawk deal is just 200. The Indian deals, however, have assisted the establishment of an indigenous industry there. This is part of a growing trend, a dangerous one from a proliferation perspective as more and more countries are able to produce high-tech weaponry.
26. The UK is also open to the charge of hypocrisy by continuing to possess nuclear weapons while calling on other states, such as Iran, not to develop them. To renew Trident would compound this and lessen the chances of other states forgoing such weaponry. Such potential proliferation threatens UK and global security.
27. If the concept of security is widened to include those places where the UK's armed forces have been engaged in recent decades, it should be noted that Argentina was being feted as a major customer of UK arms almost to the moment the two countries went to war in 1982, and that Saddam Hussein's military was a welcome guest at arms fairs in the UK during his war with Iran and prior to his invasion of Kuwait in 1990.

28. The growing use by governments and others of Private Military and Security Companies (PMSCs), as "corporate mercenaries" are now politely called, also has implications for security. Since the activities of PMSCs have resulted in the killing of civilians and in human rights violations, rightly causing much anger in the countries concerned, the previous Government's April 2010 proposals for self-regulation of the industry are totally inadequate. As a minimum to tackle the problems, PMSCs need to be prohibited from combat and all other PMSC services should be open to individual licensing requirements and open to prior parliamentary and public scrutiny.
29. UK governments have chosen to allocate taxpayers' money to support arms exports and production, rather than to tackling the real threats to security. It is money that could have been used instead to develop, for example, the renewable energy sector and helped to tackle climate change. In 2008 UK government-funded research and development (R&D) for renewables was around £66million, compared to over £2,500million for arms.

### **Support that cannot be justified**

30. With this in mind, it is no surprise that military exports are controversial. An opinion poll conducted by BMRB in December 2004 showed over half the sample believed that the Government's arms sales unit (then the Defence Export Services Organisation) should be closed, while under 16% supported its work. Sales to Israel, especially when it was pounding Lebanon and Gaza, and to Indonesia under Suharto have promoted especially vociferous protest. The UK Graduate Careers Survey 2008, as reported in *The Times* 9th April 2008, said that working for the Ministry of Defence and arms companies topped the list of employers rejected on moral grounds.
31. The number of jobs supported by the arms industry is rather fewer than is generally believed - many people are surprised when given the actual figures. In 2007/8, the latest year for which Defence Analytical Services and Advice employment statistics are available, the 65,000 jobs supported by arms exports accounted for 0.2% of the UK workforce and less than 2% of manufacturing employment. A further 150,000 workers were employed producing equipment for the UK armed forces, but even the military industry total of 215,000 jobs makes up less than 0.7% of the UK workforce and around 7% of manufacturing jobs. Military exports account for just 1.5% of all exports, with 40% of the content for these being imported.
32. Although accurate figures are difficult to obtain, the arms industry is an unexceptional sector by any normal economic indicator. Additionally, arms exports and the arms companies in general receive support from the taxpayer that is far beyond that available to comparable civil sectors. It is this support that provides the arms companies with their R&D resources and ability to attract skilled workers.
33. Military exports undoubtedly bring commercial benefit to arms companies and their shareholders, but, to the best of CAAT's knowledge, there is no evidence from economists independent of the arms industry that suggests military exports are important to the UK economy.

### **Proposals**

34. A fundamental change of approach needs to take place if the security of the UK and the globe is to be enhanced. CAAT hopes the outcome of the SDSR will be a real change to a positive security policy which would allow meaningful arms control to take place; improve international stability and UK national security as a result of a radical cut in UK arms exports and the end of UK military adventurism; and allow resources to be invested to address the "drivers of insecurity".
35. The UK, one of the major players, could take the lead in withdrawing from the destructive international arms trade. As a first step, UKTI DSO should be shut, without transferring its functions elsewhere, and export credit support for military projects withdrawn. Allied to this, the UK's arms export criteria must be interpreted to ensure that the UK does not licence exports to regions of conflict, repressive regimes or where they threaten the meeting of social needs. It is vital that the UK does not support and strengthen the ruling elites while ignoring the poor and vulnerable.
36. At the same time, the UK should move away from buying equipment designed to address scenarios that are extremely unlikely to happen. Indeed, by seeing problems as military ones requiring a military solution, the UK is more likely to become engaged in wars. The UK government could lead a global rethink on arms procurement, starting by cancelling the purchase of the Eurofighter Typhoon, the aircraft carriers and other "white elephant" projects. Trident should not be renewed, and the disarmament obligations of the Nuclear Non-Proliferation Treaty endorsed and acted on.
37. Resources should be transferred from supporting the arms companies to addressing climate change, widely acknowledged as the biggest threat to human security. A rapid expansion of renewable energy R&D and production is necessary, and this requires public investment that will, in turn, draw in skilled engineers.
38. Arms industry workers have skills that are needed to meet these new challenges. BAE Systems likes to portray itself as a major provider of high-tech jobs, but these jobs are dependent on R&D funding from the tax-payer. If the money changed sector the jobs would follow. Resources could be targeted at those geographical locations which might be disproportionately affected during the changes, as clearly these areas would have workers with the skills to undertake alternative engineering projects.
39. Tackling climate change rather than producing arms would win almost universal support and leave the UK and the world a more secure place for future generations. Rising to this challenge may also increase the number of young people attracted to scientific or engineering careers when these are seen as making a positive contribution to society rather increasing its ability to destroy.

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