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Submission from the Campaign Against Arms Trade to the Foreign Affairs Committee's inquiry into Global Security: non-proliferation

1. The Campaign Against Arms Trade (CAAT) is working for the reduction and ultimate abolition of the international arms trade, together with progressive demilitarisation within arms-producing countries.
2. CAAT welcomes the amendment of the terms of reference for this inquiry to include conventional weapons. This submission will focus on the export of these, in particular, the contradiction between the Government's policies on national security, which it says are grounded in human rights and democracy, and its promotion of arms exports; and on the proposed Arms Trade Treaty (ATT).

National security and military export promotion

3. The Guiding principles of the National Security Strategy (NSS) start by saying: "Our approach to national security is clearly grounded in a set of core values. These include human rights, the rule of law, legitimate and accountable government, justice, freedom, tolerance and opportunity for all ... we will promote them consistently in our foreign policy." CAAT supports these principles, but disputes whether the Government really adheres to them.
4. Whilst climate change is almost certainly the greatest threat to UK and global security, it barely registers when resources are allocated to "security". Instead, the Government sees security in military terms and continues to look for military solutions. The arms companies, obviously, encourage this approach and, through their lobbying and links with Government, make themselves seemingly indispensable. This close relationship between the Government and military industry, leads, in turn, to the former putting aside the principles of the NSS to promote the latter's sales.
5. This leaves the UK open to the charge of hypocrisy, a matter of great concern since many of those who have committed acts of violence against UK citizens say they are motivated by injustice perpetrated with the assistance of western powers.

Saudi Arabia

6. The UK government's support for BAE Systems' arms sales to Saudi Arabia has been well-documented. These sales are currently co-ordinated by the Ministry of Defence Saudi Armed Forces Project within the Ministry of Defence (MoD). It has 200 employees in the UK and Saudi Arabia - these are UK civil servants and military personnel whose salaries are paid for by the Saudi Arabian government. The Export Credits Guarantee Department underwrites the sales. The liability for the UK taxpayer at 31st March 2008 was £750million.
7. The promotion of the sales over several decades, and the financial and practical support given to them by successive UK governments, has given succour to the undemocratic government of Saudi Arabia. This has a human rights record which makes it a "country of concern" for the Foreign and Commonwealth Office (FCO). It treats women as second-class citizens and its immigrant workers appallingly.
8. Far from giving the UK influence in Saudi Arabia, in 2006 the UK government put BAE's desire to sell Eurofighter Typhoon aircraft before all else, enabling the Saudi authorities to successfully halt the Serious Fraud Office investigation into corruption allegations by threatening to withdraw security co-operation. If the UK government had really taken the threat to national security seriously, surely it beggars belief that it should have allowed, let alone continued to press for and support, the sale of the planes.

Israel

9. Despite the frequent use of arms against Palestinian civilians, the UK government continues to licence the export of military equipment to Israel, both directly and via the United States as components to be incorporated in US supplied weaponry. Even during the 2006 war with Lebanon, no embargo was imposed.
10. In July 2002, the Government even changed its own policy to allow the export of components for F-16 fighters being made by the US company Lockheed Martin and sold to Israel. A new "Factor" was added to the arms export criteria, justified by the then Foreign Secretary Jack Straw who said: "The Government has judged that the UK's security and defence relationship with the US is fundamental to the UK's national security ... Defence collaboration with the US is also key to maintaining a strong defence industrial capacity." In other words, the commercial relationship between BAE and US companies such as Lockheed Martin was judged more important than the arms export criteria as they stood and the lives of Palestinian people.

India and Pakistan

11. The conflict between India and Pakistan makes South Asia one of the most volatile regions of the world, yet the UK supplies weapons and weapon parts to both. The £800million contract for 66 BAE Systems Hawk Jets was signed in 2004 after no fewer than 17 visits to the country by Prime Minister Tony Blair and other UK ministers. Although the Hawks were sold as training aircraft, they are also advertised as 'multi-role', in that they can be used effectively in ground attacks and as "a combat aircraft should an operational scenario present itself."
12. Pakistan has not been one of the UK's most important arms export markets, but there have been some significant deals. In 2002, when India and Pakistan were on the brink

of war, it was discovered that Alenia Marconi Systems, then half owned by BAE, was training elite Pakistani pilots and fighter operations controllers in the use of integrated electronic warfare at a specialist training college in Wales. Additionally, between 1999 and 2002, Marconi Super Skyranger radars were fitted into Pakistan's fighter jets.

UKTI

13. In April 2008, UK Trade & Investment's Defence and Security Organisation (UKTI DSO) assumed responsibility for the promotion of military exports from the MoD's Defence Export Services Organisation which closed. UKTI is responsible both to the FCO and the Department for Business, Enterprise and Regulatory Reform.
14. UKTI gives disproportionate support to military exports. Such exports make up about 1.5% of total UK exports with arms export employment accounting for 0.2% of the UK workforce and just 2% of manufacturing employment. Before the establishment of UKTI DSO, UKTI's industry-specific trade promotion was undertaken by the Sectors Group, with a total of 129 staff covering all industries. UKTI DSO has a staff of 170.
15. Arms fairs are large-scale arms proliferation events where buyers and sellers of any country can meet and arrange deals. UKTI DSO organises the UK presence at them. For example, in November 2008 it did so with regards to the International Defence Exhibition and Seminar in Pakistan which was billed as showcasing "a wide variety of technology, ranging from equipment used in third world countries to the most sophisticated systems from the West."

No economic justification

16. In common with many other sectors of the economy, there is no longer any identifiable UK arms industry. Military industry is internationalised with most equipment containing components and sub-systems from a variety of companies, which typically may have their headquarters in one country, but subsidiaries in several others. Sales, too, are global with, for example, Thales and General Dynamics being major suppliers to the UK Ministry of Defence, whilst BAE Systems sells more to the US than it does to the UK government.
17. UKTI addresses this lack of recognisably UK businesses by saying that: "To qualify for UKTI trade services the business should be able to demonstrate that it has an active UK trading address. This includes both UK-based business investing, or looking to invest, overseas and foreign-owned businesses based in the UK. There is no policy with regard to foreign content, we are looking at overall benefit to the UK economy."
18. With the arms export sector, there is no such benefit. Military industry is extremely heavily subsidised, especially through export credits and research and development spending. Even the Ministry of Defence, in its 2005 Defence Industrial Strategy, admits: "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."

Opportunities missed

19. Military exports undoubtedly bring commercial benefit to arms companies and their shareholders. This is not, however, the same as benefiting the UK economy as a whole and the subsidy skews the economy towards arms production. In turn, this potentially damages other sectors that might be more efficient and innovative. There is also the question of the business opportunities that are lost because of conflicts that are supported materially by UK arms exports or politically by the legitimisation they lend.
20. The money saved by reducing or ending the UK arms trade could be invested in other industries such as renewable energy and transport, which would create new, highly skilled jobs. This would mean that the principles of the Government's NSS would be complemented by a "low carbon" economic policy that would enhance international and UK security rather than undermined by a military export promotion policy which increases instability.

Arms Trade Treaty

21. CAAT supports the idea of an ATT in principle, but questions whether it will be effective, at least in so far as major conventional and high-technology equipment is concerned. The ATT could strengthen the hands of governments trying to prevent the circulation of small arms, and CAAT would warmly welcome this, but it is clear that the deals the companies find most lucrative, such as those to Saudi Arabia, Israel, India and Pakistan, would continue unabated.
22. The FCO itself stresses that the proposed ATT is "not a disarmament treaty but an export control treaty" aimed at stopping weapons reaching "the hands of terrorists, insurgents and human rights abusers". The ATT is supported by the arms industry; unsurprisingly, since the FCO says it: "will be good for business, both manufacturing and export sales."
23. The FCO has told CAAT that the ATT will not prevent any UK sales. This was reinforced by the Defence Manufacturers Association's *DMA News*, January 2006, which said the DMA believes "the eventual Treaty would not bring new obligations for UK industry." It seems that sales to FCO countries of concern, such as Saudi Arabia, would continue unabated.
24. As envisaged by the UK government, the ATT would not provide adequate constraints and could well serve simply to legitimise arms sales. CAAT is concerned that its support for the ATT allows the Government to the impression it is taking action, whilst it continues to support the arms companies in their deadly business.

Recommendations

25. Active promotion of arms around the world is the last thing that any responsible, pragmatic and forward-thinking government, concerned for its citizens' security, should be doing. The UK government should close down UKTI DSO without transferring its functions elsewhere.
26. The UK government should match its words with actions with regards to the NSS's Guiding principles. Respect for human rights and robust anti-corruption measures must not be subordinated to the desire of global arms companies to make profits for their shareholders.
27. There is no such thing as a responsible arms trade. The UK government must acknowledge that an ATT will be worthwhile only if it stops arms sales, from the UK as well as elsewhere, to areas of conflict and to human rights violators.

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