Submission from the Campaign Against Arms Trade to the Foreign Affairs Committee's inquiry into the FCO's human rights work 2011

1. The Campaign Against Arms Trade (CAAT) in the UK works to end the international arms trade, which has a devastating impact on human rights and security, and damages economic development. CAAT believes that large scale military procurement and arms exports only reinforce a militaristic approach to international problems. Established in 1974, CAAT receives around 80% of its funding from its individual supporters.

Commercial interests or economic benefits to the UK?

2. The Committee's invitation to make submissions talks of the "relationship" between the human rights work of the Foreign and Commonwealth Office (FCO) and the "emphasis which the Government is placing on the promotion of UK economic and commercial interests in UK foreign policy".

3. The UK's economic interests are not necessarily the same as the commercial interests of companies either based, or employing individuals, in the UK and the two should not be conflated. Companies aim to maximise the profits of their shareholders and the consequences for their employees or the UK economy as a whole being subsidiary to this.. Sometimes the interests may coincide, but this is not universally true and certainly not in the case of companies involved in military equipment production or projects.

4. Even the Ministry of Defence (MoD) has questioned the economic benefits of military exports. In its Defence Industrial Strategy (December 2005) the MoD says: "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.”
5. There is no reason to suspect that the situation has changed since 2005 and others have been even more sceptical about the economic benefits from exporting arms, including Alan Beattie, International Economy Editor of the Financial Times who wrote on 10th August 2010: "You can have as many arms export jobs as you are prepared to waste public money subsidising." Certainly, Government support for the arms trade commands resources that could used to support other industries, yet the Government prioritises military production and exports.

6. This means that the choice is often between commercial interests and the UK's economic interests, rather than between these two and the promotion of human rights.

**Government support for arms sales**

7. Arms exports have received Government support and backing for decades and since 1966 there has been a dedicated department helping sell military equipment overseas. This Government arms sales unit is now located within UK Trade & Investment. There are about 160 staff in UKTI's Defence and Security Organisation (UKTI DSO) dedicated to promoting military exports, more than those providing specific support to all other sectors of industry put together. This is despite arms being only 1.5% of total UK exports, and the fact that even then, 40% of their components are imported.

8. UKTI DSO liaises with the companies they are selling the arms for, builds relationships with overseas governments and military officials, arranges political assistance for arms deals, ensure that members of the UK armed forces are on hand to help the companies' sales efforts, and assists with arms fairs.

9. At least until February 2011, the Coalition Government was a particularly enthusiastic supporter of military sales with Peter Luff MP, Minister for Defence Equipment, Support and Technology telling the Royal Aeronautical Society Corporate Partners Briefing, on 29th November 2010: "... Ministers are proud to support the biggest exports drive we have seen in decades."

10. Recent events in North Africa and the Middle East have, at least, somewhat tempered the rhetoric. Foreign Office Minister Lord Howell of Guildford said: "Perhaps a year or two ago, many people in this House would have been happy with the number of licences going to Libya, but it turns out that a great many of these - I think 118 of them - have been revoked, and rightly so. All licences for weapons of any kind of concern for Libya have been revoked. ......we are applying the best possible filter and controls, possibly by world standards, that are available to ensure that weapons are not misused, or used for repression in horrible ways." (Hansard, 22.3.11, col 593)

**Libya**

11. The example of Libya shows exactly what can happen when the commercial interests of arms companies are put ahead of human rights concerns. The arms embargo on Libya was lifted in October 2004. This had nothing to do with any improvement in Libya's human rights record - pressure had been led by Italy which wanted agreements to limit the number of refugees crossing the Mediterranean. Libya was immediately seen as a major marketing opportunity. In June 2005 UKTI DSO's predecessor, the Defence Export Services Organisation (DESO) held a seminar on Libya as an emerging market. According to the Defence Manufacturers Association News in July 2005, Libya
was seen as "a relatively sophisticated customer with a political will to procure equipment from the UK". DESO opened an office in Tripoli in January 2006.

12. In May 2007 Prime Minister Tony Blair visited Libya. An Accord on a Defence Cooperation and Defence Industrial Partnership between the UK and Libya was signed. In addition, MBDA, in which BAE has a 37.5% stake, was awarded a £147million contract from Libya for anti-tank missiles and £122million for a related communications system while GDUK was given a deal worth £85million deal to supply the Libyan army with radios.

13. The support for exports continued. In a speech on 21st May 2009, Richard Paniguian, Head of UKTI DSO, said: "There have been high-level political interventions - often behind the scenes - in places like Libya, Oman, India and Algeria. The key here is consistent support over time, delivered at key points in a campaign. You'd expect us to deliver Whitehall support, and we are doing that." Libya was included in the list of UKTI DSO's priority markets for 2010/11 (Hansard, 28.6.10, col. 418-9W).

14. Trade was also facilitated by arms exhibitions. In September 2009 Libya was invited to the Defence Systems and Equipment international which is co-organised by UKTI DSO. The following month, UKTI DSO exhibited at the Libyan Aviation Exhibition (LAVEX) in Tripoli. The Libyan Airforce was amongst the organisers of LAVEX. In July 2010 Libya was represented at the Farnborough International Airshow and in November 2010 UKTI DSO was back in Tripoli exhibiting at the LibDex arms fair.

15. The Libyan authorities did not begin violating human rights in February 2011, but then the repression hit the headlines and the pressure for action built. In March 2011 an arms embargo was, once again, imposed on Libya and the bombing - to "protect" civilians - began.

"Countries of concern"

16. Libya is, unfortunately, far from unique in being a repressive regime and a recipient of UK arms. The Consolidated EU and National Arms Export Licensing Criteria and their similar predecessor criteria have been used as a basis for export licensing decisions since 1997 and these include human rights criteria against which export licence applications are measured. While this can sound impressive, in practice human rights considerations play an almost negligible role until potential embarrassment surfaces.

17. There are 26 counties listed in "Human Rights and Democracy" as being "Countries of Concern" and these are looked at in more detail below. While no licences are granted for military exports to some of the countries, others were the focus of UKTI DSO's export promotion efforts. The differences appear to be accounted for by several factors - whether the country will pay for the arms, if other providers have cornered the market, or if there are multi-lateral sanctions in place.

18. There were 17 countries on UKTI DSO's list of priority markets for arms sales in 2010/11 including, besides Libya, three other "Countries of Concern" - Iraq, Pakistan and Saudi Arabia. UKTI DSO also gave "a range of support on behalf of UK defence and security companies marketing defence and security goods and services" to another four "Countries of Concern" - China, Colombia, Democratic Republic of Congo and Vietnam. (Hansard, 17.2.11, col 977W).
19. The Democracy index listings refer to the Economist Intelligence Unit's "Democracy Index 2010" which reflected the situation in November 2010. Countries were ranked from 1 to 167, the higher the number, the worse the level of democracy.

20. **Afghanistan**  
   Value of arms export licences 2008-10 = £36.9 million including those for all-wheel drive vehicles with ballistic protection.  
   UKTI DSO support = No  
   Democracy index 150

21. **Belarus**  
   Value of arms export licences 2008-10 = £200,000  
   UKTI DSO support = No  
   Democracy index 130

22. **Burma**  
   Value of arms export licences 2008-10 = nil  
   UKTI DSO support = No  
   Democracy index 163

23. **Chad**  
   Value of arms export licences 2008-10 = £224,000  
   UKTI DSO support = No  
   Democracy index 166

24. **China**  
   Value of arms export licences 2008-10 = £3.6 million including those for components for air-to-air missiles, components for combat aircraft, components for frigates, military utility helicopters and components.  
   UKTI DSO support = Yes  
   Democracy index 136

25. **Colombia**  
   Value of arms export licences 2008-10 = £1.1 million including those for all-wheel drive vehicles with ballistic protection, components for military training aircraft.  
   UKTI DSO support = Yes  
   Democracy index 57

26. **Cuba**  
   Value of arms export licences 2008-10 = nil  
   UKTI DSO support = No  
   Democracy index 121

27. **Democratic People's Republic of Korea**  
   Value of arms export licences 2008-10 = nil  
   UKTI DSO support = No  
   Democracy index 167
28. **Democratic Republic of Congo**
   Value of arms export licences 2008-10 = £1.2million
   UKTI DSO support = Yes
   Democracy index 155

29. **Eritrea**
   Value of arms export licences 2008-10 = nil
   UKTI DSO support = No
   Democracy index 152

30. **Iran**
   Value of arms export licences 2008-10 = nil
   UKTI DSO support = No
   Democracy index 158

31. **Iraq**
   Value of arms export licences 2008-10 = £16.8million including those for all-wheel drive vehicles with ballistic protection, pyrotechnic hand grenades, smoke canisters, smoke hand grenades, stun grenades.
   UKTI DSO support = Yes and on list of UKTI DSO priority markets 2010-11.
   Democracy index 111

32. **Israel and the Occupied Palestinian Territories**
   Value of arms export licences 2008-10 = £28.1million including those for components for combat aircraft, components for military training aircraft, components for military support aircraft, components for tanks, all-wheel drive vehicles with ballistic protection, military utility vehicles, components for unmanned air vehicles, unfinished products for air-to-surface missiles, unfinished products for unmanned air vehicles, blank ammunition.
   UKTI DSO support = No
   Democracy index 37

33. **Libya**
   Value of arms export licences 2008-10 = £67.2million including those for anti-riot shields, components for sniper rifles, crowd control ammunition, gun silencers, inert smoke canisters, inert smoke hand grenades, inert stun grenades, inert thunderflashes, tear gas/irritant ammunition.
   UKTI DSO support = Yes and on list of UKTI DSO priority markets 2010-11.
   Democracy index 158

34. **Pakistan**
   Value of arms export licences 2008-10 = £46.4million including those for all-wheel drive vehicles with ballistic protection, armoured all-wheel drive vehicles, components for combat aircraft, components for combat helicopters, components for military surveillance aircraft, components for combat naval vessels, components for large calibre artillery, launching equipment for bombs, launching equipment for air-to-air missiles, smoke canisters, stun grenades, tear gas/irritant ammunition.
   UKTI DSO support = Yes and on list of UKTI DSO priority markets 2010-11.
   Democracy index 104
35. **Russia**  
Value of arms export licences 2008-10 = £43.2million including those for components for ballistic test equipment, components for frigates, military utility helicopters, technology for the production of surface-to-surface missiles.  
UKTI DSO support = No  
Democracy index 107

36. **Saudi Arabia**  
Value of arms export licences 2008-10 = £211.1million including those for combat aircraft, aircraft missile protection systems, all-wheel drive vehicles with ballistic protection, armoured personnel carriers, components for air-to-surface rockets, components for aircraft missile protection systems, fast attack craft, equipment for the use of large calibre artillery, components for bombs.  
UKTI DSO support = Yes and on list of UKTI DSO priority markets 2010-11.  
Democracy index 160

37. **Somalia**  
Value of arms export licences 2008-10 = £3million including those for all-wheel drive vehicles with ballistic protection, armoured all-wheel drive vehicle.  
UKTI DSO support = No  
Democracy index 130

38. **Sri Lanka**  
Value of arms export licences 2008-10 = £5.2million including those all-wheel drive vehicles with ballistic protection, components for military utility helicopters.  
UKTI DSO support = No  
Democracy index 55

39. **Sudan**  
Value of arms export licences 2008-10 = £254,000  
UKTI DSO support = No  
Democracy index 151

40. **Syria**  
Value of arms export licences 2008-10 = £65,000  
UKTI DSO support = No  
Democracy index 152

41. **Turkmenistan**  
Value of arms export licences 2008-10 = £56,000  
UKTI DSO support = No  
Democracy index 165

42. **Uzbekistan**  
Value of arms export licences 2008-10 = £3,000  
UKTI DSO support = No  
Democracy index 164

43. **Vietnam**
Value of arms export licences 2008-10 = £7.9million
UKTI DSO support = Yes
Democracy index 140

44. **Yemen**
Value of arms export licences 2008-10 = £562,000
UKTI DSO support = No
Democracy index 146 equal

45. **Zimbabwe**
Value of arms export licences 2008-10 = nil
UKTI DSO support = No
Democracy index 146 equal

46. It is sometimes argued that arms sales are part of a "defence diplomacy programme to strengthen British influence" (MoD Business Plan 2011-15). However, far from instilling democratic values on the recipient, the evidence suggests that, on the contrary, the seller will try to appease the buyer. A very striking example involving one of the "countries of concern" took place in December 2006 when the Serious Fraud Office investigation into BAE Systems-Saudi Arabia arms contracts was terminated. The relationship between BAE and Saudi Arabian princes, and the need to secure a Eurofighter Typhoon contract, was put before the "rule of law" and the UK's supposed championship of measures to end corruption.

47. The arms companies benefit from supplying arms to repressive regimes, and the regimes benefit from the support and legitimacy given to them by the governments supporting or licensing the sales. Others suffer directly when UK-supplied equipment is used against them by repressive regimes.

**Private Military and Security Companies**

48. CAAT would also like to comment on "corporate mercenaries", the Private Military and Security Companies (PMSCs). The UK private military sector has increased enormously following the invasions of Iraq and Afghanistan with personnel employed by PMSCs taking on many tasks previously undertaken by members of national armed forces. This growth has been accompanied by hundreds of allegations of human rights abuses committed by mercenaries. How to address this prompted nearly a decade of consultation by the Labour government.

49. CAAT was disappointed that, in September 2010, the Coalition government decided to take forward the Labour government's April 2009 proposals. Under these the Government has abdicated responsibility for regulating the industry to a trade association, A|D|S.

50. This is totally inadequate. The only sanction is that the UK government says it will itself only use companies which meet high standards. This does not, however, address the fact that overseas governments, mining companies, media organisations, aid agencies and others also have contracts with PMSCs - withholding UK government purchasing power is not a solution in these cases.
51. The UK government is also working towards the promotion of higher standards internationally. Desirable as this may be, it is no substitute for rigorous UK regulation.

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