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Reminder

A press conference
will be held at SIPRI
on 26 June at 10 a.m.

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SIPRI Yearbook 1997

Armaments, Disarmament and International Security

“The essential characteristics of the present strategic environment are often identified as uncertainty and change. . . . Since the threats which the security system was to meet in the past have changed fundamentally, consequently, the driving forces, dimensions, forms, procedures and mechanisms of operation of the process must change as well . . . In the bipolar system, the options were limited and non-great powers had to reconcile themselves with the existing state of affairs. In the multipolar world, small and medium-size states are gaining in significance.

. . . The process of shaping a new security system, initiated in the early 1990s, is taking place on many planes . . . If the regime of global and international security that is emerging as a result of trial-and-error processes and new experiences is to adhere to the declared democratic values—the rule of law, pluralistic democracy, respect for human rights and market economy—it cannot be based on the hegemony of one or several powers. Such a system should give expression to the interdependence of states, where mutual relations are governed by generally accepted principles of international law.”

From the Introduction

SIPRI Yearbook 1997
Armaments, Disarmament and International Security

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Security and conflicts

- Of the 27 major armed conflicts in 1996, only one—between India and Pakistan—was inter-state. All the others were internal conflicts.
- The current case of Albania continues a troubling trend, seen in Bosnia and Herzegovina and Zaire, towards deployment of non-UN peacekeeping operations in difficult cases—despite the fact that the United Nations, at great expense and effort, is itself becoming increasingly capable of conducting such missions.
- The new UN Secretary-General, Kofi Annan, appears ready to pursue UN reform vigorously, announcing in March 1997 a 'two-track' approach of immediate managerial changes and a plan for fundamental longer-term reforms by July.
- The new Israeli Government seemed intent on reviewing the basic understandings of the Middle East peace process in 1996, causing many Arab states to review their participation and to halt the normalization of relations with Israel.
- In the former USSR, 1996 started with open hostilities in two conflict zones, Chechnya and Tajikistan. Political dialogue brought peace settlements to Chechnya, the Trans-Dniester region and South Ossetia, but the conflicts in Nagorno-Karabakh and Abkhazia remained deadlocked.
- NATO–Russian relations became a key feature of European security in 1996. The transformation of the EU, the OSCE and other multilateral structures, the conclusion of the Intergovernmental Conference (IGC) in Amsterdam in June and decisions on NATO enlargement at the July Madrid Conference will shape an overlapping, multi-layered regional security system in Europe.

Military spending and armaments

- NATO military expenditure continued to decline in 1996. Spending in the USA alone fell by almost 5% in real terms over the previous year, and South-East Asia maintained its reputation as the region with the fastest growing defence expenditure in the world.
- Global military research and development expenditure is still declining, but Japan and South Korea continue to increase their military R&D activities, indicating that they see the development of independent arms industries as an end in itself.
- The previous decline in military production is beginning to level out, simultaneously with a continued concentration in the arms industry in most parts of the world, particularly in the United States.
- The SIPRI global trend-indicator value for deliveries of major conventional weapons in 1996 was \$23 billion. This is a very slight reduction from the level recorded for 1995. The USA accounted for 44% of the deliveries of major conventional weapons and Russia for 20%.

Non-proliferation, arms control and disarmament

- Although progress was made in 1996 in strengthening the global nuclear non-proliferation regime and in eliminating nuclear weapons in the USA and the former USSR, there were clear signs that the momentum behind further nuclear arms control was waning.
- The Chemical Weapons Convention entered into force on 29 April 1997; it has been ratified by the USA but not by Russia—the two major possessors of chemical weapons. The threat of the use of chemical weapons by terrorist or criminal organizations will continue to be a top security concern for many governments.
- As the issue of NATO enlargement evolved, Russia urged adaptation of the CFE Treaty and the OSCE Lisbon Summit set an ambitious agenda for future negotiations. The Agreement on Sub-Regional Arms Control signed at Florence in June 1996 provides for destruction of some 6000 pieces of conventional weaponry in the former Yugoslavia before November 1997. Although blatant discrepancies were found between declared reduction liabilities and actual stocks, 1750 heavy weapon items had been reduced by January 1997.

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Plus a glossary of terms and membership of multilateral organizations, tables, figures, maps, data appendices and extensive documentation

SUMMARIES from the SIPRI YEARBOOK 1997

1. Major armed conflicts

Margareta Sollenberg and Peter Wallensteen

In 1996, 27 major armed conflicts were waged in 24 locations around the world, compared with 30 major conflicts and 25 conflict locations in 1995. There is also a downward trend in the number of conflicts for the period 1989–96.

Few comprehensive peace agreements were reached and those which were concluded often ran into trouble regarding implementation. More significantly, the decline in the number of conflicts was mainly because they were inactive rather than because the incompatibility was resolved. This also explains why conflicts have reappeared in the statistics after a time of absence. One conflict which reappeared in the table for 1996 was the interstate conflict between India and Pakistan. All other conflicts were internal, and this was the first time an interstate conflict has been recorded since 1992.

• *Appendix 1A, by Margareta Sollenberg et al., gives data on the major armed conflicts of 1996.*

2. Armed conflict prevention, management and resolution

Trevor Findlay

1996 was notable for peace settlements in the Philippines, Sierra Leone and Guatemala, but progress was slow in for example the Middle East, Northern Ireland, and Bosnia and Herzegovina. Africa, especially Liberia, Sudan and the Great Lakes Region, and an arc of instability around the Russian periphery remained the most troubled regions and those most targeted by conflict prevention, management and resolution efforts.

The UN continued to be prominent in peace efforts although the Security Council was still reluctant to launch new initiatives, even in desperate situations like those of Burundi and Zaire. UN peacekeeping consequently continued its dramatic decline. With the remaining large-scale UN operations all due to end in 1997, the post-cold war era of large, multi-component missions, aimed in effect at nation-building, appeared to be over. The largest extant mission in 1996 was the NATO-led IFOR and its successor, SFOR, in Bosnia and Herzegovina. The UN's leadership crisis ended with the appointment of Kofi Annan as the new Secretary-General. By the end of 1996 the UN could look forward to less uncertainty, reform and improved financial health.

Regional organizations worldwide continued to struggle to create the capacity to deal with potential and actual conflicts in their own areas. Com-

petent subregional organizations are slowly emerging.

• *Appendix 2A, by Olga Hardardóttir, presents a table of multilateral peacekeeping operations in 1996.*

3. The Middle East peace process

Peter Jones

Despite 4 years of peacemaking, resolution of the Arab–Israeli conflict remained elusive in 1996. The new Israeli Government seemed intent on reviewing what many regarded as the basic understandings of the process on both the Palestinian and Syrian tracks. This caused many Arab states to review their participation in the process and to halt the normalization of relations with Israel. Meanwhile, Israel accused its interlocutors of failing to live up to their commitments, notably to restrain terrorist attacks against it.

Violent incidents occurred throughout 1996 on both sides, with tragic consequences for hundreds of people. As 1996 ended there was concern that the fragile process might not be able to take many more of the stresses and strains of the kind imposed on it in 1996. Although the process has been accompanied by bloodshed, increased violence is likely should it collapse completely.

4. Russia: conflicts and its security environment

Vladimir Baranovsky

The 1996 Russian presidential election was an important step towards consolidation of Russia's political system and enabled the governing élite to solidify its grasp on power. Boris Yeltsin's victory did not, however, end the struggle for power across Russia's political spectrum and between the federal and provincial administrations.

Hostilities in Chechnya ceased, although settlement of the enclave's political status was postponed until 2001. Russia's active mediation has fostered political dialogue between the conflicting parties in the Trans-Dniester region, Tajikistan and South Ossetia, but the conflicts in Nagorno-Karabakh and Abkhazia remain dead-locked.

There was a spectacular *rapprochement* between Russia and Belarus while Belarus was experiencing a significant shift away from democratic standards in domestic developments. In Russian–Ukrainian relations, both governments have avoided confrontation, although differences over the basing rights of the Russian Black Sea Fleet and the Ukrainian Navy in Sevastopol and other uncertainties persisted. The debate contin-

ued over the scope and pace of integration in the Commonwealth of Independent States (CIS), which is recognized by participants as a useful framework for multilateral discussions but has not achieved much in practice. Persisting disagreements between Russia and each of the Baltic states—Latvia, Estonia and Lithuania—over the demarcation of borders and the plight of the Russian-speaking minorities acquired a lower profile, but the Baltic states' desire to join NATO has produced concern on the part of Moscow.

5. Europe: in search of cooperative security

Adam Daniel Rotfeld

Three basic issues were on the European security agenda in 1996: the transformation and eastward enlargement of NATO and the EU; the transatlantic partnership, including the role of the USA in the security system taking shape in Europe and the European pillar of NATO; and establishing the conceptual framework of the Organization for Security and Co-operation in Europe (OSCE) model for European security for the 21st century. Some headway was made on these issues but no definitive agreements were reached.

No single organization—whether NATO, the EU, the OSCE or the Council of Europe—can handle the whole European security process. Although the need for a new type of pan-European system is repeatedly acknowledged in official documents, priority has, in practice, been given to the US concept of a new Atlantic community and to the enlargement of NATO and the EU. Instead of focusing on their structures and procedures, security-related organizations and institutions should be striving for greater cooperation.

• *Appendix 5A contains documents from the OSCE Lisbon Summit: the Lisbon Summit Declaration, the Lisbon Declaration on a Common and Comprehensive Security Model for the Twenty-First Century, A Framework for Arms Control, and the Document adopted by the States Parties to the CFE Treaty on the Scope and Parameters of the Process Commissioned in paragraph 19 of the Final Document of the First CFE Review Conference.*

6. Military expenditure

Paul George, Agnès Courades Allebeck and Evamaria Loose-Weintraub

NATO military spending continued to decline in 1996, led by a reduction of almost 5% in the USA over 1995. As NATO expenditure is the dominant component of overall world military expenditure, it is clear that the decline in aggregate global security expenditure noted in recent years was maintained in 1996.

The 3 dominant spenders in South-East Asia, Malaysia (an increase of more than 15%), Singapore (an increase of 7%) and Thailand (an increase of almost 23%) maintained the region's reputation as the fastest-growing defence spender in 1996. Despite the lack of comparable data for some important countries, there is no evidence that defence spending has declined in the Middle East since last year.

The levelling out of defence spending in South Asia appears to have continued in 1996. However, the lack of growth in official Indian defence spending in real terms distorts the overall picture. Military expenditure grew in real terms by some 2% in Pakistan and by a staggering 29% in Sri Lanka in the same period.

• *Appendices 6A and 6B contain tables of NATO and world military expenditure and appendix 6C explains the sources and methods for the data collection.*

7. Military research and development

Eric Arnett

Global military research and development (R&D) expenditure continues to decline. Total expenditure is now about \$49 billion, of which \$43 billion is accounted for by NATO. Most is going to combat aircraft and missile defences. A notable development in 1996 was the continuity in policy among the most important countries despite several elections and defence reviews. Japan and South Korea continue to increase their military R&D activities steadily. Their build-ups are explicable only if the development of an independent arms industry is desirable as an end in itself. In contrast, Taiwan is scaling down its military R&D activities now that arms exporters are willing to supply it overtly. The Indian Defence Ministry continues to plan for a major increase that would double its investment in military technology in 5 years, but for the third year the government has not been willing to allocate the planned funds.

Among the 5 declared nuclear weapon states, the USA and the UK are shifting strongly towards research on conventional weapons, China and Russia are retaining a nuclear emphasis without neglecting conventional systems entirely, and France occupies a position somewhere between.

8. Arms production

Elisabeth Sköns and Julian Cooper

The decline in the volume of arms production during most of the 1990s is currently levelling out in spite of the still substantial excess capacity in the main arms-producing countries. Instead, dominant developments in the global arms industry now include profound structural changes, commercialization and increased export efforts. The pace of consolidation in the US arms industry was extremely rapid in 1996 and early

1997. In Russia, a determined defence industrial policy is resulting in new corporate structures and a strong concentration in fewer and larger companies. In Europe, the restructuring process continues at a slower rate.

• *Appendix 8A, by Elisabeth Sköns, Renaud Bellais and the SIPRI Arms Industry Network, contains data on the 100 largest companies in the OECD and developing countries in 1995.*

9. The trade in major conventional weapons

Ian Anthony, Pieter D. Wezeman and Siemon T. Wezeman

The SIPRI global trend-indicator value of international transfers of major conventional weapons in 1996 was c. \$23 billion, in constant (1990) US dollars. This means that the volume of major conventional weapons delivered was unchanged from 1995. The USA remained the dominant exporter while, among the importers, the most prominent trend is the growing share of deliveries to North-East Asia. A survey of the potential arms procurement programmes of Central and East European countries suggests that there is little evidence that this subregion will emerge as an important market for major conventional weapons even if some of the countries become members of NATO. Similarly, a survey of Ukraine suggests that it has limited opportunities to establish itself as a major arms exporter.

In 1997 a group of government experts will evaluate the UN Register of Conventional Arms. A major issue will be how to include standardized reporting of equipment holdings and procurement through national production in the Register.

• *Appendices 9A and 9B, by Ian Anthony, Gerd Hagemeyer-Gaverus, Pieter D. Wezeman and Siemon T. Wezeman, provide data on the trade in major conventional weapons in 1996. Appendix 9C explains the sources and methods for the data collection.*

10. Multilateral military-related export control measures

Ian Anthony, Susanna Eckstein and Jean Pascal Zanders

In 1997 the multilateral regimes concerned with controlling exports of certain goods with potential military significance—the Australia Group, the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG) and the Wassenaar Arrangement—continued to increase their membership. The process of integrating former Warsaw Treaty Organization countries as well as some former developing countries into these regimes continued. The European Union export control system for dual-use goods is different from the other multilateral arrangements under discussion because the actions taken in

the EU and by its agencies are grounded in law. The activities of the Australia Group continued to be influenced by the existence of international disarmament treaties—the Chemical Weapons Convention and the Biological and Toxin Weapons Convention—and the activities of the NSG continued to be influenced by a treaty banning the transfer of nuclear weapons.

11. Nuclear arms control

Shannon Kile

In 1996 some progress was made in advancing the nuclear arms control agenda in addition to the completion of the Comprehensive Nuclear Test-Ban Treaty. In the USA and across the former USSR the large-scale dismantlement of strategic nuclear weapons and associated infrastructure proceeded ahead of the schedule set out in the START I Treaty. Within the framework of the treaty, Belarus and Ukraine fulfilled their pledges to withdraw to Russia the nuclear warheads based on their territories. International efforts to curb the spread of nuclear weapons received a boost when the Treaty of Pelindaba, establishing an African nuclear weapon-free zone, was opened for signature in Cairo.

There were also clear signs that the momentum behind further nuclear arms control measures was waning. The Russian Parliament appeared increasingly disinclined to ratify the START II Treaty, despite the US Senate's vote in favour of the treaty in January. US–Russian negotiations to clarify the application of the ABM Treaty to theatre missile defence systems continued to spark controversy, and bilateral talks on nuclear confidence-building and transparency measures remained in limbo. At the Conference on Disarmament, no progress was made towards a global ban on production of fissile material for military purposes.

• *Appendix 11A, by Robert S. Norris and William M. Arkin, contains tables of nuclear forces.*

12. The Comprehensive Nuclear Test-Ban Treaty

Eric Arnett

The Comprehensive Nuclear Test-Ban Treaty (CTBT) was completed and opened for signature in 1996. China's acceptance of the treaty marked a watershed in its arms control policy. By the end of 1996 the majority of states had signed it and only India had declared unconditionally that it would not. India's refusal to sign could prevent the treaty from achieving its full legal force, although the international norm against testing is universally accepted.

Although modernization of delivery systems has become more important than modernization of warheads, the CTBT has an important effect on both established arsenals and proliferation.

Appendix 12A gives the text of the CTBT and appendix 12B, by Ragnhild Ferm, provides data on nuclear explosions in 1945–96.

13. Chemical and biological weapon developments and arms control

Jean Pascal Zanders, Susanna Eckstein and John Hart

With the 65th ratification deposited, the Chemical Weapons Convention (CWC) entered into force on 29 April 1997. While the creation of the first global, verifiable disarmament regime is firmly on course, important issues need to be resolved. The domestic political, economic and other factors influencing a decision by the Russian Federation and the USA to ratify the CWC are complex. However, restrictions on chemical trade and effective implementation of the CWC may play the key role in convincing both states to ratify it. Verified destruction of chemical stockpiles, production facilities and old and abandoned chemical weapons will become a major political and technological challenge in the next few years. Chemical-weapon proliferation and the threat of CW use by terrorist or criminal organizations may be expected to remain a top security issue for many governments.

The Fourth Review Conference of the 1972 Biological and Toxin Weapons Convention (BTWC) endorsed the efforts to establish a Verification Protocol. Although the problems remain formidable, some encouraging signs emerged in 1996 that the BTWC might become a verifiable disarmament treaty early in the next century.

14. Conventional arms control

Zdzislaw Lachowski

1996 opened a new period of conventional arms control negotiation with the aim of adapting the CFE Treaty to the new security conditions and the prospective enlargement of NATO. Effective handling of subregional problems is critical for the overall success of arms control and peace efforts in the OSCE area. The Florence Agreement is a step towards establishing a military balance among former warring parties in the former Yugoslavia. However, as long as the former belligerents have not formulated their ultimate political goals, this will adversely affect implementation.

Outside Europe, conventional arms control is, for the most part, at an early stage. The problem of land-mines has acquired special importance because of the toll of civilian casualties. The success of efforts to achieve a global land-mine ban will depend largely on the stance taken by the main producers and exporters. The USA has taken some significant steps towards this goal, but its decision to sidestep the Ottawa Group in favour of the Conference on Disarmament has lessened the chances for rapid progress and

seems to shift the focus towards a phased approach. Russia has shown some interest in considering a step-by-step approach, but China still appears reluctant.

- *Appendix 14A by Zdzislaw Lachowski, on CSBMs in Europe, reviews the implementation of the Vienna Document 1994 during 1996 and on subregional developments.*

- *Appendix 14B contains the Final Document of the First Conference to Review the Operation of the CFE Treaty and the Concluding Act of the Negotiation on Personnel Strength, and the Agreement on Sub-Regional Arms Control (the Florence Agreement)*

Annexe A, by Ragnhild Ferm, summarizes the major multilateral and US–Russian (former Soviet) arms control agreements and lists the states parties as of 1 January 1997.

Annexe B, by Ragnhild Ferm, is a chronology of the major arms control and security-related events of 1996.
