

# PRESS RELEASE

**Embargo:** Not for release until 13 June 2001, 15.00 CET

## SIPRI Yearbook 2001

### Armaments, Disarmament and International Security

ISBN 0-19-924772-2  
c. 715 pages, £70.00

*'The new organizing principles of regional and global security are democracy, good governance and the rule of law. There are close relationships between globalization and international security, on the one hand, and democratization, human rights and respect for the rights of minorities, on the other. In the 21st century democracy should be seen not only as a form of government but also as a way towards the peaceful coexistence of nations. Today, the distribution of power is increasingly of a functional character: sovereign states delegate part of their power to global and regional institutions and organizations, part to the national sphere, and part to the sub-national level. Democratic governments, however stable, are not static: they are part of the process in which norms, tenets, procedures and institutions must be constantly reworked. Good governance and democracy, as the new organizing principles of global security, will promote the kind of relationship between states that takes account of divergent interests but eliminates the use of force as a means of settling conflicts of interests.'*

**From the Introduction**

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# HIGHLIGHTS from the SIPRI YEARBOOK 2001

## Security and conflicts

- There were 25 major armed conflicts in 2000, all but 2 of which were internal. This number represents a decrease from the 27 conflicts in 1999 and is lower than the average of more than 27 conflicts per year since the end of the cold war. Twelve of the conflicts caused over 1000 battle-related deaths in 2000. Africa and Asia continued to be the regions with the greatest number of conflicts. Most conflicts have lasted for seven years or more, and those that have ended recently have ended as the result of negotiation, not victory.
- 55 multilateral peace operations were under way in 2000, 18 of which were led by the United Nations. These figures illustrate the increasing number of regional and state actors involved in peacekeeping, peace-building and crisis-management efforts.
- The United Nations Mission in Ethiopia and Eritrea (UNMEE) was the only new UN peacekeeping operation launched in 2000. UNMEE marked the first time the Multinational Stand-by High Readiness Brigade (SHIRBRIG), based in Denmark, was deployed.
- The most comprehensive review of UN peacekeeping yet undertaken was the August 2000 Report of the Panel on United Nations Peace Operations, the Brahimi Report. The report has set in motion an extensive debate between UN member states from North and South on peacekeeping reforms. It has helped spur European efforts to improve capacity for crisis-management and peace operations. The EU made significant strides towards an autonomous capacity with the establishment of military and non-military headline goals and structures for crisis management.
- Conflict prevention has been given priority in the UN, G8, EU and OSCE forums. UN Secretary-General Kofi Annan commissioned a special report on prevention to be presented to the UN Security Council in 2001.
- Three parallel processes in 2000 determined the transatlantic relationship: the process of the emergence of Europe as a new power; the new dimensions in relations between the EU and the USA within NATO as another significant factor in the new security environment; and the interlinking of vital interests of democratic states which enable Europe to consolidate a community of democracies.

## Military spending and armaments

- World military expenditures has been rising again since 1998, when it was at the lowest level of the post-cold war period. Total world military expenditure in 2000 amounted to about \$798 billion, in current dollars.
- The steepest rises in military spending since 1998 were in Africa and South Asia. The largest volume increases were in Russia and the USA.
- World arms production continues to be characterized by concentration and internationalization.

- Global arms transfers fell by 26% from 1999 to 2000, although they have remained at a relatively stable level since 1995, with the USA accounting for almost 50% of the total, followed by Russia, France, the UK and Germany.
- The members of the European Union would together rank as the second largest arms supplier, taking into account only the transfers to non-EU members.
- The strong arms-supplier position of the USA is complemented by its attempts to influence the arms export behaviour of other countries in support of US policies.
- Of the 15 leading arms recipients in the period 1996–2000 Israel, India, Pakistan and Turkey were involved in conflict in 2000.

### **Non-proliferation, arms control and disarmament**

- The controversy over the USA's plans for a limited missile defence system and the future of the ABM Treaty took on an increasingly important international political dimension.
- There was interest in both Russia and the USA in the idea of reducing their strategic nuclear forces outside the framework of 'traditional' arms control treaties, perhaps in the form of unilateral measures.
- The 2000 Review Conference of the Non-Proliferation Treaty (NPT) ended with the adoption by consensus of a Final Declaration setting out a number of concrete nuclear disarmament goals.
- In 2000 the verification regime of the Chemical Weapons Convention was expanded to include new types of facilities. However, the financial shortfalls of the Organisation for the Prohibition of Chemical Weapons (OPCW) threaten the continued conduct of inspections.
- The four states which possess chemical weapons are now destroying them, but it is feared that Russia and the USA will not meet the destruction deadlines.
- The negotiation of a protocol to the Biological and Toxin Weapons Convention reached a critical stage in 2000, but it is increasingly unlikely that a document will be agreed by December 2001.
- European arms control is undergoing a significant evolution, turning from 'hard', inter-state frameworks towards 'soft', (sub)regional arrangements. They address 'bad-weather' domestic contingencies and are increasingly being combined with other 'soft' security measures.
- The European Union members expanded their export control laws to include new principles and wider coverage. For the first time the EU member states are obliged to restrict exports of any item used for military purposes when exported to destinations subject to an arms embargo.
- Six EU member states—France, Germany, Italy, Spain, Sweden and the UK—took a step towards creating a common market in arms and military technology. These countries are discussing extending this common market to include the United States and Canada through bilateral negotiations.

# **SIPRI Yearbook 2001**

## **Armaments, Disarmament and International Security**

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*Plus a glossary of terms and membership of multilateral organizations, tables, figures, maps, data appendices and extensive documentation as well as a detailed account of the conflicts in 2000*

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# SUMMARIES from the SIPRI YEARBOOK 2001

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## 1. Major armed conflicts

**Taylor B. Seybolt**

The only interstate major armed conflicts in 2000 were between Eritrea and Ethiopia and between India and Pakistan in Kashmir. All the other conflicts in 2000 were intra-state (internal). However, most intra-state conflicts do not remain confined within the borders of a single country. Of the 14 intra-state conflicts examined, 10 spilled over into neighbouring states. Three of the four remaining countries in conflict are island states, where spillover must overcome a natural barrier. Virtually all the conflicts studied elicited the direct political, economic or military involvement of other states and multinational organizations.

Transnational characteristics such as the outflow of refugees, the illicit trade in natural resources and weapons, and the transit across borders of rebel and government forces tended to sustain conflicts and destabilize neighbouring states. The illicit trade in natural resources coming from zones of conflict was a transnational phenomenon that received considerable political attention in 2000. 'Conflict diamonds' were the subject of three United Nations special investigations and at least two inter-governmental conferences. Oil, gold and other minerals, timber, coffee and illegal drugs provided groups and governments engaged in conflict with an impetus to continue to fight and with the financial means to do so in 7 of the 14 countries investigated.

The major armed conflicts of 2000 revealed a diverse set of antagonistic groups, variously driven by political ambitions, economic motives, ideology and fear. The ultimate objective of all the groups was to secure control over governmental power or territory. In addition, in several cases, individuals within the groups and their outside supporters were motivated by personal greed. Communal identity, in the form of ethnicity or religious belief, was a common enabling mechanism—a tool used by leaders to define and motivate a group. It did not appear to be a cause of violence by itself.

Most ongoing conflicts have proved difficult to end, with the majority having lasted for seven years or more. In contrast to the findings of historical studies, when major armed conflicts have subsided or ended in recent years this has been the result of negotiation, not victory. Three conflicts active in 1999 and one in 2000 resulted in negotiated settlement. No conflicts in this period ended

through outright victory. It appears that the parties involved are not militarily strong enough to prevail by force.

Most of the conflicts reviewed are difficult to resolve. Contemporary rebel movements tend to break apart into factions, all sides have access to income and weapons, the fighting takes place in remote locations, and the belligerents perceive their vital interests to be at stake. Peace is difficult to achieve when combatants have the will and capacity to continue to fight.

The human costs of violent conflict, in terms of the number of people killed and driven from their homes, remained high in 2000.

• *Appendix 1A, by Margareta Sollenberg and Peter Wallensteen, presents data on the patterns of major armed conflicts in the period 1990–2000.* In 2000, there were 25 major armed conflicts in 23 locations. Both the number of major armed conflicts and the number of conflict locations in 2000 were lower than in 1999, when there were 27 major armed conflicts in 25 locations. Africa and Asia continued to be the regions with the greatest number of conflicts. Worldwide, there were approximately equal numbers of contests for control of government and for territory.

In the 11-year post-cold war period 1990–2000 there were 56 different major armed conflicts in 44 different locations. The number of conflicts in 2000 was below the average of more than 27 per year since the end of the cold war. The highest number of conflicts for the period 1990–2000 was recorded in 1990–93, when the yearly number of major armed conflicts ranged between 30 and 33. The lowest number of conflicts was recorded in 1996 and 1997, when there were 23 and 19, respectively.

All but three of the major armed conflicts registered for 1990–2000 were internal; that is, the issue concerned control over the government or territory of one state. The three interstate conflicts in this period were Iraq versus Kuwait, India versus Pakistan and Eritrea versus Ethiopia. Other states contributed regular troops to one side or the other in 14 of the internal conflicts.

• *Appendix 1B explains the definitions, sources and methods for the data collection presented in appendix 1A.*

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## 2. Armed conflict prevention, management and resolution

**Renata Dwan**

Prevention, management and resolution efforts are, in large part, directed at conflicts within states. The fact that so few of these conflicts remain contained within national borders is one of the principal motivations for external engagement by international organizations, states and non-state actors. The human and other costs of intra-state conflicts and their resistance to swift resolution are other considerations. Yet the patchy success record of international actors raises questions as to the suitability of current patterns of international conflict management. The norms and tools of the international community are undergoing review and adaptation: whether reforms are moving in the right direction and fast enough to enable improvement remains to be seen.

The overarching change in the international normative environment is the growing assertion that individuals and human rights lie at the heart of the international system. State sovereignty, in this perspective, is not an absolute but conditional on the manifestation of responsibility towards the population in question. This responsibility incorporates a comprehensive conception of rights, a set of positive rather than negative propositions. Moreover, with it comes an acknowledgement of non-state actors and the active role they can and should play in international politics. This normative shift was manifested in 2000 in successive United Nations Security Council resolutions, the naming of sanctions-breaking states in Security Council reports, and attention to the linkage between economics—particularly the trade in diamonds—and conflicts, within which engagement with private business has been significant.

Expansion and consolidation, rather than initiation, characterized international conflict prevention, management and resolution efforts in 2000. The failure of the two major peace agreements of 1999, in the Democratic Republic of the Congo and Sierra Leone, forced increased UN and regional engagement and the expansion of the UN peace operations established in the two states. The large civilian administration operations launched in East Timor and Kosovo in 2000 proved intensely challenging throughout the year. An internationally negotiated peace agreement brought the war between Eritrea and Ethiopia to an end and paved the way for the only new UN peacekeeping operation of 2000. North and South Korea set in motion their own peace process with a historic summit meeting in June, while US-led efforts to conclude a final settlement in the Middle East collapsed in violence in September. Externally facilitated peace

processes in Burundi and Somalia concluded in formal agreements, in the case of Somalia enabling government to be re-established for the first time since 1991. The long-running conflicts in Colombia and Sri Lanka moved closer to international mediation. The increasing engagement of external actors in intra- and interstate conflicts was reflected in the launch of comprehensive UN peacekeeping reform and the continued development of diverse regional organizations' crisis-management capacities. Conflict prevention and post-conflict peace-building gained new prominence on the international agenda.

- *Appendix 2A, by Thomas Papworth, presents data on the 55 multilateral observer, peacekeeping, peace-building, and combined peacekeeping and peace-enforcement missions which were initiated, ongoing or terminated in 2000.*

- *Appendix 2B, by Will Reno, presents an account of the war and the failure of peacekeeping in Sierra Leone. On 2 May 2000 members of the Revolutionary United Front (RUF) detained and disarmed a Zambian battalion of the UN Mission in Sierra Leone (UNAMSIL) that had been sent to break the siege of Kenyan peacekeepers in Makeni. This incident effectively spelled the end of the Lomé Peace Agreement between the Government of Sierra Leone and the RUF, signed on 7 July 1999 after over eight years of war. Since then, all parties have returned to battle. In August 2000 the UN Secretary-General recommended increasing UNAMSIL's strength from 7500 to 20 500 troops. The UK unilaterally sent warships and a commando battalion to Sierra Leone. Diplomats in other states put Charles Taylor, President of neighbouring Liberia, under pressure for allegedly aiding RUF forces. These developments highlight the extent to which Sierra Leone's war has become part of a regional conflict.*

- *Appendix 2C, by Paul Lalor, presents an account of the Palestinian–Israeli peace process in 2000. The year 2000 ended in violence with Israel and the Palestinians further apart than at any time since 1993. However, some progress was made in the course of the year. Of crucial importance is the fact that the issue of Jerusalem has been opened up for negotiation. There were also signs of some movement on the issue of Palestinian refugees and the right of return but, in the short term at least, the future looks bleak.*

It is difficult to see how Israeli Prime Minister Ariel Sharon can live up to his pledge to bring peace with security to Israel given his current public position. He is offering the Palestinians much less than Ehud Barak, whose proposals they turned down. The Palestinian position has hardened as a result of the bloodshed of recent months, and after

Sharon's victory the Palestinian leadership on the ground called for an escalation of the intifada.

As for the longer term, there is widespread recognition that there is no alternative to a peace process in the Middle East. The Palestinians need to reach an agreement with the Israelis to secure their state, and Israel needs the Palestinians if there is to be an end to the Arab–Israeli conflict.

### 3. Europe: an emerging power

**Adam Daniel Rotfeld**

Decisions taken in 2000 imparted a new quality to the process of shaping the European identity in matters of defence and security. Within the European Union (EU), these were the decisions on the common European Security and Defence Policy (ESDP) and those taken at the European Council meetings, under the Portuguese presidency in Santa Maria da Feira in June and under the French presidency in Nice in December.

The provisions of an operational nature that were agreed commonly within the existing institutions as well as those made by individual states were sustained by a serious political debate on a future European security system. In 2000 that debate comprised three elements: (a) the further transformation of the multilateral security structures and their accommodation to the new politico-military situation, including decision making; (b) the recognition of the need to enlarge the EU, extend it to the east and south of Europe, and forge mutual relations with NATO, particularly with the USA, in the domain of security and defence; and (c) Europe's response to the conflict situations on the periphery of Europe—in the Balkans and the Caucasus.

A decade after the end of the cold war and the fall of the bipolar system, the EU faces the challenge of determining its role in the security sphere. This calls for both deeper institutionalization of its relationship with NATO and redefinition of its relations with the USA. The decisions adopted in 2000 by the Nice European Council meeting effectively undid the political division of Europe established at Yalta.

Two factors are of key importance for Europe's security in the military field: the US presence in Europe and its commitment to the defence of the European continent; and the place and role of the North Atlantic alliance. Both assume cooperation and relations of partnership with other security-related institutions, within the EU (the ESDP) and within the Organization for Security and Co-operation in Europe (OSCE). Because of the nature of the organizations, the EU and the OSCE are irreplaceable in conflict prevention, crisis man-

agement and resolution, including peacemaking and peacekeeping missions. Their significance becomes more critical in promoting democratic change, market reform and the rule of law. At the same time, however, they cannot substitute in the foreseeable future for either NATO's infrastructure or its military capabilities.

The broadly conceived transatlantic relationship covers three parallel processes: the emergence of Europe as a quasi-power; the shaping of a new type of relationship between the EU and the USA within NATO as one of the significant factors in the new security environment; and the firm anchoring of democratic values and interlinking of vital interests which have enabled Europe to become a community of democracies. However, nothing is predetermined: the European participants need to go beyond their national particular interests in shaping their common future. An enlarged, integrated and self-assured Europe is becoming a significant actor in the search for a common security strategy. The initial steps on the road from the community of values towards a more balanced transatlantic security partnership have already been taken.

• *Appendix 3A contains documents on European security: the Nice European Council Meeting Presidency Conclusions, and the NATO Report on Options for Confidence and Security Building Measures (CSBMs), Verification, Non-proliferation, Arms Control and Disarmament of December 2000.*

### 4. Military expenditure and arms production

**Elisabeth Sköns, Evamaria Loose-Weintraub, Wuyi Omitoogun, Petter Stålenheim and Reinhilde Weidacher**

World military expenditure reached the lowest point of the post-cold war period in 1998. Since then it has increased by 5% in real terms. In 2000 it amounted to roughly \$798 billion, in current dollars, a world average of around \$130 per capita. As a share of world gross domestic product (GDP), military expenditure accounted for 2.5% in 2000.

A decade after the end of the cold war the decline in world military spending is changing into growth. It is a paradox that, in spite of an improved security environment in large parts of the world, since 1998 military expenditure has been rising in all regions.

The increase in world military expenditure between 1998 and 2000 reflects (a) large increases in the USA and Russia, and rapidly increasing military expenditure in Africa and South Asia, and (b) the resumption of procurement programmes in many parts of the world.

The USA is by far the major spender, with 37% of total military expenditure in 2000, which reflects its current position as the only superpower. Over the two years 1999–2000, the USA raised its military expenditure by 2.3%, an increase of \$6 billion (at constant 1998 prices). The US Government will have critical defence decisions to make in 2001—on national missile defence, on its military doctrine and on procurement funding.

The rate of increase in Russian military expenditure has been extraordinary during the two years 1999–2000: roughly 44% in real terms according to provisional figures, a combined increase of \$13 billion (at constant 1998 prices). However, because of the preceding sharp reductions during the 1990s, the current level of Russian military expenditure is now more comparable with that of the major European countries than with that of the USA. According to SIPRI estimates, Russian military expenditure in 2000 accounted for 6% of the world total and was 10% higher than that of France and 85% lower than that of the USA.

The regions with the steepest rise in military expenditure in the past two years are Africa—an increase of 37% in real terms—and South Asia—23% in real terms. The increase in Africa is due primarily to armed conflict in a number of countries in the region. Countries contiguous to conflict countries have also had significant increases in their military expenditure. The fact that a few relatively wealthy countries are now embarking on procurement programmes has added to the steep increase in the regional total.

Global trends in arms procurement are difficult to establish in detail because of lack of statistics. It is however possible to get a general understanding of broad trends based on the limited available data. These suggest that procurement expenditure is likely to increase in the near future, because several of the major spenders have adopted defence plans that include future growth or announced equipment plans which imply a change into growth.

In NATO the main vehicle for increased equipment expenditure for the future is the NATO Defence Capabilities Initiative (DCI) which, if implemented, will require substantial additions to NATO countries' procurement budgets over the next 10-year period. While NATO data show that the European NATO countries have already increased their combined equipment expenditures by 11% in real terms over the six-year period 1995–2000, this is perceived as not enough. There is a strong pressure from NATO and the US Government on the governments of the European NATO countries to increase their military budgets in order to live up to their DCI commitments and increase the interoperability of their armed forces with those of the USA. US spending on military equipment continued

to decline through 2000 but is expected to begin to rise again when increased authorizations for arms procurement in 1999 and 2000 are translated into future actual expenditures.

Other major spenders, such as Japan, China and Russia, have also adopted procurement plans which will require increased military budgets in the future. The level of military production in the Russian defence complex almost doubled between 1998 and 2000 to a level corresponding to 18.7% of the level of the Soviet Union's military output in 1991.

The expectations during the early years of the post-cold war period of a reduced role for military means of providing security and resolving conflict today appear remote. Military expenditure is rising and arms-producing companies are becoming larger and stronger. The absence of an immediate security threat has been translated into a fear of many diverse types of threat of a more or less unknown nature which could emerge in the future.

- *Appendix 4A contains tables of military expenditure in local currency and constant dollars, and as a share of gross domestic product for the period 1991–2000.*

- *Appendix 4B contains data on NATO military expenditure.*

- *Appendix 4C explains the sources and methods for the data collection.*

- *Appendix 4D, by Reinilde Weidacher, Anne Brandt-Hansen and the SIPRI Arms Industry Network, contains a table of the 100 largest arms-producing companies in the OECD and developing countries in 1999.* In spite of a turbulent period of consolidation in the US and European arms industry during the 1990s, significant overcapacities reportedly remain. The arms-producing companies are therefore pressing for new orders. In the USA, the strong rate of concentration in ownership has not been matched by proportionally fast rationalization. It has, however, resulted in reduced competition. The US Government therefore in 2000 introduced defence industrial policy measures with the aim of preserving a sufficient level of competition to improve affordability and promote technological innovation. In Europe, consolidation began in earnest during 1999 and 2000. As a result, three major arms-producing companies have emerged. At the government level, the signing in July 2000 of the six-nation Framework Agreement marks the first step in efforts to create a more integrated European arms industry.

- *Appendix 4E, by Julian Cooper, presents data on and an analysis of Russian military expenditure and arms production.* Under President Putin there has been a stronger policy commitment than under Yeltsin to a strengthening of Russia's weakened

military capability. Expenditure on 'national defence' increased from 2.6% of GDP in 1999 to a provisional 2.75% in 2000, and further increases are budgeted for 2001. Production of military equipment has also been rising strongly since 1998—by 75% in real terms—due both to increased arms exports and increased domestic orders. Because strong growth was from a low starting point, the level of Russian arms production in 2000 was still less than one-fifth of its level in 1991 and one-third of its 1992 level. After a period of more transparency in military budgeting, there has been increased secrecy again during the past three years. However, advocacy of greater openness in military spending is rising within the State Duma and also within the armed forces.

## 5. Transfers of major conventional weapons

**Björn Hagelin, Pieter D. Wezeman, Siemon T. Wezeman and Nicholas Chipperfield**

Global arms transfers remained at a relatively stable level in 1995–99 but declined again in 2000, by 26%, owing mainly to the drop in deliveries by the USA.

There are four categories of suppliers: (a) the USA, the largest supplier and the sole country in this category, accounting for 47% of global arms transfers; (b) Russia and France, each accounting for over 10% of total transfers; (c) the UK and Germany, each accounting for 5–10% of the total; and (d) all the other suppliers. Together, the five suppliers in the first three groups accounted for almost 85% of all arms transfers.

The USA was the largest supplier in the period 1996–2000 as well as for each of the five years. It is a supplier to all of the 10 major arms recipients except India and has by far the highest number of recipients of all the suppliers. On the basis of the large order books of US companies and agreed US military transfers in the form of aid to Colombia, Egypt and Israel, the US slump in 2000 is expected to be short-lived. The strong supplier position of the USA is complemented by its attempts to influence the arms export behaviour of other countries in support of US policies. In 2000 the main countries which the USA tried to influence were Australia, Israel and the UK.

Russia increased its arms transfers in 2000 by 19% and accounted for 15% of the transfers in the period 1996–2000. It was the second largest supplier both for the period and for 2000. The increase in arms transfers by Russia in 2000 is mainly due to its deliveries of combat aircraft and ships to China, which also made China the world's leading arms recipient in 2000. The leading recipients of

major conventional weapons in 1996–2000 were Taiwan, Saudi Arabia, Turkey, South Korea and China.

The European Union members accounted for 28% of the arms transfers in 1996–2000. Even if only the transfers from EU members to non-EU members are taken into account, the EU would still rank as the second largest supplier, with 24% of the world total.

Transparency in national arms trade has increased. It is possible to estimate the magnitude of the international arms trade on the basis of the reports submitted by most major supplier governments. However, other developments in 2000, resulting from increasing international cooperation, may complicate national transparency in transfers of arms and arms-related equipment, such as the six-nation Framework Agreement and 'top secret' classification for documents on EU security policy. In addition, without a political breakthrough to support its further development the UN Register of Conventional Arms may have outlived its usefulness.

Attempts to sustain or increase regional stability through arms supplies, illustrated by countries in Asia and the Middle East, seem unlikely to be successful in the long term. In addition, whether under international arms embargoes—including mandatory UN embargoes—or not, recipients in conflict regions receive supplies of major conventional weapons. Of the 15 leading recipients in the period 1996–2000, India, Israel, Pakistan and Turkey were involved in armed conflicts in 2000.

- *Appendices 5A, 5B and 5C provide data on the transfers of major conventional weapons.*
- *Appendix 5D explains the sources and methods for the data collection.*
- *Appendix 5E, by Pieter D. Wezeman and Anne Brandt-Hansen, contains a table of government and industry statistics on national arms exports in 1995–99.*
- *Appendix 5F, by Pieter D. Wezeman, Siemon T. Wezeman and Nicholas Chipperfield, on transfers of small arms and other weapons to armed conflicts, contains case studies of the conflicts in Afghanistan, Colombia, the Democratic Republic of the Congo, Sierra Leone and Sri Lanka. Control of the proliferation and availability of small arms is considered an important instrument of conflict prevention and resolution.*

Among the issues under discussion are the use of small arms in conflicts; the availability, demobilization and collection of small arms in post-conflict situations; and the supply of small arms through international transfers. The debate on the last issue has to a large extent been further narrowed down to the *illegal* trade in small arms, as evidenced by

the title of the July 2001 United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects. In effect, this limits the discussion to the question of how to curb the transfer of small arms to non-state actors.

This emphasis addresses the problem at the minimum level. The approach may be preferred because it is politically convenient or because it limits the scope of the debate to a manageable level. The central feature of an alternative approach is to determine when supplies of weapons are legitimate and responsible, and when the motives of suppliers—whether of an economic, foreign policy or humanitarian interventionist nature—are so strong that they are willing to run the risk that weapon supplies will aggravate the conflicts. Although the more inclusive approach may not be politically or practically feasible at the UN level, it can be pursued for policy development at the national level or between smaller groups of countries in the development of new norms and regulations.

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## 6. Nuclear arms control and ballistic missile defence

**Shannon Kile**

In 2000 the nuclear arms control agenda continued to be dominated by the controversy over the USA's plans for a limited national missile defence (NMD) system and the future of the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty). The missile defence controversy remained a 'virtual' one, since US President Bill Clinton decided in September 2000 not to move forward with authorizing the deployment of an initial NMD system. Nevertheless, it took on an increasingly important international political dimension during the year as concerns about the implications of NMD were expressed by China, Russia and a number of states in Europe and Asia, among them key US allies. In addition, there was a renewed debate in the USA about the technical feasibility and likely effectiveness of the planned system. This spurred interest in alternative missile defence architectures, including those involving sea- and space-based systems.

The missile defence controversy largely overshadowed the vote in April 2000 by the Russian Federal Assembly (parliament) to ratify the 1993 START II Treaty. The prospect loomed that the treaty would never enter into force because of the ABM Treaty-related conditions attached by the Russian Parliament to its ratification bill.

There was one bright spot for nuclear arms control during the year: the 2000 Review Conference of the 1968 Treaty on the Non-Proliferation of

Nuclear Weapons (Non-Proliferation Treaty, NPT) ended with the adoption by consensus of a Final Declaration setting out a number of concrete nuclear disarmament goals.

• *Appendix 6A, by Hans M. Kristensen and Joshua Handler, contains tables of the nuclear forces of the USA, Russia, the UK, France, China, India, Pakistan and Israel.* All the nuclear weapon states have nuclear weapon modernization and maintenance programmes under way and appear committed to retain nuclear weapons for the foreseeable future. During 2000, Russia and the USA continued to reduce their deployed strategic nuclear delivery vehicles within the framework of the START I Treaty, and the Russian Federal Assembly ratified the START II Treaty. However, within the START constraints, in the near future US modernization plans call for the deployment of new Trident II missiles on older Trident SSBNs, while Russia is modernizing its strategic forces by deploying new intercontinental ballistic missiles and additional strategic bombers and is slowly constructing a new generation of ballistic-missile submarines. Moreover, both countries continue to maintain large stockpiles of strategic and non-strategic (or tactical) nuclear weapons and to underscore their importance for their security policies.

• *Appendix 6B, by John Simpson, presents an account of the 2000 Non-Proliferation Treaty Review Conference.* The message generated by the 2000 NPT Review Conference in the wider disarmament and international security context was mixed. On the one hand, the nuclear weapon states were prepared to sideline their differences over START, NATO expansion, Iraq, the Federal Republic of Yugoslavia, and national missile defence and theatre missile defence in order to achieve consensus on both a joint statement and a Final Document. This appeared to be a recognition of the high priority they assigned to their collective interest in sustaining the NPT regime. They also agreed a much more extensive programme of action to implement nuclear disarmament than that drawn up in 1995. Indeed, some might argue that the Final Document might act as a preparation, or even a substitute, for the long-heralded fourth UN Special Session on Disarmament given its range of unilateral, bilateral and multilateral actions, and in the priority it gave to confidence-building measures, arms reductions, verification and the irreversibility of disarmament activities.

These commitments will need to be translated into visible consequences before the Final Document can be judged to have been anything other than a piece of paper. Although the holding of the 2000 NPT Review Conference created incentives

for some states, such as Russia, to ratify both bilateral and multilateral arms control treaties, little progress in disarmament was recorded during the remainder of the year. Differences clearly exist over how to translate some of the commitments into practical actions, and what may now be needed is a concerted multilateral effort to identify how the commitments can be operationalized and to seek the agreement of states to implement them. It is these follow-up activities which will determine whether the 2000 NPT Review Conference will be seen as signalling a significant shift in global attitudes and policies towards nuclear weapons.

• *Appendix 6C, by Nicholas Zarimpas, discusses the current situation regarding the illicit traffic in nuclear and radioactive materials and traces the measures designed to combat this problem.* The theft and diversion of and unauthorized traffic in nuclear and radioactive materials may pose serious national and international security threats. Illicit trafficking affects all countries to a certain degree because of the proliferation, public health and safety risks involved. There is an urgent need to: (a) reduce existing highly enriched uranium and plutonium stockpiles; (b) raise global standards and uniformity for physical protection; (c) strengthen and extend the application of safeguards; (d) ensure the existence of modern prevention and detection infrastructures as well as the appropriate legal framework; (e) facilitate better cooperation and information sharing among countries and international bodies; and (f) continue to intensively assist Russia and the other newly independent states to contain proliferation. In addition, a better understanding of the problem of illicit trafficking that includes the motivation of traffickers, links to organized crime and the profile of potential end-users is necessary.

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## 7. Chemical and biological weapon developments and arms control

**Jean Pascal Zanders, Melissa Hersh, Jacqueline Simon and Maria Wahlberg**

The implementation of the 1993 Chemical Weapons Convention moved into a new phase as the first treaty-specified milestones were reached on 29 April 2000, the third anniversary of the entry into force of the convention. The verification regime now includes new categories of facilities to be inspected. The transfer restrictions on Schedule 2 chemicals took effect in 2000 and, consequently, the non-parties to the convention are becoming increasingly isolated and excluded from economic transactions important to their economies. All four states which possess chemical weapons (CW)—India, South Korea, Russia and the USA—are now

destroying them, although major technical and political problems remain.

It is highly uncertain whether the negotiation of a protocol to the 1972 Biological and Toxin Weapons Convention (BTWC) will be successfully concluded before the Fifth BTWC Review Conference in December 2001. The biotechnological and pharmaceutical industry has not been forthcoming with solutions that provide transparency while protecting their business interests. The current US administration also opposes the draft protocol in its current form.

Although the UN Monitoring, Verification and Inspection Commission (UNMOVIC) became operational in 2000, Iraq continues to refuse any cooperation under UN Security Council Resolution 1284, arguing that it has met all its disarmament obligations. The prospect for the resolution of questions about Iraq's chemical and biological weapon (CBW) programme remains bleak because the international sanctions regime to force Iraqi compliance is continuously being weakened.

Claims that NATO's use of depleted uranium contributed to the deteriorating health of a number of European peacekeepers who served in the Balkans raised new questions about exposure to dangerous chemicals or toxins on the modern battlefield.

The proliferation of CBW remained a concern in 2000. Despite strengthened international norms against CBW and the new transfer restrictions imposed by the Chemical Weapons Convention, some states appear determined to maintain major CBW armament programmes. Also of concern was the possible application of advancements in biotechnology to the development of biological weapons.

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## 8. Conventional arms control

**Zdzislaw Lachowski**

Three major factors determined the status of conventional arms control in Europe in 2000. First, the breakthrough developments of 1999—the signing of the Agreement on Adaptation of the Treaty on Conventional Armed Forces in Europe (Agreement on Adaptation) and the Vienna Document 1999 of the Negotiations on Confidence- and Security-Building Measures in Europe—closed an important chapter in the adaptation of the main conventional arms control regimes of the Organization for Security and Co-operation in Europe (OSCE) to the current security environment. Second, ratification of the Agreement on Adaptation was virtually deadlocked (with the notable exceptions of ratifications by Belarus and Ukraine) over Russia's non-

compliance in Chechnya with the 1990 Treaty on Conventional Armed Forces in Europe (CFE Treaty). In 2000 there was also concern regarding Russia's fulfilment of its pledge to withdraw its armed forces from Georgia and Moldova. The third factor was Balkan security: events in the Federal Republic of Yugoslavia (FRY) in the spring and summer of 2000 frustrated the regional arms control efforts in the Balkans. However, the defeat of President Slobodan Milosevic in the autumn election offered new hope for renewed cooperation and a change in both the subregional (the former Yugoslavia) and regional (South-East European) contexts.

Contrary to expectations for progress in European arms control, the year 2000 did not produce many advances, as the 1999 Agreement on Adaptation of the CFE Treaty was deadlocked by Russia's CFE non-compliance. Less attention is being paid to conventional arms control because of the change of focus in international politics in the Euro-Atlantic area. However, the role of arms control in enhancing security and stability is still significant. It is of relevance to Russia's security concerns and enables NATO to maintain the operational flexibility needed for its peace and stability-supporting missions. The change simply underscores the shift that has taken place in security-building priorities in recent years.

Instances of non-compliance with treaty terms continued in 2000, the most striking being the war in Chechnya, but these do not seem to have seriously affected the broader European political situation. The European Union and NATO have chosen to overlook the arms control-related shortcomings of the post-Soviet states while pursuing a policy of cooperative and inclusive security towards these states. Foreign military presence, such as that in Georgia and Moldova, creates concern more because of the complex political context than of the military threat. Discussions in the OSCE Forum for Security Co-operation in 2000 showed limited interest in and produced little of substance related to the topic of its discussions on 'the role of conventional arms control in Europe and the contribution of the OSCE arms control arrangements to European security'. Increasing attention is being paid to 'soft', broad regional security arrangements, including crisis management, conflict resolution and CSBMs, together with a growing emphasis on non-military measures and solutions.

The CFE and Vienna Document CSBM regimes function as umbrella accords under which various stabilizing arrangements can be tried in order to better cope with complex situations in crisis-prone and conflict-ridden regions and subregions. *Regional* arms control deals with security issues in these areas and must be based on the old balance-

of-forces approach. The year 2000 witnessed progress, particularly in South-Eastern Europe. Following the success of both CSBMs in Bosnia and Herzegovina and the subregional arms control agreements in the FRY, arms control efforts are being focused on the Balkans as a region.

- *CSBMs in Europe are reviewed by Zdzislaw Lachowski in Appendix 8A.* Two major challenges have confronted the OSCE participating states in recent years: at the OSCE level, the applicability of CSBMs in adverse conditions (e.g., domestic conflict) and, at the regional level, the need for greater transparency and improved contacts and cooperation among states. There has been some success at both these levels. In Chechnya, for example, Russia allowed a precedent-setting multinational observation visit to be made to a 'region of ongoing military activities'. The visit fostered transparency and was deemed useful. As regards conflict prevention and crisis management, there is disagreement as to whether additional, more suitable, measures are needed or whether existing CSBMs should be more effectively utilized.

- *Appendix 8B contains the OSCE Document on Small Arms and Light Weapons of November 2000.*

- *Appendix 8C, by Ian Anthony, reviews the European Union approaches to arms control, non-proliferation and disarmament.* During the Intergovernmental Conference that preceded the adoption of the Treaty on European Union (Maastricht Treaty) in 1993 the content of a common foreign and security policy (CFSP) was discussed. Arms control, non-proliferation, the control of arms exports and confidence and security building were all elements that were considered appropriate subjects for the CFSP.

On creating the EU the member states also decided to develop a common foreign and security policy, characterized by intergovernmental cooperation.

The arms control, disarmament and non-proliferation efforts of the EU have two functions—one internal, one external. Internally, the measures are part of a process of building shared norms and agreed principles as the basis for the foreign and security policy implemented by each of the member states. Externally, in areas where strong shared norms already exist, the measures allow the EU member states to present a common political front to the world. It is questionable whether the EU initiatives in the area of arms control, disarmament, non-proliferation and export control have had the impact that could be expected in either the internal or external dimension.

Instruments introduced through the 1997 Treaty of Amsterdam are still in an early stage of their operational life. The implementation of common

strategies appears particularly challenging. While there are common strategy meetings at the working level, implementation of measures agreed in the framework of the common strategies is very fragmented. There is no 'lead agency' for interaction with Russia or Ukraine which could coordinate and monitor the implementation of the common strategies.

In the implementation of joint actions, there are sensitivities about moving resources from one account to another in the fulfilment of overall objectives. For example, technical assistance projects and science and technology cooperation with Russia and Ukraine are financed and managed through processes outside the framework of the non-proliferation programme within the common strategy. The money made available through joint actions cannot always be spent because the EU lacks the capacity to identify and evaluate specific projects that can meet stated objectives. The coming together of useful projects and the financial resources to implement them appears somewhat haphazard.

The progress towards developing shared norms and principles has been uneven. For example, far more progress has been made in the area of conventional arms exports than in other areas. Significant gaps could be pointed to in the lack of any well-developed EU positions on issues related to nuclear arms control and disarmament, missile proliferation and missile defence as well as conventional arms control in Europe.

In the external dimension, given the collective diplomatic and economic weight of the EU states, the results of the policies have been limited. To give specific examples, the impact of EU efforts to advance disarmament and non-proliferation objectives in the Middle East and South Asia is difficult to detect in spite of the long history of political and economic interaction with states in the regions.

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## 9. Multilateral weapon and technology export controls

**Ian Anthony**

In June 2000 the European Union made important changes to its system for controlling the export of dual-use technologies. In recent years the problem of how to control intangible transfers of technology has come to be perceived as an issue of growing importance in non-proliferation policy. The pattern of trade has often come to include transfers of information and knowledge needed to establish local research, development and production in other countries.

The number of states that participate in export control cooperation continues to grow steadily. The states that participate in these cooperation arrangements continue to modify their export control policies and practices in the light of their discussions. Of particular importance are the revisions to export control principles and procedures that are intended to prevent unauthorized transfers of controlled items while taking into account the changing nature of industrial organization—including both ownership patterns and production.

The changes in export control policies and practices in 2000 were most noticeable in Europe and, in particular, within the EU. The legal basis for the implementation of export controls was modified significantly during the year. As a result of the provisions contained in the 1997 Treaty of Amsterdam, the EU also has significant new instruments that can be brought to bear in the field of non-proliferation and arms control. Therefore, in Europe the discussion of non-proliferation and export control has to take into account not only the complexities of the changing market for controlled items but also the changing political and legal framework associated with the evolution of the EU. While a legal basis exists for the development of comprehensive and coherent policies, the implementation of such policies is still an evolving process.

• *Appendix 9A contains documents agreed at the Plenary of the Wassenaar Arrangement on Export Controls in December 2000.*

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**Annexe A**, by **Ragnhild Ferm and Christer Berggren**, summarizes the major arms control and disarmament agreements and lists the states parties as of 1 January 2001.

**Annexe B**, by **Christer Berggren and Ragnhild Ferm**, is a chronology of the major arms control and security-related events of 2000.

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