



## Crime, Conflict, Corruption: *Global Illicit Small Arms Transfers*

### Introduction

It is the illicit trade in small arms, more than any other aspect of the global arms business, that exacerbates civil conflict, corruption, crime, and random acts of violence. The illicit arms trade is nothing new—gun smuggling has been a problem since the 19th century. And it may not be the largest aspect of the global spread of small arms; yet it is far and away the most infamous.

The illicit small arms trade is anything but transparent and, virtually by definition, the data are destined to remain forever incomplete and inadequately substantiated. Ironically—and perhaps for this very reason—it is also one of the most intensely scrutinized activities. For, while much of the trade in small arms and light weapons is accepted by governments as a legitimate economic and political activity, there is general consensus that the illicit trade is in need of aggressive remedial action at all levels of government, business, and civil society. Therefore, this chapter focuses on the following four questions:

- What is the worldwide scope of the illicit trade in small arms and light weapons?
- Which countries are the major sources or suppliers of illicit small arms?
- Which countries, non-state actors, or criminal entities are recipients of illicit small arms?
- Which regions are most seriously affected as a result of this illicit small arms trade?

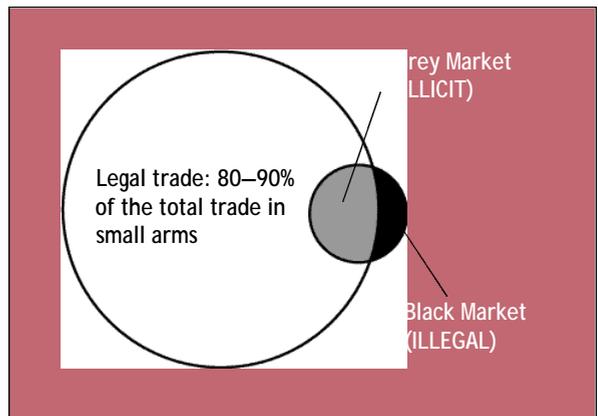
The Small Arms Survey's analysis of the global illicit trade in small arms and light weapons utilizes field research, as well as information sources that are in the public domain.<sup>1</sup> It also employs case studies, focusing on certain regions and countries. This approach facilitates the understanding of how and why such transfers occur, and who the major suppliers and recipients are. Countries and regions not covered in this year's Survey will be addressed in future editions.

### Defining illicit small arms transfers

The only available United Nations definition of illicit trafficking is from a 1996 UN report dealing with conventional arms transfers, which states that 'illicit arms trafficking is understood to cover that international trade in conventional arms which is contrary to the laws of States and/or international law' (UN, 1996).<sup>2</sup>

Encompassed within this term, 'illicit transfers' are two overlapping categories: the grey market and the black market (see Fig. 5.1). Though their borders are ambiguous and amorphous, distinguishing these categories is useful for the purposes of this chapter.

Figure 5.1 The overlapping legal, illicit, and illegal small arms trade markets



### Grey Market Transfers

*Regulating the grey market in small arms poses perhaps the greatest challenge to the international community today.*

An area without black-and-white clarity or transparency, grey market transfers are usually covert, conducted by governments, government-sponsored brokers, or other entities, that exploit loopholes or intentionally circumvent national and/or international law or policies.<sup>3</sup>

Grey market transfers include sales to recipient countries that have no identifiable legal government or authority (e.g. Somalia) and transfers by governments to non-state actors (i.e. rebel and insurgent groups). In addition, there are cases where governments illegally hire brokers to transfer weapons (e.g. the 'Iran-Contra Affair'). Such transfers may be in violation of the supplier and/or recipient country's national laws or policies. They may also contravene international law. Regulating the grey market in small arms poses perhaps the greatest challenge to the international community today.

#### Terminology Tip-offs

Transfers =	Span the legal and illicit spectrum
Trade =	Conducted by governments or with their knowledge
Covert trade =	Conducted clandestinely, whether legal or illicit
Trafficking =	Refers exclusively to illegal black market transfers

### Black Market Transfers

*The black market's distinctive feature is that it operates beyond the pale of the law and governments.*

Although the black market is part of the overall illicit trade spectrum, its distinctive feature is that it operates beyond the pale of the law and governments. Indeed, this type of illegal arms 'trafficking' takes place in clear violation of national and/or international laws and policies, and without the government's official knowledge, consent, or control. As it is largely driven by a desire for personal gain, corrupt government officials are not infrequently both aware of, and actively involved in, such illegal transfers. Realistically, since substantial illegal small arms transfers could scarcely occur without some degree of government awareness, it is highly probable that the black market is but a small portion of the much larger illicit market, both in terms of its value and the volume of transfers.

### The scope of the illicit small arms trade

The problem lies in the proof: that is, in assessing the scope of the illicit trade in small arms, irrefutable proof that such transfers actually take place is essential. Methods used to reveal illicit transfers frequently come under heavy attack by those nations implicated. Rarely will a nation admit to illegally supplying arms. Without rigorous reporting methodologies, countries implicated in illicit arms transfers can easily dismiss allegations.

The challenge is to accurately identify grey market transfers. Yet, their very nature implies duplicity and falsification, making the illicit transfer difficult to document. Then there are also devious practices, such as those employed by the United States (US) in the 1980s when it bought Warsaw Pact-produced arms and deliberately implicated other nations in their transfer (Silverstein, 2000). In sum, such transfers must be studied, keeping the validity of the source material constantly in mind.

### Volume and Value

While the scope of the illicit trade—both in terms of value and volume—is by definition difficult to assess, such illicit transfers clearly contribute to destabilizing accumulations of small arms. The difficulty in detecting these transfers is likely to grow apace with globalization. According to a report by the US Coast Guard and Naval Intelligence, 'despite occasional seizures of illegal weapon

**Box 5.1 Small arms transfers: The legality spectrum**

**Legal transfers:** These occur with either the active or passive involvement of governments or their authorized agents, and in accordance with both national and international law.

**Illicit grey market transfers:** Governments, their agents, or individuals exploiting loopholes or intentionally circumventing national and/or international laws or policies.

**Illegal black market transfers:** In clear violation of national and/or international laws and without official government consent or control, these transfers may involve corrupt government officials acting on their own for personal gain.

Within the framework of UN definitions of the legal and illicit markets, there is room for a relatively broad interpretation of legal transfers but, in some cases, only a very narrow one for what is considered illicit trafficking. A number of governments interpret the phrase ‘illicit trafficking in all its aspects’ to include the entire spectrum of legal, grey, and black market trade; others say it includes only the black market. This more restrictive view poses serious problems to effectively addressing the issue of the destabilizing transfers of small arms and light weapons.<sup>4</sup>

A further distinction must be made between international and internal illicit arms transfers: international transfers refers to weapons crossing borders in violation of national and international law, internal transfers occur within a country and can involve theft, corruption, battlefield confiscations, and raids on armouries or stockpiles. Many governments (e.g. Colombia and Angola) also provide arms to local paramilitary organizations or individuals. Internal transfers can also occur when there is a breakdown of state authority (e.g. Albania and Somalia).

The grey market appears to have the greatest impact in situations of armed conflict—that is, when governments are actively or passively supplying weapons to non-state actors and are *de facto* involved in intra- or inter-state conflicts. In contrast, black market transfers tend to have a major impact on violence and criminality in civil society.

*Identifying illicit maritime arms shipments will become increasingly difficult as the volume of commercial seaborne trade triples by 2020.*

shipments, the full extent of maritime arms smuggling is unknown; identifying illicit arms shipments will become increasingly difficult as the volume of commercial seaborne trade triples by 2020.’

This is not to say that the actual quantity of the illicit small arms trade will increase over the next 20 years, but that this trade will become increasingly difficult to detect and intercept. Not only that, the global trend towards more open borders and greater trans-border traffic and trade will also make overland and airborne arms smuggling more difficult to deal with. The growing volume of legal trans-border trade in goods means that the actual detection of arms smuggling will require ever more manpower, experience, technology, and co-operation between law enforcement agencies, both nationally and internationally—not to mention a generous portion of luck.

A glimpse of the volume of the black market can be gleaned from police, border guards, and customs reports detailing seizures of illicit weapons and break-ups of arms trafficking rings. For example, it is estimated that about 300,000 rifles, handguns, and shotguns were newly added to the arsenals of insurgent forces in 1999 (STOCKPILES). These figures can be used to derive estimates of the value of the illicit trade in small arms.

Based on existing information, the global illicit trade in small arms is estimated to be worth around US\$ 1 billion annually. While it is not feasible to estimate the value of grey market versus black market transfers, all evidence points to the grey market being more significant both in terms of value and volume. When looked at in conjunction with estimates of the legal trade—US\$ 4-6 billion annually (LEGAL TRANSFERS)—this illicit trade accounts for somewhere between 10 and 20 per cent of the total US\$ 5-7 billion trade in small arms. Nevertheless, it is the illicit, rather than the legal, trade that contributes disproportionately to fuelling crime, civil conflict, and corruption.

*The illicit trade accounts for 10-20 per cent of the total trade in small arms but is the prime culprit in fuelling crime, civil conflict, and corruption.*

Although one study estimated the illicit trade in small arms to be worth between US\$ 2-3 billion annually (Boutwell and Klare, 2000), this figure cannot be verified and appears to be too high for two primary reasons:

- First, black market prices are usually much lower than those paid on the legal markets; and
- Second, illicit transfers of arms are much smaller in terms of quantity, as large shipments are not only too easily detected; financially, they are often beyond the purchasers' means.

*The global illicit trade in small arms is estimated to be worth around US\$ 1 billion annually.*

In terms of value, extrapolating from intercepted grey and black market transfers, the figure of US\$ 2-3 billion seems unrealistic. For example, a recent illicit transfer of 50,000 Kalashnikov assault rifles to the Revolutionary Armed Forces of Colombia (FARC) was reportedly worth US\$ 5 million (Rempel and Rotella, 2000), making each rifle worth US\$ 100. In order for US\$ 1 billion worth of illicit transfers to occur annually, 200 comparable deals—all much larger than the norm for illicit transfers—would have to occur throughout the world each year. This is highly unlikely. Based on this benchmark calculation, one can assume that the value of the illicit trade in small arms is worth no more than US\$ 1 billion annually.

### *Patterns and Characteristics*

Pinpointing the precise value and volume of the illicit small arms trade presents its own problems, as seen above. Thus, it is easier to identify some of the common patterns and characteristics, using a regional analysis together with case studies, to identify some of the major weapons sources, suppliers, and recipients. Clearly the recipients, who are visibly in possession of these weapons, are easier to spot than the suppliers. And, not surprisingly, suppliers—whether governments or private individuals—try to stay behind the scenes and are reluctant to provide information about the destination of their illicit transfers.

*The 'ant trade': cross-border illicit transfers from one state with lax gun purchasing requirements to another with stricter gun laws.*

The information presented in this chapter shows that illicit arms flows follow a very different pattern from legal ones (LEGAL TRANSFERS). For example, a 1998 study analyzed patterns in arms acquisitions by 'ethnic groups in conflict' (Sislin et al., 1998). It found that, for the most part, non-state actors involved in ethnic armed conflict obtained weapons, predominantly small arms, in three distinct ways: domestic procurement, indigenous production, and importation. Domestic procurement consists of theft, battlefield seizures, and raids on military and police facilities. Indigenous weapons production was found to be a rare but existing phenomenon. Weapons importation by such ethnic groups appears to take place primarily through the black market or through arms dealers.

An interesting and increasingly ubiquitous characteristic of the illicit arms trade has resulted in the coinage of a term that could be applied to illicit arms trafficking in many regions: the 'ant trade'—that is, cross-border transfers from one state with lax gun purchasing requirements to another with stricter gun laws. Guns purchased legally in one country are then smuggled, unregistered and illegally, across the border. Though minimal in terms of the scale of individual incidents—only one or two guns per person making the border crossing—when such practices become endemic, they add up. Such small-scale, cumulative trafficking can eventually push the numbers of weapons into the thousands—hence, the descriptive term, 'ant trade'.

**Post-Cold War trends:** One of the by-products of the Cold War was the ideologically driven arming of rebel groups throughout the world by the US and the Soviet Union. Today, many of these non-transparent and legally questionable (i.e. illicit) arms transfers carried out by governments have come back to haunt the original suppliers.

For example, the US is now engaged in a fight against Colombian drug lords who, ironically

enough, are sometimes armed with the very weapons shipped to Central America by the US to fight communism in the 1980s. Even more dramatic is the situation of Afghanistan, where the US sent billions of dollars worth of military aid to radical Islamic fundamentalists in the 1980s, ostensibly to fight Soviet troops (Mathiak and Lumpe, 2000). Today, these same weapons are still in the hands of these groups, some having found their way into terrorist enclaves.

Today an ever stronger light is being shed on how these covert transfers worked, often with the intelligence community using brokers. For example, the US regularly purchased Warsaw Pact-produced weapons and equipment through brokers, which it then shipped, with the help of the Central Intelligence Agency (CIA), to the Afghanistan mujahideen (Silverstien, 2000). Some reports claim that the CIA supplied the mujahideen with some 400,000 Kalashnikovs during the Soviet-Afghan war (Vo, 1999).

While contemporary grey market transfers may lack the ideological underpinnings of the 1980s and, as a result of the end of the Cold War, be less prevalent, they do continue to occur. Today, especially in Eastern European and Commonwealth of Independent States (CIS) countries, suppliers' underlying motivations are more often financial and commercial rather than ideological. A number of state-owned (i.e. government-controlled) small arms manufacturers in Eastern Europe have been implicated in transfers to arms-embargoed nations or non-state actors. Although governments do not always sanction these transfers, they often know about them; thus, such transfers fall into the category of grey market transfers.



### Regional and country case studies

In the following sections, the grey and black markets in small arms are analyzed using a regional and case study approach. The main objective of this analysis is to assess the movement, scale, and significance of the illicit trade in small arms. The political, ideological, and/or financial incentives of the source or supplier countries and recipients is not considered.

#### Box 5.2 Cascading weapons: history tells ironic tales

During the Cold War, non-state actors in Central America were frequent recipients of large weapons shipments transferred illicitly, on the one hand, from the Soviet Union and its satellites and, on the other, from the US and its allies. Clearly, this was the result of fierce competition and jockeying for position by these two superpowers to influence the dominant political ideology in the region.

Specifically, the *Contra* rebels in Nicaragua received large quantities of small arms from the US prior to the mid-1990s. Israel also supplied them with Kalashnikov rifles confiscated from the Palestinian Liberation Organization (PLO). On the other side, Nicaragua's Sandinista Government obtained large quantities of weapons from the Soviet Union and Cuba that were subsequently cascaded to neighbouring insurgent groups.

Cuba was one of the region's most avid Cold War era suppliers. In Guatemala, Cuba provided the Guatemalan National Revolutionary Unit (UNRG) with US-made M-16s left in Vietnam after the US pulled out in the 1970s. To this day, many of these US-Vietnamese vintage rifles are circulating in Central and Latin America. Cuba also supplied Belgian-made FN FAL rifles purchased in the 1960s to the Farabundo Marti para la Liberacion Nacional (FMLN) in El Salvador, as well as 100,000 North Korean-made Kalashnikov-style assault rifles to Salvadoran guerrillas in 1987.

By the early 1990s, however, covert small arms sales in Central America had largely dried up, their ideological impetus dissolving with the demise of the Cold War. Today, though modest legal transfers of military small arms continue, there is little demand in a region already so saturated with small arms and light weapons that is now in the midst of a post-conflict peace-building process.

Source: Godnick, 2000

*Since the end of the Cold War, the motives for supplying illicit small arms have become more financial and commercial than ideological.*

*With respect to illicit small arms transfers, many governments are not accountable; many are irresponsible; and many are actively and/or passively supplying small arms to embargoed countries or non-state actors.*

The focus is on conflict zones in an attempt to identify the most common sources, suppliers, and recipients of illicit small arms transfers. The grey and black markets are looked at in combination because it is often difficult to draw the line between them.

While the black market in small arms may constitute a major problem both nationally and internationally, it is the grey market that is predominantly responsible for supplying small arms to regions of conflict. Government involvement in such transfers is evident in almost every case, with most transfers occurring in violation of international and national laws. With respect to destabilizing small arms transfers, three conclusions are unavoidable:

- Many governments are not accountable;
- Many governments are irresponsible; and
- Many governments are actively and/or passively supplying small arms to embargoed countries or non-state actors.

## Africa

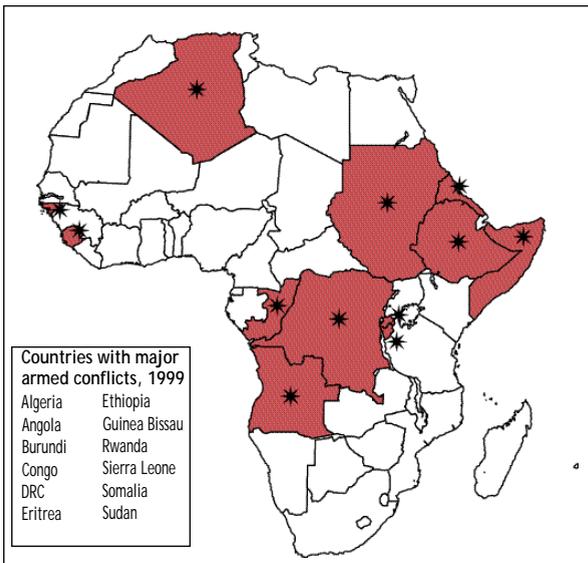
*In 1999, there were eleven major armed conflicts in Africa, ten of which were internal.*

According to Stockholm International Peace Research Institute (SIPRI), there were eleven major armed conflicts in Africa in 1999 alone.<sup>5</sup> One of these, the war between Ethiopia and Eritrea, was interstate, the rest were intra-state—internal ‘domestic’—conflicts, although the violence often has a spill-over effect into neighbouring states. Major conflicts raged in Algeria, Angola, Burundi, Democratic Republic of Congo (DRC), Guinea-Bissau, Republic of Congo, Rwanda, Sierra Leone, Somalia, and Sudan.

It may come as no surprise then that Africa is a major recipient of small arms. Its major suppliers are the countries of Eastern Europe and the CIS, and China. Also significant, however, are small arms transfers from western countries, as well as indigenous production of small arms

within the region (PRODUCERS). While many small arms transfers to Africa may be technically legal, the lack of transparency with respect to countries such as China, the Russian Federation, Ukraine, and Bulgaria—as well as the fact that many weapons end up in areas of conflict or tension—means that many of them may start out legal, but end up in the grey or black market.

Map 5.1 Africa, ‘crucible of strife’



### North Africa

Concrete data on small arms in North Africa is hard to come by. According to numerous reports, Libya is a significant source of weapons in the region and beyond. It is purportedly supplying the Goukouni Weddeyye rebels in Chad (Smith, 1999). It has also been implicated in supplying weapons to West African rebels, specifically in Sierra Leone (Berman, 2000). In addition, Libya has strong ties with Muslim rebels in the

Philippines, a fact illustrated by its recent interventions—and alleged payment of high ransoms—to secure the freedom of a number of Western hostages held by rebels there (Channel News Asia, 12 September 2000).

In Egypt in July 2000 police confiscated 100 automatic rifles, 200 military style pistols, and 50 Israeli-made Uzis from three Egyptian nationals. One of the arrestees reportedly travelled frequently to Libya (Samir, 2000). This crackdown is indicative of Egypt's tougher stance on unregistered firearms and efforts to mitigate illicit trafficking. In 1999 Egyptian officials also confiscated 1,864 firearms, 1,200 of which were locally made revolvers. Four illicit production operations were raided in the same year (Al-Bindari, 2000). Chad is allegedly another source of illicit arms to Egypt, supplying weapons to terrorists in upper Egypt which have been smuggled in via Sudan (Al-Bindari, 2000). On the other hand, Egypt itself is a reported source of weapons smuggled into the Gaza Strip, as well as a supplier to Sudanese rebels (Smith, 1999).

*Africa is a major recipient of illicit small arms.*

In Algeria, press reports allege that indigenous terrorist groups are being supplied with small arms and financial assistance from Osama bin Ladin. In 1999 they groups were reportedly equipped with 'brand new Uzi sub-machine guns'. Israeli-made weapons are the most frequently confiscated weapons in Algeria. From 1993 to 1999, Algerian security services confiscated 400 Uzis and other Israeli-made weapons, in addition to other weapons of Belgian and Czech origin. According to Algerian sources, the arms trafficking networks supplying weapons in the country are based mainly in Germany, Italy, Poland, and the Czech Republic. 'Western intelligence services' are reportedly well-informed about these illicit arms deals, but 'choose, as regards Algeria, to turn a blind eye' (BBC Summary of World Broadcasts, 2 April 1999). Other reports claim that rebels in Algeria, specifically the Front Islamique de Salut (FIS), obtain weapons primarily from attacks on military and police depots, as well as from Sudan (Smith, 1999).

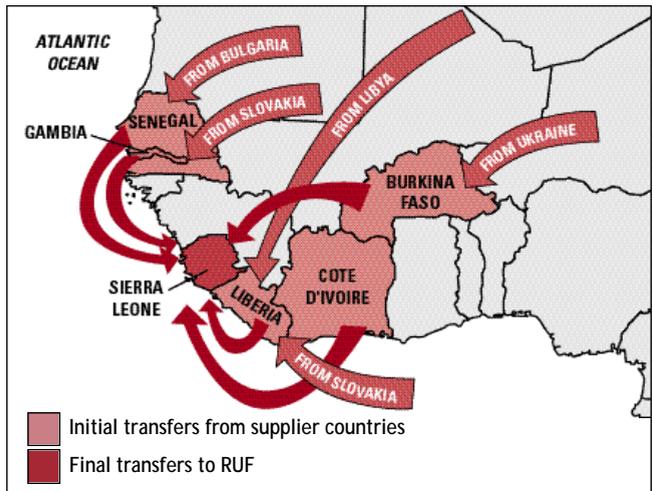
#### *West Africa: The example of Sierra Leone*

Sierra Leone is a worst-case scenario in the conflict-ridden West African region. This resource-rich, peace-poor West African country has been the scene of some of the most brutal small arms-driven violence on the continent, drawing in even small children as 'soldiers'.

Small arms transfers in Sierra Leone are driven in large part by the desire of rebel forces to control, and reap the rich financial benefits of, the country's diamond mines.<sup>6</sup> The Revolutionary United Front (RUF), the armed rebel group in Sierra Leone that controls a majority of the country's diamond mines, has committed some of the worst human rights abuses in recent times, including rape, abduction, murder, and—the group's signature instrument of terror—the hacking off of limbs of men, women, children, even infants.

Although difficult to verify, there are reports indicating that one of the major sources of weapons supply for the RUF is through Liberia, specifically through the support of Liberia's President Charles Taylor. According to a statement by the US Ambassador Richard Holbrooke, the RUF finances its weapons purchases through the annual sale of an estimated US\$ 30-50 million in diamonds, with approximately 60 per cent of them going through Liberia (Berman, 2000). Taylor's military support of the RUF has continued unabated from 1991 up to the present, despite UN arms embargoes in force against the RUF and Liberia itself.

Map 5.2 Sierra Leone, driving West Africa's small arms violence



The RUF also has various other sources of small arms and light weapons. Libya allegedly flies air cargo arms shipments into Burkina Faso and then on to Liberia, where the arms are transferred to helicopters, air-dropped from small planes, or transported overland to RUF-controlled territory. Burkina Faso is a predominant conduit country in facilitating arms transfers to Liberia and Sierra Leone. Unconfirmed reports state that in 1998 numerous arms shipments were transported on a Burkina Faso-registered plane with flights originating from Rabat, Morocco, with a stopover in Ouagadougou, Burkina Faso and then on to Robertsfield, Liberia (HRW, 2000). Côte d'Ivoire has also been singled out as a source of military assistance to the RUF (Berman, 2000).

One of the best-documented recent cases of arms transfers to the RUF was in March 1999 when a shipment of small arms from Ukraine (including 3,000 Kalashnikov rifles, 50 machine guns, 25 grenade launchers, five SA-7s, five Metis anti-tank missiles, and associated ammunition) was sent to Burkina Faso (Wood, 2000). The shipment was facilitated by a Gibraltar-based firm, the Chartered Engineering and Technical Company, Ltd., and transported by a British airfreight company, Air Foyle, from Kiev to Burkina Faso. From there, the weapons went on to Liberia and the RUF (HRW, 2000). Charged with breaking the embargo, the Ukrainian Government defended itself before the UN Security Council in June 1999, presenting the documentation that it had shipped the arms to the Government of Burkina Faso only. It is worth mentioning that, in the absence of a special dispensation for the transfer, both Ukraine and Burkina Faso were breaking the Economic Community of West African States (ECOWAS) moratorium on small arms purchases in West Africa, to which Burkina Faso is a signatory.<sup>7</sup>

Western air cargo companies also appear to be involved in transporting arms to the RUF. There is evidence that British-based Sky Air Cargo and Belgian-owned Occidental Airlines have flown arms from Bratislava, Slovakia to Liberia and Gambia. Although the declared destination of these weapons was Uganda, they were in fact transferred to Sierra Leone, landing at a rebel-held airstrip in Kenema. The same route has been used to transfer arms to rebels in the Congo (Wood, 2000) (BROKERS).

In addition to small arms acquired from Ukraine and Slovakia, according to the US Government, the RUF has also received weapons from Bulgaria. In July 1999, a diamond dealer arranged for the transport of 68 tons of weapons from Bulgaria to the rebels. The Continental Aviation Company, based in Dakar, Senegal allegedly carried out the transfer of arms (Berman, 2000).

Not content to rely solely on the active and passive support from the aforementioned governments, the RUF also obtains weapons through theft and confiscations in battles with the Sierra Leone military. Small amounts of arms are also acquired through illicit trafficking from Guinea along the border with Sierra Leone. Reportedly, Guinean officials regularly confiscate arms from RUF rebels and others crossing the border into Guinea. However, there is an unofficial 'live and let live' policy between Guinean military and police officials along the Sierra Leone border and the RUF (Berman, 2000).

Yet another source of RUF weapons is those confiscated from the Economic Community of West African States' Monitoring Group (ECOMOG), as well as from UN troops in the area. While some of the weapons are taken by force in the thick of battle, there have been instances where ECOMOG troops simply abandoned their weapons while in retreat from the RUF.

Of grave concern is the alleged role of UN peacekeeping forces in the region. There have been reports of sales of weapons by UN troops; in particular, alleged cases of Nigerian ECOMOG troops selling arms and ammunition to the RUF in Liberia in exchange for cash, diamonds, food, and medicine (Berman, 2000). In a more significant transfer, Guinean United Nations Mission in Sierra Leone (UNAMSIL) troops were ambushed and relieved of 485 Kalashnikovs, 30 pistols, 24 light machine guns, 20 rocket-propelled grenade launchers (RPGs), ten 82mm mortars, ammunition, and larger pieces of equipment, including three armoured personnel carriers and several pieces of artillery. Unofficially, there is speculation among UN officials and Western diplomats that this transfer was the result of a payoff with the complicity of corrupt Guinean military officials (Berman, 2000). More recently, in May

*Of grave concern is the alleged role of some UN peacekeeping troops in complicity with RUF rebels in Sierra Leone and the surrounding region.*

2000, Zambian UNAMSIL troops were taken hostage by the RUF and were reportedly relieved of about 500 assault rifles, a few dozen machine guns, several mortars, and tons of ammunition. Indian and Kenyan UN peacekeepers have also had weapons forcibly taken from them by rebels (Berman, 2000).

In May 2000, a journalist viewing weapons depots containing arms confiscated from, or handed in by, rebels in Sierra Leone said that there were over 12,000 small arms and 389,877 rounds of ammunition at three separate depots. The majority of the rifles in the depots were said to be Kalashnikovs of Ukrainian origin, followed by Iranian made G3 rifles and Belgian made FN FALs (Wood, 2000).



### Box 5.3 The UN Report on Violations of Security Council Sanctions against UNITA

In March 2000, a panel of investigative experts submitted a report (the Fowler Report) to the UN Security Council detailing how rebels from the Uniao Nacional Para a Independencia Total de Angola (UNITA) were able to break UN sanctions.<sup>8</sup> The findings of the report with respect to small arms procurement reveal complicity at the highest levels of government, including leaders from certain states in the region.

In the early 1990s, UNITA procured large amounts of arms, mainly manufactured in Eastern Europe, through a South African arms dealer, Ronnie De Decker. The purchases were financed with diamond sales reputedly worth US\$ 4-5 million. Then, in the mid-1990s, UNITA began tapping into other sources of supply. From 1995 on, the then-president of Zaire, Mobutu Sese Seko, agreed to assist UNITA in its arms procurement. Weapons were shipped from Eastern Europe to Zaire and then passed on to UNITA. Mobutu provided UNITA leader Jonas Savimbi with Zairian end-user certificates and received diamonds and cash in return.

Zaire's Mobutu was not the only Head of Government involved in the supply of arms to UNITA. Following the overthrow of Mobutu, President Eyadema of Togo became UNITA's main arms supplier. It was agreed that Togo would keep 20 per cent of the arms shipments bound for UNITA, either in kind or in cash, in return for Togolese end-user certificates to purchase more arms. Once again, the majority of these weapons came from Eastern Europe. Other arms and military equipment have reached UNITA through Burkina Faso, Rwanda, and Congo. The original sources of arms implicated in the deals included Bulgaria, Belarus, Ukraine, and the Russian Federation.

Bulgarian arms manufacturers and Ukrainian flight crews were allegedly those most frequently involved in the supply of arms to UNITA. Bulgaria is accused of accepting end-user certificates at face value with little regard for where the weapons would eventually end up. Although the Bulgarian Government officially attacked the methodology of the UN-commissioned Fowler Report, which gathered much of its information from the testimony of UNITA defectors, it has launched an investigation into the matter. Other countries such as Ukraine and Belarus implicated in this report have either dismissed or not responded to the charges levelled against them.

*Investigations of sanction-breaking small arms procurement for Angola's UNITA rebels reveal complicity at the highest levels of government.*

### *The Horn of Africa and beyond: The case of Sudan*

The war in Sudan is probably one of the most under-reported wars in the international media. Cast as a war driven mainly by conflict between special interest groups in the mainly Muslim north and the primarily animist and Christian south, it is the main factor in driving the demand for small arms in the country. Both sides have a long and pernicious record of human rights abuses, including slavery, rape, and arbitrary killings.

**The Sudanese Government:** Despite sanctions against the Government of Sudan by a number of states, many weapons, including small arms, continue to flow into the country. Western



operations were being used as a front for arms transfers to the SPLA. According to press reports, a UN official admitted that some organizations were using the relief mission as a cover for arms shipments (Agence France Press, 31 July 2000). However, certain Western governments apparently wanted to play down the incident.

**Spreading regional instability:** The civil war in Sudan—together with the conflicts in Somalia and Uganda, and the recently concluded war between Ethiopia and Eritrea—have constituted perhaps the deadliest cluster of conflicts in the world during the 1990s. All of them are closely interlinked, with cross-border arms flows spreading instability and undermining internal peace processes.

For example, in addition to arming Sudanese rebels, there is also evidence that Ethiopia and Eritrea are arming rival proxies in Somalia, in violation of the UN arms embargo on Somalia in force since 1992. Ethiopia has allegedly supplied the Somali warlord Musa Sudi Yalahow among others (Agence France Press, 21 January 2000), while Eritrea has allegedly supported Somali warlord Hussein Mohamed Aidid with arms since early 1999. It is reported that some of the weapons shipments were transported by Russian cargo ships chartered by Eritrea to the Somali port of Merca. One reported shipment from Eritrea to Aidid in 1999 consisted of 5,000 Kalashnikov rifles, machine guns, G3 rifles, ammunition, and explosives (Jane's Intelligence Review, 1 August 1999).<sup>9</sup>

One of the regional spillover effects has been increasing instability in Kenya. Lokichokio Airport in Northwest Kenya is a significant trans-shipment point for arms into the region (Muggah and Berman, 2001). In the summer of 2000, Kenyan President Daniel Arap Moi highlighted the problem of illicit trafficking of arms into his country when he called on citizens in Kenya's North Eastern province to hand in illegally held weapons. To make good on his demand, Kenyan police broke up an arms trafficking ring operating in the North Eastern provinces, which border both Ethiopia and Somalia and face an influx of illegal weapons from both countries (Xinhua, 10 August 2000). Among the weapons seized was an M-16 rifle stamped 'Property of the US Government' (The Nation, 10 August 2000), probably originating from Somalia, where the US lost weapons during their 1992 intervention.

In May 2000, the UN placed an arms embargo on Ethiopia and Eritrea, and in August 2000 President Vladimir Putin banned Russian Federation arms exports to both countries. If these embargoes are enforced, they will hopefully reduce the weapons supply to the two warring countries and also limit their ability to ignite new rounds of conflict in the surrounding countries. Nevertheless, the large quantities of small arms and light weapons that have steadily flowed into the Horn of Africa over the last decades indicate that the region will remain saturated with small arms for the foreseeable future.

## Europe

Europe and the CIS are major small arms supply sources. While the majority of their transfers are legal, a few teeter on the verge of being illicit while others have already slipped into the murky abyss of illegality. In other words, the region is a ready source of supply for the grey and black markets.

The small arms situation in Eastern Europe and the CIS must be viewed in the context of the overall political and economic hardships endured since the end of the Cold War, most particularly since the break-up of the Soviet Union in the early 1990s. In many cases, the arms industries in these struggling economies represent one of the few remaining competitive export sectors in the international market, not to mention their being a prime source of highly coveted hard currencies. For this reason, these governments feel an even greater incentive to promote these companies' survival at all costs.



Then there is also the basic national security incentive for many newly independent countries that want to extricate themselves from their former dependence on countries like the Russian Federation for their military hardware. Since these countries are, for the most part, too small to support a small arms industry based solely on national demand, exports are the route to economic viability.

While the majority of European and CIS countries have been able to preclude military-style weapons falling into the wrong hands, some others—such as Yugoslavia and Albania (Balkans), Georgia (Caucasus), and the Russian Federation (CIS)—have witnessed a burgeoning of black markets and stolen weapons seeping into the civilian population and/or into the possession of criminal organizations.

### *Eastern, Central, and Southern Europe*

Since the end of the Cold War, Eastern European arms producers have been implicated in a number of grey market transfers. While the covert sales of the Cold War era were ideologically driven, sales today are for the most part purely economically driven. Most Eastern European producers are still either state-owned or heavily government-controlled. Thus, one could conclude that the vast majority of small arms exported from Eastern European countries, whether legal or grey market, occur with at least some official government knowledge.

As a case in point, in April 1999, Moldovan customs officials confiscated a Ukrainian cargo plane at the airport in Chisinau, Moldova, carrying 5,000 undeclared Hungarian-made pistols. The original flight plan followed a route from Budapest, Hungary on to Chisinau, followed by a stopover in Bulgaria and finally on to Yemen, where the weapons would be transferred to the Yemeni Defence Ministry. However, Moldovan officials suspected that the end-user certificate was false and that the actual destination of the guns was to be Yugoslavia (Demidetsky, 2000). As this publication went to press, the Ukrainian transport company was threatening the Moldovan Government with a lawsuit claiming unlawful seizure of this arms shipment.

While many Eastern European countries transfer weapons to Africa, other regions are also willing 'beneficiaries' of their sophisticated brokering and transfer system. Certain countries, such as Bulgaria, seem to be implicated more often than others as arms suppliers to non-state actors. As stated earlier, there are allegations of Bulgaria sending arms to the RUF in Sierra Leone and UNITA in Angola. Bulgarian arms have also been found in Albania. Slovak arms and ammunition are reportedly going to Sudan and the RUF in Sierra Leone, while the Czech Republic has allegedly armed Sri Lanka's Liberation Tigers of Tamil Eelam (LTTE).

The European Union is not immune to wrongdoing. For example, there are unconfirmed reports that the Kurdish Workers Party (PKK) in Turkey has received Stinger missiles from Greece, which are produced there under US license (Hunter, 1999). In turn, the PKK has allegedly passed on some of these Stingers to the LTTE in Sri Lanka.

### *The Balkans*

*The Balkans is one of the few regions in the world where the volume of the black market in arms may well rival that of the grey and legal markets combined.*

The devastating ethnic wars in the Balkans throughout the 1990s have ruthlessly driven demand, as well as supply, of small arms and light weapons. This is one of the regions in the world where the black market in arms may well rival the grey and legal markets in terms of quantities of weapons, contributing to destabilizing accumulations. One of the major sources of illicit small arms in the region was the civilian looting of military depots in Albania in 1997, following a nation-wide panic after the collapse of pyramid investment schemes. More than 600,000 small arms were taken from Albanian army depots.<sup>10</sup> Of these, more than half a million remain in civilian hands (CNN, 7 September 2000). The Government of Albania has been trying to collect the weapons, but the

instability of the country (both political and economic) plays a role in citizens' reluctance to turn in the weapons. The United States, Germany, and Norway are giving financial assistance to the Albanian Government for their collection and planned destruction programme. The Government of Albania has stated that it will destroy 100,000 small arms by the year 2002.

In the late 1990s, substantial weapons trafficking in the Balkans has involved the Kosovo Liberation Army (KLA), its organized crime networks, and sympathizers. While many KLA weapons came from looted Albanian military depots, Germany, Austria, and Switzerland—all countries with large Kosovar refugee populations—have also been a source of arms smuggled into the area. In a fairly typical case, Italian police confiscated 40 Austrian-made rifles at the port of Trieste that had been sold by a Swiss arms dealer to four Yugoslav nationals resident in Switzerland (Die Presse, 20 May 1999, p. 4).

With its large militia army and national gun culture, Switzerland is an obvious target as a source of weapons for such illicit weapons transactions. Another recent incident there involved the illegal use of the emblem of a Swiss aid organization on trucks supposedly filled with donations for Kosovar refugees that were actually used to transport arms. Switzerland has also been used as a financial centre for such transactions. For example, in the summer of 1999, a shipment of Bulgarian arms, including several hundred rocket launchers and several thousand grenades, was confiscated in Durres, Albania. When it was ascertained that the destination for these weapons was an African country, Swiss authorities arrested two individuals residing in Switzerland involved in the financing of the transaction and, as of August of 2000, had recovered US\$ 440,000 (700,000 CHF) of the US\$ 2.8 million (4.5 million CHF) deal (Tribune de Genève, 31 August 2000, p. 22).<sup>11</sup>

The weapons networks built up during the Kosovo conflict have spread small arms throughout the Balkan region. At one point in 1999, Macedonian police estimated that anywhere from 20-30,000 small arms were cached in the western part of the country by KLA operatives and sympathizers. Impoverished ethnic Albanians were reportedly selling Kalashnikov rifles in Macedonia for as little as US\$ 25 a piece (Dimevski, 2000).

'Peace dividends' when conflict is over can also mean that weapons are 'freed up' for transfer to other regions. For example, it is reported that Bosnia and Herzegovina has become a source of surplus arms since the cease-fire (Simunovic, 2000). In July 2000, a shipment of portable rocket launchers, assault rifles, ammunition, and explosives was confiscated in Croatia. Croatian authorities, suspecting that the weapons originated in Bosnia and Herzegovina, conducted an investigation and concluded that the weapons were destined for the Real IRA (RIRA) in Northern Ireland (Jane's Terrorism and Security Monitor, 23 August 2000; Simunovic, 2000).

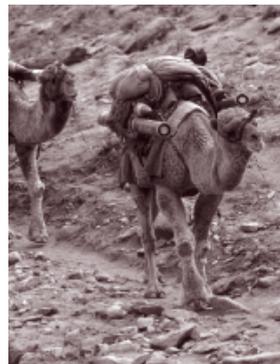
Conversely, on a positive note, the Balkans have been at the centre of some of the most ambitious and successful small arms and light weapons collection and destruction efforts. The North Atlantic Treaty Organization (NATO) has ongoing programmes in Bosnia and Kosovo, and the UN had collection programmes in Eastern Slavonia (Croatia) in 1997 and Gramsh, Albania in 1999. In addition, the Albanian Government has itself retrieved some of the weapons looted from state depots in 1997.

### *The Commonwealth of Independent States (CIS)*

**The Russian Federation:** The Russian black market in arms has a strong economic component, appearing to be primarily driven by two factors: 1) economic hardship that encourages the Russian military to illicitly sell military weapons stocks; and 2) an unprecedented demand for weapons resulting from the wave of organized crime in the region.

Black market arms confiscation and theft data provide a disturbing glimpse into the quantities of arms in the Russian Federation's black market in recent years:

- In 1997, Russian border guards confiscated 1,300 firearms at Russian border control points.



*The Russian black market in arms is driven by two factors: economic hardship that encourages illicit sales and an unprecedented demand for weapons by organized crime.*

*Russian armed forces may be the largest single source of stolen military equipment in the world.*

- In 1998, there were 66,000 registered crimes involving illegal firearms trade, according to the results of a meeting of Russian federal law enforcement agencies convened to address arms trafficking (Allen, 1999); in the same year, there were 1,352 registered cases of firearms theft from Russian military units (IISS, 2000).<sup>12</sup> Most of these thefts were committed by Russian servicemen, mainly driven by economic incentives and connections to organized crime. In fact, some researchers claim that Russian armed forces are the largest source of stolen military equipment in the world (IISS, 2000).
- In 1998, the country's Federal Security Service (FSB, the successor to the KGB) confiscated 22,000 small arms, 6,500 grenades, and four tons of explosives on Russian territory (Interfax, 22 January 1999)—this, in addition to whatever was confiscated by other agencies.
- As of 1999, the Russian Ministry of the Interior reported that it was still trying to retrieve an estimated 36,000 weapons lost or stolen from the Russian Government. Of these, 13 were heavy rocket systems, 18 mortars and other artillery, and approximately 15,000 assault rifles (Allen, 1999). This figure does not include 40,000-plus small arms in the hands of Chechen rebels (see Box. 5.4).

Allegations are rife of the Russian mafia's involvement in arms trafficking to rebels beyond the Russian Federation's vast borders. For example, the Russian mafia, specifically the US-based branch, is rumoured to have been an important source of weapons for Colombian rebels, as well as paramilitary troops, at least since the mid-1990s. According to one report, more than 30 Russian organized crime groups operating out of the US, primarily in Florida and Puerto Rico, have collaborated with

#### Box 5.4 Arming Chechnya

Chechnya provides an intricate example of illicit small arms transfers. According to unofficial sources, the first such transfer occurred in May-June 1991, arranged between the ethnic Armenian militia in Nagorno-Karabakh and the National Congress of the Chechen People.

The militia in Nagorno-Karabakh began to arm itself with more modern small arms and light weapons obtained from Soviet military units stationed in the Caucasus. In turn, they got rid of their obsolete arms and those of inferior quality—for example, German rifles dating back to World War II and poor quality craft weapons turned out in Armenian metal working plants. Production of these Armenian craft weapons had begun in 1988 and, although virtually disposable due to their inferior quality, by 1990 the quantity manufactured already numbered in the thousands. Through Georgian paramilitary middlemen (Tengiz Kitovani and his deputy for armaments, Geli Lanchavi),<sup>13</sup> a significant number of Armenian small arms were traded for oil and oil products from Chechnya. The storming of the government offices of the Chechnya-Ingushetia Autonomous Soviet Socialist Republic (ASSR) and the seizure of Russian Federation military installations in Chechnya by armed Chechen rebels was actually carried out using these weapons of Armenian origin.

After the subsequent overthrow of the government of Doku Zavgayev and the proclamation of Chechen independence, the major source of small arms for the Chechen rebels was, ironically enough, the Russian Federation army itself. On 28 May 1992, the Russian Minister of Defence Pavel Grachev issued Directive No. 316/1/030 ordering the hand-over to General Dzhokhar Dudayev of half of all the military armaments belonging to Russian Federation forces in Chechnya. Attempts to remove the other half failed and in June 1992, under the threat of attack from rebel forces, practically all these weapons were transferred to Dudayev's troops. According to official testimony, no more than 10,000 pieces of arms were evacuated from Chechnya at the time.

Archival documents from the Russian Federation Ministry of Defence and the federal counterespionage agency reveal that an investigation was made into the quantity of arms left on Chechen territory by the Russian Army when it pulled out in 1992. In addition to many military vehicles and armoured personnel carriers, it was determined that 40 pieces of various

Colombian drug traffickers, supplying Russian weapons in exchange for cocaine (Farah, 2000). According to Spanish intelligence reports, the Canary Islands are also reported to be a favoured arms transit point for the Russian mafia's deals in Africa (El Mundo, 2 November 1999).

**Kazakhstan:** Most of the successor states to the Soviet Union are dealing with a similar problem when it comes to theft of weapons from military arsenals. In 1999, Kazakhstan's Ministry of the Interior seized 1,095 weapons from organized criminal groups, 'nearly all' of which had been stolen from military depots. In the same year, there were 14 criminal cases involving arms thefts by soldiers (Tass, 1 January 2000).

**Georgia, Armenia, Azerbaijan:** The war in Chechnya aside, the South Caucasus is a region replete with conflicts and political tensions. Ethnic conflict, together with organized crime and a nascent gun culture—all pervasive characteristics of this region—fuel an ongoing demand for small arms. In Georgia, the war in Abkhazia continues while the cease-fire in Ossetia, although holding in general, continues to be breached by sporadic episodes of violence. Border clashes between Armenia and Azerbaijan also continue in connection with the dispute over the Armenian-controlled enclave of Nagorno-Karabakh in Azerbaijan. Add to this the many well-armed organized crime rings in the area that traffic in arms, drugs, and prostitution and a very volatile situation throughout the entire region emerges.

The former Soviet regional arsenals serve as the primary sources for small arms. Additionally, many weapons are acquired through theft and black market trafficking. However, there appear to be covert grey market sales as well. Armenia allegedly supplies the ethnic Armenian populace in

anti-aircraft missile launchers and artillery, and 590 pieces of modern anti-tank weapons, were left in Chechnya by Russian forces. However, the investigation report noted that the quantity of small arms left in Chechnya was practically impossible to assess. According to various estimates, the number is between 41,538 and 57,596 pieces. The Russian Defence Ministry has reported the following figures: 18,832 AK-74s; 9,307 AKMs, 533 Dragunov sniper rifles, 138 grenade launchers, 678 tank machine guns, 319 large calibre machine guns, and 10,581 pistols. Although equally difficult to pinpoint the quantity of ammunition left behind, it is believed that Chechen rebels acquired no less than 740 pieces of anti-tank munitions, about 200,000 hand grenades, and over 13 million rounds of ammunition.

There were also several other significant sources of small arms and light weapons transfers to Chechnya. For example, in the summer of 1994, Russian special forces troops attempted to transfer a substantial quantity of arms to the anti-Dudayev opposition; most of these, however, ended up in the hands of troops loyal to Dudayev.

In the course of the first Chechen conflict, Russian mass media reports stated that Chechen rebels were fighting with small arms and light weapons produced in 1995 and 1996. This suggests that another source of weapons for the armed conflict in the North Caucasus must have been the Russian arms industry itself.

From 1992 to 1993, Khankala airbase in the North Caucasus was used as a transit point for the transfer of Russian armaments to Armenia, Nagorno-Karabakh, and Abkhazia (Georgia). There is evidence that some of these arms in transit to Russian forces in Abkhazia and Armenia also ended up in Chechnya.

Finally, in the second half of the 1990s, the Chechen rebels' primary sources of arms were allegedly Turkey,<sup>15</sup> a number of Arab governments, and the Taleban Islamic fundamentalist movement. Other Islamic movements and countries that have Soviet-style arms and are likely current sources for the Chechen rebels include Egypt, the Autonomous Palestinian Territories, Libya, Iraq, and possibly Syria.

Source: CAST, 2000

Map 5.4 The Caucasus: A region replete with conflicts and political tensions



Nagorno-Karabakh and has initiated its own domestic production of small arms, mainly in response to the OSCE arms embargo on it. In violation of this embargo, Armenia received numerous weapons shipments from the Russian Federation in 1997. The investigation following the discovery of these shipments uncovered complicity at the highest levels of the Russian military. Although most of these 1997 transfers were not small arms but larger weapons systems, such as tanks and artillery, the incident underscores the Russian Federation's role in the region.

On the other hand, there are allegations that Azerbaijan, also under an OSCE arms embargo, is receiving small arms from Turkey (Armament and Military Technology, 27 May 1998).<sup>16</sup> In addition, it is reported that Azerbaijan has received weapons from Bosnia, Afghanistan, and Pakistan (Simunovic, 1999; Armament and Military Technology, 27 May 1998).

The situation in Georgia is exacerbated by tensions with the Russian Federation. Georgia has asserted that Russian military bases on its territory are a source of small arms for non-state combatants in the region, specifically for the Chechen rebels. For example, in January 2000, Georgian authorities intercepted a truck leaving the Russian military base of Vaziani (in Georgia) containing a 120mm mortar with ammunition and parts, 50 pistols, and 45,000 AK-74 cartridges. According to Georgian officials, this was the second such delivery from the Russian base destined for Chechen rebels in the North Caucasus. The Russian Federation officials categorically denied these allegations on both counts, saying Georgia itself was involved and that this was a media ploy fuelled by its animosity over the presence of these Russian bases on their territory (Gordon, 2000; Itar-Tass, 11 January 2000).

The whole region has fallen prey to a high level of organized crime, and a pervasive gun culture has developed rapidly since the break-up of the Soviet Union. For example, gun dealers in Tbilisi advertise the sale of Kalashnikovs with neon signs. All this is a relatively new development in the region since during the Soviet era it was impossible for such a gun culture to exist.

### Asia and the Pacific

The scene in Asia and the Pacific is strewn with a series of armed conflicts and insurgencies in which the adversaries often obtain small arms from the same sources. While weapons from the 'Afghan pipeline' may not play as significant a role as they did earlier in the decade, the pipeline is still an important source of small arms in the region. Other alleged major supply sources include southeast Asian countries, such as Thailand, Cambodia, and Myanmar (Burma), as well as China and some CIS countries. Highly armed societies such as the Philippines also add fuel to the fire.

#### Central and South Asia

Afghanistan, which received large amounts of weapons in the 1980s, remains a major source of small arms and light weapons in South and Central Asia. Between 1979 and 1989, the CIA channeled at least US\$ 2 billion in weapons aid, or an estimated 80 per cent of the agency's covert aid budget, to the mujahideen in Afghanistan (Mathiak and Lumpe, 2000). The weapons were sent via Pakistan,

*Between 1979 and 1989, the CIA channeled at least US\$ 2 billion in weapons aid—an estimated 80 per cent of the agency's covert aid budget—to the mujahideen in Afghanistan.*

which acted as a major transfer facilitator, despite estimates that only 30 per cent of the weapons ever reached their intended recipients (Smith, 1999). This so-called 'Afghan Pipeline' ran from Karachi or Rawalpindi in Pakistan, depending on whether the weapons arrived by sea or air, to Afghanistan (Smith, 1999).

Partly as a result of this practice of siphoning off a portion of the arms in transit, Pakistan has become a major source of small arms in South Asia, both in black market arms and in arms supplied covertly to insurgent groups in the region. While there are sometimes ideological incentives for transferring arms, some tribal groups (e.g. in Baluchistan) view these transactions mostly from a financial point of view.<sup>17</sup>

A vast array of military small arms is available in Pakistan, from M-16s and Uzis to Kalashnikovs of different makes, including Russian, Chinese, and Eastern European manufactures. There is clear evidence that small arms are transferred from Pakistan to rebel groups in the Indian states of Punjab and Kashmir. These transfers are carried out in conjunction with the military training camps operating in Pakistan, which train soldiers to fight in the war in Kashmir. If one takes the number of weapons seized by Indian Border Security Forces as an indicator, then such transfers appear to be increasing over time. For example, in 1987, the Indian security forces confiscated 33 rifles and 92 pistols while on border duties; in contrast, in 1996, they seized 16,772 Kalashnikov rifles alone (Kartha, 2000).

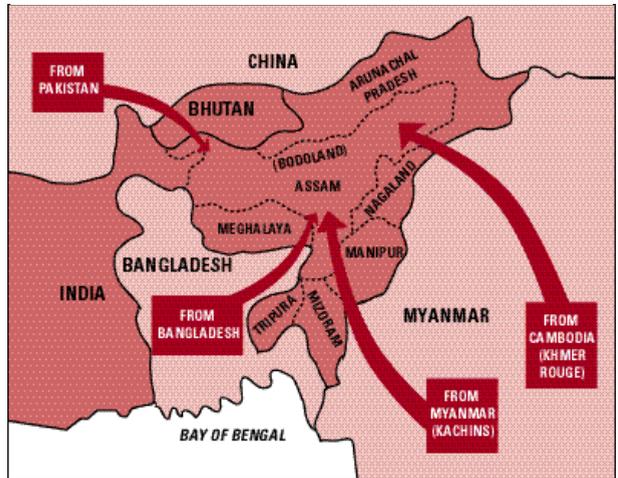
India's rebel groups also receive weapons originating in Pakistan. Three of the major insurgent groups in the northeastern part of the country (see Map 5.5) are the United Liberation Front of Assam (ULFA), the National Socialist Council of Nagaland (NSCN), and the National Democratic Front for Bodoland (NDFB). The ULFA and the NSCN have both received weapons through a pipeline originating in Pakistan (Dasgupta, 2000; Kartha, 2000) and the southeast Asian pipeline running through Thailand, Malaysia, and Singapore (The Hindu, 18 August 2000). In addition:

- The ULFA is allegedly receiving direct support from the Bangladeshi Director-General of Foreign Intelligence, Indian intelligence sources claim. The same source asserts that China has now become a supplier to the ULFA as well. The arms are transported from China via merchant ships of various countries, including North Korea, to Cox's Bazar, a port in Bangladesh (The Hindu, 18 August 2000). The ULFA has developed contacts with Sri Lanka's LTTE, the rebels in Kashmir, the Kachins in Myanmar, and the Khmer Rouge in Cambodia (Dasgupta, 2000; The Hindu, 18 August 2000).
- The NSCN, which is the most heavily armed insurgent group in the region, has patronized armed insurgencies in the neighbouring states of Mizoram, Manipur, Tripura, and Assam (Dasgupta, 2000).
- The NDFB, an armed insurgency group in Assam, is receiving arms and training from Bangladesh. The NDFB also allegedly obtained weapons from the Khmer Rouge (Cambodia) and Kachin rebels (Myanmar) (The Hindu, 18 August 2000).

Myanmar has also played a major role as a supplier in the region, especially as a source of weapons for the LTTE and certain rebel groups in Northeast India. Though one of the world's most

*Pakistan is a major source of small arms in South Asia.*

Map 5.5 Supplying insurgents in Northeastern India

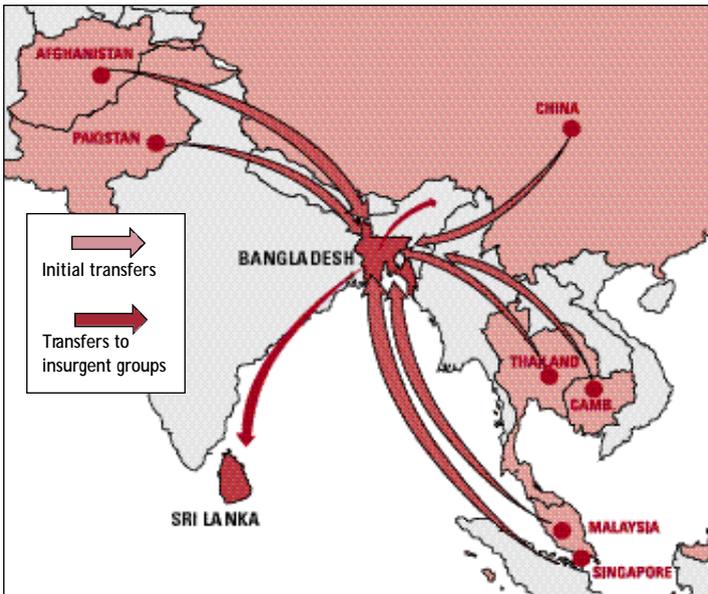


economically underdeveloped countries, Myanmar nevertheless has its own domestic small arms industry (PRODUCERS) and has also received significant quantities of weapons from China and Singapore (Huxley and Willet, 1999).

Bangladesh is a major transit point for arms in the region. Small arms come across to Bangladesh from Afghanistan and Pakistan on the one side, and from Thailand, Singapore, Myanmar, and Cambodia on the other. From there, the weapons usually go north to rebels in India's north-east or south to the LTTE.

**Sri Lanka and the LTTE:** The accumulation of small arms in Sri Lanka is driven by a bloody rebel secessionist movement led by the LTTE, fighting for independence from Sri Lanka in the

Map 5.6 South and South East Asia: The 'small arms road'



northern part of the country. The LTTE has a sophisticated arms procurement network that includes obtaining weapons covertly from governments and through numerous black market channels. Weapons purchases are primarily funded by the Tamil diaspora in Switzerland, Canada, Australia, the US, the UK, and Scandinavia. One wealthy individual living in the US has allegedly given US\$ 4 million to the LTTE over the past decade (Chalk, 2000). It is also reported that the LTTE derives funds from drug trafficking, primarily heroin. Thus, a well-heeled LTTE is able to purchase even quite sophisticated arms and equipment from various sources. Singapore and Hong Kong, with their strategic location and well-

developed banking systems, serve as the financial nexus for LTTE weapons purchases (Chalk, 2000).

Since the 1980s, arms dealers in Lebanon, Cyprus, Singapore, Malaysia, and Hong Kong have purportedly facilitated arms purchases by the LTTE. They also received covert arms shipments from India up until 1987 when the transfers were officially stopped—even though, in fact, they allegedly continued until the assassination of former Indian Prime Minister Rajiv Gandhi in 1991. After the Indian arms flow dried up, they focused on building up other sources of supply. In the mid-1990s, the LTTE turned to Ukraine for weapons and explosives, submitting an end-user certificate signed by the Secretary of Defence of Bangladesh in at least one instance (Gunaranta, 2000). The LTTE has also received mortar rounds, surface-to-air missiles, and machine gun ammunition from Bulgaria and the Czech Republic (Davis, 2000). In 1997, Vietnam provided the LTTE with North Korean-made Igla man portable surface-to-air missiles. Vietnam is reported to have made more recent arms shipments to the LTTE as well (Defence and Foreign Affairs Strategic Policy, June-July 2000, p. 3; Gunaranta, 2000).

In 2000, there were reports that North Korea would be supplying the LTTE with small arms. While sporadic supplies of arms from North Korea had occurred in the past, there are allegations that the Government of North Korea is stepping up its sponsorship of the LTTE.

One well-worn transfer route for the LTTE is through Thailand, using an island near Phuket. The arms are trafficked from primarily Cambodia, and Myanmar, two countries with large stocks of arms

in the region. Sri Lankan officials accused high-ranking Thai military officers of facilitating the transfers, although Thailand denied the accusations (The Nation, 29 March 2000). Other Thai regions likely being used by the LTTE for arms trafficking are Ranong and Satun (Davis, 1999).

In 1999, the Foreign Minister of Sri Lanka visited Cambodia to request the Government's assistance in shutting down that country's arms supply to the LTTE. Cambodian officials blamed the rebel Khmer Rouge as the culprits in the trade; however, evidence suggests that it is corruption among the Cambodian armed forces that is mainly to blame (Gunaranta, 2000).

In addition, there are assertions that the LTTE also gets arms from Africa, specifically from Nigeria, Zimbabwe, and South Africa (Chalk, 2000). Other sources include arms trafficked through the Afghan pipeline and Pakistan. There is sufficient evidence to lend credibility to a case reported in 1999 in which the LTTE obtained eleven Stinger missiles from the rebel PKK in Turkey—missiles manufactured in Greece under US licence (Hunter, 1999).<sup>18</sup>

Finally, perhaps the most ironic source of LTTE arms has been the Sri Lankan government itself. Indian sources allege that thousands of arms went to the LTTE in 1989, ostensibly so they could fight against the Indian Peacekeeping Force in Sri Lanka. More recently, sizeable amounts of weapons have been obtained from deserting Sri Lankan soldiers, as well as through thefts from government depots (Kantha, 2000).

### *The Philippines*<sup>19</sup>

The Philippines is a hotbed of arms trafficking activities. A host of actors and armed groups within the country are engaged in transfers of small arms and light weapons, both legal and illegal. On the official government side are ranged the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), and the Citizens Auxiliary Force Geographical Units (CAFGU). Non-governmental actors include private citizens, private armies, criminal groups, legal and illegal manufacturers, smugglers, arms dealers, and armed insurgency groups operating in different parts of the country.

The Philippines has its own legal domestic small arms industry (PRODUCERS). In addition, in Danao there is a thriving illicit arms production industry that provides weapons to private individuals and criminal groups. There are also a number of criminal syndicates smuggling arms into the country. This is in addition to the arms flowing into the country to support the insurgency groups. It was reported that the Revolutionary People's Army, a Philippine communist insurgent group, received arms from China, although a spokesman for the group denied receiving foreign assistance, insisting that they relied on arms from domestic supporters (Manila Times, 4 March 2000; personal interview).

An Islamic secessionist movement in Mindanao, the Moro National Liberation Front (MNLF), which signed a peace agreement with the Philippine Government in 1996, received arms from Libya and Sabah, Malaysia. The Moro Islamic Liberation Front (MILF), an offshoot of the MNLF, is reported to receive arms from supporters in the Middle East through Malaysia (Garcia and Payumo, 2000; The Strait Times Interactive, 23 May 2000).

However, the vast majority of weapons procured by insurgency groups are obtained via the Philippine armed forces and national police. Many are captured during operations against the AFP or on raids of PNP supplies. The back-and-forth fluidity of arms between the government and insurgency forces is illustrated by the fact that the AFP frequently recovers these very same weapons lost in subsequent counter-operations. There are also cases where military officials and soldiers sell their arms outright to insurgency groups (Manila Philippine Daily Enquirer, 11 January 1999).

Insurgency groups also look to theft from landowners and kidnapping for ransom as a means to bolster their small arms arsenals. For example, Abu Sayyaf, an extreme Islamic group operating in Mindanao, made international headlines for months during the year 2000 after abducting dozens of tourists and locals from a diving resort in Malaysia and holding them for ransom. Intelligence sources report that the group received 'cash and guns in exchange for some of the freed hostages' (South China Morning Post, 2 August 2000). Libya reportedly paid US\$ 1 million per hostage for each release (Al-Sharq al-Awsat, London, 12 September 2000), though a Libyan official stated that his government 'did not pay a ransom and that all that was agreed was that the Al-Qadhafi Charity Foundation would carry out some humanitarian projects' (Channel News Asia, 12 September 2000).

Not only do enormous quantities of arms flow into the Philippines; they flow out as well. Danao gunsmiths are known to export an undisclosed quantity of arms to criminal syndicates in Taiwan and are also a major source for Japan's Yakuza crime bosses (Seno, 1996; Perreño, 1995). There has also been speculation that Philippine-made arms are entering Indonesia's troubled Malukas via Mindanao.

### *The Pacific Region*

A number of island states in the Pacific also find themselves beset with serious political and ethnic tensions. Major rebellions occurred in 2000 in Fiji and the Solomon Islands. In the latter case, rebels were reportedly armed with an array of small arms, ranging from World War II vintage weapons, to hunting rifles, to modern assault rifles apparently looted from police armouries (Blenkin, 2000).

Some of the most deadly armed groups in the Pacific operate in Papua New Guinea (PNG). In September 2000, press reports claimed that thousands of automatic and semi-automatic weapons were being smuggled in to PNG's criminal gangs and drug lords operating in the New Guinean highlands. The weapons are reportedly coming from Australia (those not turned in during Australia's gun amnesty period) and the Indonesian province of West Papua. Australian and Asian criminal gangs are primarily responsible for the transfers, but there are said to be connections with the Free Papua Movement (OPM) in West Papua, Indonesia. Analysts claim that the transfers not only threaten the security of Papua New Guinea, but also increase the chance of political tensions in West Papua becoming violent (Daley, 2000; Stratfor .com, 2000).

### *The Americas*

Several fundamental factors are at work in the small arms situation in the Americas. First, some states, notably in Central America, are emerging from long periods of conflict and their left-over weapons are still in circulation in the region. Secondly, a number of armed conflicts continue in the region, most notably in Colombia. Thirdly, there are countries with high levels of crime and regions where the criminal drug culture is paramount. Finally, there are countries, such as the US and Brazil, with a highly developed gun culture among the civilian population. Not every country's experience with illicit trafficking in small arms is the same. While some of these factors may be of primary importance for the illicit small arms situation in certain countries, they may be virtually non-existent in others.

### *South America*

Latin American illicit arms transfers have a number of unique features, as illustrated by the following examples.

Argentina has two main sources of black market arms: the illegal sale by Argentine arms producers of unregistered firearms, and the diversion of weapons from corrupt members of the military, police,

**Box 5.5 Conditions conducive to illicit small arms transfers in the Americas**

- Many small arms transfers are connected to narcotics trafficking and other organized crime activities;
- Rampant corruption among the military, police, and government officials in some countries facilitates such transfers;
- Cross-border trafficking is common due to the many porous, inadequately patrolled borders manned by poorly paid customs officials, many of whom are not averse to taking bribes;
- Some countries have a seemingly endless supply of weapons as a result of a history of covert transfers to the region;
- There are also a number of large indigenous small arms producers, including Argentina, Brazil, Canada, and the United States (PRODUCERS);
- Soaring crime rates in countries such as Brazil drive civilian demand for weapons intended primarily for personal protection; and finally
- Economic Free Trade zones, such as the Cayman Islands and Panama, provide ship registry flags of convenience for traffickers.

and security forces. One estimate of illegally-held firearms in Argentina puts the figure at more than 2.5 million (der Ghougassian and Lapieza-Spota, 1999). However, the director of operations of the National Arms Registrar (RENAR) estimates only between 50-200,000 illegal firearms. Foreign sources of illicit firearms in Argentina are minimal since its domestic arms industry prospered historically under protectionist policies (Dreyfus, 2000).

With respect to weapons diverted from corrupt government officials, there are three major sources. First, soldiers expelled from the military as a result of a series of failed military coups in 1987, 1988, and 1990 have formed criminal rings and obtain weapons from contacts remaining in the military. Secondly, active duty members of the armed forces, police, and security forces rent out assault rifles, semi-automatic pistols, and sub-machine guns to criminal gangs. Finally, local corrupt police officials sell confiscated weapons (der Ghougassian and Lapieza-Spota, 1999). Argentina does not have a major problem with weapons flowing into the country from outside sources; rather Argentina itself is a source of illicit weapons trafficked into neighbouring countries.

Chile, by comparison, has a relatively low level of corruption among officials. Still, in 1999, there were an estimated 600,000 illegally-held firearms in Chile, the primary sources being: cross-border smuggling, especially from Paraguay, where Argentina is used as the transit country, locally-produced homemade firearms, and small arms stolen from private individuals, police forces, and private security companies.

Chile has also had a number of minor insurgent organizations that were active until the mid-1990s, some of whose members have since turned to organized crime. These criminal groups, characterized by their possession of military assault weapons, are known for their penchant to rob banks and armoured cash transport vehicles. Recent police confiscations of their weapons have yielded US-made M-16s, abandoned in Vietnam when the US pulled out of the country in the 1970s, as well as Soviet-era sub-machine guns and assault rifles that were manufactured in Eastern Europe (Dreyfus, 2000).

Paraguay is a major source of assault rifles and other small arms in Latin America, most significantly for Brazil (see Box 5.6). Particularly Ciudad del Este, a Paraguayan city located in the tri-border region between Argentina, Brazil, and Paraguay, is known as a point of entry for automatic weapons, including Kalashnikovs, M-16s, G-3s, Galils, and Uzis. The weapons arrive at Guarani

*One estimate of illegally-held firearms in Argentina puts the figure at more than 2.5 million.*

Airport, falsely labelled, and allegedly pass through customs for the most part without incident.<sup>20</sup> They are then transferred by air to clandestine landing strips in Colombia, Peru, and Brazil. Ciudad del Este also serves as an operations base for criminal gangs in the area, among them ethnic Chinese organized crime rings, Brazilian drug trafficking gangs, and ethnic Lebanese criminal organizations (Dreyfus, 2000).

#### Box 5.6 The booming Brazil-Paraguay 'ant trade'

A prime example of the previously described 'ant trade'—cross-border illicit trade from one state with lax gun purchasing requirements to another with stricter gun laws—is to be found in the Brazil-Paraguay small arms symbiosis.

Paraguay has relatively poorly-enforced gun purchasing laws in comparison to Brazil, making it easy for Brazilians to buy weapons there. In the 15-month period ending in May 2000, there were reportedly 1,779 weapons purchased in Paraguay by Brazilian nationals, the majority sold in towns along the Paraguayan-Brazilian border. Of these, 513 were 9mm pistols, which are illegal in Brazil except for military personnel, and therefore could not be legally registered.

Brazil, for its part, is one of the major legal small arms suppliers to Paraguay. Data from the Brazilian Ministry of Defence confirmed that 10,514 small arms were exported to Paraguay in 1998 alone—555 of them 9mm pistols produced by a single Brazilian manufacturer, Taurus. Since these 9mm pistols frequently find their way back illegally to their country of origin, the conclusion is that, using Paraguay as an intermediary, the Brazilian small arms industry is the source of a significant amount of illegally-held small arms within its own country.

To help combat such illicit small arms transfers, a co-operation agreement was recently concluded between the two countries, in which Paraguayan authorities promised to provide the Brazilian Government with data regarding the purchase of firearms by Brazilian nationals in Paraguay. However, the above data, a by-product of this agreement, reflect only those gun sales in which the official paperwork was filled out. Even this may be only 'the tip of the iceberg' as it is common that data provided by Paraguayan gun dealers to the authorities are incomplete or appear to be falsified. Only time—and better monitoring—will tell.

*Source: ISER, 2000*

On paper, Paraguay also imports large amounts of weapons from Brazil, although many of them never actually leave that country. The weapons are declared as exports to evade taxes, the legal loophole being that domestic sales are heavily taxed, while exported weapons are not. One estimate contends that only one-fifth of Brazilian weapons 'exported' to Paraguay actually arrive there. In one 1998 case, a shipment of 10,000 Glock automatic weapons destined for Paraguay was unloaded at the port of Santos, Brazil. The weapons were stolen and sold on the Brazilian black market to a group of bank robbers. According to Brazilian police, the weapons from this shipment continue to turn up, and be confiscated by the police, at least once a month (O Estado de São Paulo, 16 July 2000).

There is also evidence that US-made weapons shipped to Paraguay end up being illegally trafficked to Brazil. In 1999, the Brazilian chief investigator for the Bank Hold-up Unit of the police requested information from US authorities on 120 US-manufactured rifles, sub-machine guns, and pistols. Of the 120 guns, US authorities provided information on only two guns that had been sold to a private dealer in Asunción, Paraguay (O Estado de São Paulo, 16 July 2000)—and this, despite the fact that the US supposedly stopped all small arms sales (with the exception of shotguns) to Paraguay in 1996. Nevertheless, reports have it that US-made weapons continue to enter Paraguay by way of Germany.

In Uruguay, there are 572,000 legally registered small arms, ten per cent of which are in the hands of the military or police. It is estimated that the country has an equal number of illegally-held

*Only one-fifth of Brazilian weapons allegedly exported to Paraguay ever actually arrive there. It's about more than just tax evasion; it's also about crime.*

arms. The black market in Uruguay is fed by arms smuggled from Brazil and Argentina, as well as the diversion of government and security forces' stocks through corrupt officials. In an interesting case, there is a record of Uruguayan peacekeepers returning from UN missions in the Balkans and Africa smuggling automatic weapons into the country. According to the Uruguayan Ministry of the Interior, the Uruguayan Army has declared that at least 800 weapons were smuggled into the country in this manner (Dreyfus, 2000).

In Colombia, the Government is combating a huge supply of military-style small arms from numerous sources. One of the major recipients of these weapons is the Revolutionary Armed Forces of Colombia (FARC), an armed guerrilla organization heavily involved in drug trafficking. Colombian officials maintain that there are over 20 international, and 30 national, routes used by guerrilla and paramilitary organizations to obtain arms (El Tiempo, 23 August 2000). Some of them have been identified in the process of intercepting illicit arms shipments.

For example, in 1999 Brazilian police arrested the leader of a criminal organization involved in trafficking arms from Brazil to Colombia through Suriname. The investigation allegedly implicated the former military dictator and current member of the parliament of Suriname, Desi Bouterse, who



### Box 5.7 Guns for FARC, resignation for Fujimori

With much fanfare, Peruvian President Alberto Fujimori, along with the chief of the national intelligence service, Vladimiro Montesinos, announced in August 2000 that Peruvian police and intelligence services had broken up an arms smuggling ring responsible for arming the Revolutionary Armed Forces of Colombia (FARC). The ring had already supplied at least 10,000 Kalashnikov rifles of Jordanian origin to FARC in a series of four deliveries in March, June, July, and August of 1999. Fujimori declared that the Peruvian authorities had evidence implicating a Jordanian general in the transfers. However, the official version of the arms transfer soon unravelled, resulting in the issue of an arrest warrant for Montesinos.

The ensuing scandal began with the highly publicized arrests of a retired Peruvian army officer, two members of the Peruvian army, a Russian, and two Frenchmen (one a naturalized American, the other a naturalized Spaniard). However, later reports revealed that they had been set up as scapegoats for bigtime players such as Montesinos. An interview with Sarkis Soghanalian, the broker who arranged the deal, threw a harsh light on many of the less transparent aspects of the transfer.

It revealed that, in keeping with the original agreement with the Jordanian Government, the Peruvian military was to have purchased 50,000 AK-47 assault rifles manufactured in former East Germany at US\$ 95 apiece (Rempel and Rotella, 2000).

The Peruvian Government provided the appropriate end-user certificates, and the US Embassy in Amman was informed of the deal. After initial difficulties, a Ukrainian-registered cargo plane with a Russian-Ukrainian crew flew the weapons via the Canary Islands, Mauritania, and Grenada, air-dropping them finally onto Colombian territory before landing in Iquitos, Peru.

According to the US State Department, the deal dissolved when the Jordanian Government discovered that the weapons were not going to Peru at all, but instead to FARC, and cancelled the contract (Rempel and Rotella, 2000).

Early reports claimed that the planes returned to Jordan with as much as 40,000 kilos of cocaine that went, in part, to Jordanian middlemen, in part to the former Soviet Union (Lackey, 2000). As official paperwork showed only an innocuous shipment of wood to Jordan, Peruvian investigators claimed that there was no evidence of cocaine smuggling. However, in October 2000, the Peruvian courts declared that the investigation into the affair would take months. It seems clear that the role of high-ranking Peruvian government officials in the transfer was one of the factors that led to President Fujimori's resignation in November 2000.

is wanted by the Dutch Government on charges of drug trafficking (El Tiempo, 23 August 2000). Between January and September 2000, Panamanian police intercepted four shipments of small arms and ammunition bound for Colombia—three from Costa Rica with weapons that had, for the most part, originated in Nicaragua and El Salvador (Gaynor, 2000).

By far the most publicized Colombian smuggling saga in 2000 involved several Peruvian army officers, Jordanian arms and Russian transport planes, all part of an arms ring operating out of Peru. The ensuing investigation is credited in part with bringing down Peru's President Alberto Fujimori (See Box 5.7).

### Central America

Wedge, as it unenviably is, between the drug-producing centers of South America and their seemingly insatiable primary markets in North America, Central America has become a nexus for both drug traffickers and the illicit weapons which are the tools of their trade. Supplanting the 1980s heyday of the covert grey market arms transfers to rebel and insurgent groups, today it is the black market—characteristically linked to the drug trade spurred on by the high demand for narcotics in the United States—that has taken over in much of Central America. The links between drugs, thugs, and small arms is apparent in the examples below.

- Guatemala: Since 1991, the Ministry of Defence's Department of Control of Arms and Munitions (DECAM) has closed 52 firearms dealers and repair workshops for legal violations. In 1998 alone, there were 280 pending cases of registered arms dealers selling weapons to drug traffickers. In November 1999, DECAM had registered and authorized 78 commercial firearms dealers, 14 firing ranges, and 14 workshops for repair and modification (Godnick, 2000).
- Nicaragua-Colombia: In July 2000, a former Nicaraguan police chief, Roger Ramirez, was convicted of trafficking over 100 assault rifles and 215 kilos of cocaine, allegedly destined for paramilitary organizations in Colombia. Ramirez had been in charge of the Caribbean and Matagalpa regions, areas known for drug trafficking and re-armed ex-combatants, respectively.

#### Box 5.8 Honduras: Turning a blind eye to illicit arms resales

In December 1998, Mario Dellamico, a Cuban-American representative of the Panamanian-registered company Longlac Enterprises, Inc., attempted to illegally sell small arms to the Honduran civilian police force. Dellamico, no stranger to the illicit weapons scene, had been a CIA operative during the 1980s 'Iran-Contra Affair'. This time, the weapons subsequently confiscated at a military base storage facility near San Pedro Sula included 4,993 FN-FAL rifles, 790 Chinese-made AK style assault rifles, ammunition, anti-personnel landmines, and explosives.

The ensuing investigation brought to light the fact that Longlac Enterprises Inc., a private company, had contracted the Honduran military twelve years ago, in 1988, to store arms. However, the original inventory placed under contract for storage had consisted of 30 Yugoslav-made 20mm cannons, 548 RPG-7s, and 20mm and 7.62mm ammunition—a considerable discrepancy from the inventory seized in early 1999. Government investigations determined that various weapons from this storage facility had been transferred to the Czech Republic, Portugal, Guatemala, El Salvador, Nicaragua, Jamaica, the US, Yugoslavia, African rebel groups, and private security companies in Honduras.

Despite such blatant irregularities, a Honduran court ordered the weapons returned to Longlac Enterprises Inc. in February 2000. The company subsequently reported that an Iranian businessman in the US had offered to buy the weapons but that, as of November 2000, the deal had not yet taken place due to transport and financial complications.

Source: Godnick, 2000

An investigative report traced Kalashnikov assault rifles bought for as little as US\$ 25 each in Nicaragua. These are smuggled across the San Juan River into Costa Rica or Panama where the price increases to between US\$ 300-700, and then on to Colombia where they command a price of US\$ 2,000 each, either in cash, its drug equivalent, or a combination of both (Godnick, 2000).

- Panama: This country's offshore banking facilities, Economic Free Trade (EFT) zones, and common border with Colombia make it uniquely positioned in the arms-drugs trade nexus. In 1998, the US Drug Enforcement Agency (DEA) uncovered a ring of Chinese and Colombian criminals, operating out of a Panamanian EFT zone, trafficking in drugs, assault rifles, and human beings. In June 2000, a joint Colombian-Panamanian police operation intercepted a Honduran-registered ship carrying 30 Kalashnikovs, 14 M-16s, and five Chinese-made rocket launchers that were thought to have originated in El Salvador or Nicaragua and were allegedly destined for guerrillas in Colombia (Godnick, 2000).

Not all illicit arms trafficking in Central America involves the drug trade; drugs are only one of the drivers, albeit a powerful one. Insurgencies are another. For example, in August 1998, Mexico accused ex-combatants from El Salvador of involvement in weapons trafficking and serving as mercenaries in the Chiapas region. In that same year, Honduran military officials were prosecuted in Mexican courts for allegedly supplying arms to the Zapatista rebels in 1994.

### North America

The United States, with its huge stores of privately-held firearms, is both a source, a supplier, and a recipient of illegal small arms. Within the US itself, gun control is a hotly debated issue. Although it is beyond the scope of this chapter to look into these issues, illicit arms trafficking involving the US cannot be addressed without keeping this domestic context in mind.

Recently, due to expanded arms trafficking activities by the Russian mafia and ethnic Chinese criminal gangs operating on US territory, illicit firearms trafficking in the US has taken a turn for the worse (Ward, 2000). Still, US arms trafficking activities are not limited to criminal gangs. It is difficult to quantify illicit arms trafficking in the US, as with any country or region; however, in 1998, US customs confiscated illegally trafficked arms or munitions in 728 separate seizures (US Customs Service, 1999).

Arms are also trafficked—occasionally in alarming quantities—across the US borders with Mexico and Canada. For example, in April 2000, one of the largest US-Canada trans-border smuggling cases ever was thwarted when Canadian and US police seized 1,709 M-1 Garand rifles and associated ammunition in Canada that had been smuggled from the US by two Americans who were later arrested. Although the weapons were of World War II vintage, they were supposedly all in good condition and working order (Reuters, 2 May 2000).

As for Mexico, the US is the largest source of illegal weapons for the country. The trafficking of arms between the two is often closely linked with the drug trade. Another characteristic arms trafficking pattern is the small arms 'ant trade'. According to a 1996 report by the Office of the Mexican Attorney General, a well-worn US-to-Mexico trafficking route originates in central Florida and moves through the Caribbean to Mexico's Yucatan Peninsula (Lumpe, 1997).<sup>21</sup>

Now a new facet of the arms trade is making its presence felt, both in the US and elsewhere: the illegal sale of firearms over the internet, a medium that is certain to become a major issue for policy-makers as this market expands. For example, the Irish Republican Army and its splinter groups have long been recipients of illegal arms from the US, financed and facilitated by sympathizers within the US. In late 1999, four Irish nationals were arrested for shipping dozens of small arms to terrorists in Northern Ireland, guns they had purchased through the internet (Palm Beach Post, 21 December 1999).



*Within the US, gun control is a hotly debated issue.*

*The US is the largest single source of illegal weapons for Mexico.*

## Conclusions

*As crime experts have wryly noted, the best laws often inspire the worst kinds of ingenuity.*

As crime experts have wryly noted, the best laws often inspire the worst kinds of ingenuity. In surveying the global illicit small arms trade, based on existing information in the public domain and using regional and country case studies to highlight it, the foregoing chapter has lent credence to this observation.

Granted that no review of the illicit trade in small arms can, by definition, be comprehensive, this chapter has focused on illustrating both the scope and a few of the innumerable forms that illicit activity can take. Those regions and countries that were not addressed, or only superficially mentioned in this chapter, will be examined in further detail in subsequent issues of the Survey.

What were the findings? While it is difficult to distinguish between grey and black market transfers, research has provided sound evidence that each market has its own unique characteristics. The grey market is generally much larger, both in terms of value and volume; its covert transfers tend to supply small arms to non-state actors (e.g. rebel groups) in countries or regions in war or conflict. The black market is usually much smaller than the grey market; its illegal transfers tend to supply arms to individuals and criminal organizations. Of course, there are exceptions to these rules. More research is needed to understand the characteristics and ever-changing dynamics of such markets.

Nevertheless, at the outset of this chapter, the close links between illicit small arms transfers and the crime, conflict, and corruption they spawn were stressed. A few concluding thoughts on how to deal with them are suggested below and will be the subject of future Survey editions.

**Controlling crime:** Examples of small arms-linked crimes abound—from lone Brazilian bank robbers armed with ‘ant trade’-acquired pistols, to gun-toting gangs in Sierra Leone, Colombia, and the Russian Federation, to globe-spanning organized crime rings operating out of Asia or the US. Their way is paved through the continuing practice of covert grey market arms transfers. Acts of intentional omission facilitate this illicit trade; so do acts of commission, such as states knowingly and wilfully subverting their own, or recipient states’ laws to facilitate such transfers.

*The rule of law:* To bring such criminals under control and, eventually, to justice, there is an urgent need for the rule of law, as well as its de facto enforcement, especially in the most seriously affected countries highlighted in this chapter.

**Alleviating conflict:** Both within and beyond national borders, armed conflict represents a source of international instability. More than 90 countries legally produce small arms, not to mention illicit production in a number of other countries. Thus, there will always be arms suppliers only too willing to instigate and fuel armed conflicts—either out of ideological zeal, for political reasons, or for financial gain.

*Greater transparency:* Transparency, both on the supply and demand side, is a crucial first step to minimize illicit grey market transfers that feed off of, and exacerbate, existing tensions.

**Eradicating corruption:** Corruption flourishes in environments devoid of transparency and accountability. As this chapter’s case studies show, many supplier countries—even those with mature and otherwise orderly legal systems—currently have little effective control over their small arms exports. Cleaning up corruption among civil servants and customs authorities, who can be easily bribed to overlook suspicious exports, is essential to gaining control over illicit small arms transfers. Although economic factors are certainly not the only ones, they are undeniably one of the engines that drive the spread of crime and corruption. Overall, it is imperative to recognize the causal link between all three factors—crime, conflict, and corruption—and a country’s fulfillment of its citizens’ basic needs, such as survival, shelter, health care, and education. Still, it has been observed

that while crime is often poverty-driven, corruption is not infrequently greed-driven.

**Responsibility and accountability:** In order to eradicate (combat) corruption, governments must exercise greater responsibility towards their own citizens (e.g. government employees), as well as greater accountability towards the international community. One of the first steps lies in acquiring evidence and information as a prerequisite for policy.

Ultimately, control over the global proliferation of small arms will be achieved only through greater information-sharing and transparency, which is absolutely essential to draw the line between what is legal and what is not. So long as even knowledgeable observers struggle to distinguish between a covert-but-legal deal and a totally illegal black market one, small arms will remain a perpetrator of international instability.

*For further information and current developments on small arms issues please check our website at [www.smallarmssurvey.org](http://www.smallarmssurvey.org)*

## 5 List of Abbreviations

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ABB	Revolutionary People's Army (Philippines)
AFP	Armed Forces of the Philippines
ASSR	Autonomous Soviet Socialist Republic
CAFGU	Citizens Auxiliary Force Geographical Units (Philippines)
CAST	Centre for Analysis of Strategies and Technologies
CIA	Central Intelligence Agency (US)
CIS	Commonwealth of Independent States
DEA	Drug Enforcement Agency (US)
DRC	Democratic Republic of Congo
ECOMOG	ECOWAS Monitoring Group
ECOWAS	Economic Community of West African States
FARC	Revolutionary Armed Forces of Colombia (Colombia)
FIS	Front Islamique de Salut (Algeria)
FMLN	Farabundo Marti para la Liberacion Nacional (El Salvador)
FN-FAL	Belgian assault rifle type
FSB	Federal Security Service (Russian Federation—Successor to the KGB)
HRW	Human Rights Watch
IISS	International Institute of Strategic Studies
ISER	Institute for Religious Studies
ISS	Institute for Security Studies
KLA	Kosovo Liberation Army (Yugoslavia)
LTTE	Liberation Tigers of Tamil Eelam (Sri Lanka)
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front (Philippines)
NATO	North Atlantic Treaty Organization
NDA	National Democratic Alliance (Sudan)
NDFB	National Democratic Front for Bodoland (India)
NSA	Non-State Actors
NSCN	National Socialist Council of Nagaland (India)
OLS	Operation Lifeline Sudan
OPM	Free Papua Movement (Papua New Guinea)
OSCE	Organization for Security and Cooperation in Europe
PLO	Palestinian Liberation Organization
PNP	Philippine National Police
RENAR	Director of Operations of the National Arms Registrar (Argentina)
RIRA	Real Irish Republican Army
RPG	Rocket Propelled Grenade Launcher
RUF	Revolutionary United Front (Sierra Leone)
SIPRI	Stockholm International Peace Research Institute
SPLA	Sudan People's Liberation Army (Sudan)
SRRA	Humanitarian Wing of SPLA
UK	United Kingdom
ULFA	United Liberation Front of Assam (India)
UN	United Nations
UNAMSIL	UN Mission in Sierra Leone
UNITA	Uniao Nacional Para a Independencia Total de Angola (Angola)
UNRG	Guatemalan National Revolutionary Unit (Guatemala)
US	United States
USSR	Union of Soviet Socialist Republics

## 5 Endnotes

- 1 All the information presented in this chapter is obtained from open, public sources.
- 2 A number of experts have identified other typologies of arms transfers than those identified here. Michael Klare has identified four types of transfers: government to government transfers, government sanctioned commercial sales, covert or 'grey market' operations, and black market transactions and theft (Klare, 1999). There are several drawbacks to this typology with respect to the data in this study, although certain definitions are applicable. First, there is a distinction of two different types of legal transfers—government sales and commercial sales. This distinction, while it is applicable to a number of states, such as the US, is not applicable to the large number of states where the production of small arms is state-run or where no distinction is made between government sales and commercial sales. Second, there is a blurring of the definition of covert transfers, insinuating that they are all 'grey market'. A covert transfer is one that is simply non-transparent, it can be legal, grey market, or illicit, depending on the applicable laws. Finally, Klare's definition of black market sales stipulates that such transactions are carried out by 'private entities in knowing violation of established government laws or policies.' This is a helpful definition in better understanding the black market, in that it generally involves 'private entities' rather than governments.
- 3 The grey market may also include government-sponsored transfers that are illegal, but where the parties involved are acting on instructions from government officials. However, such transfers are viewed by some as clearly being black market transfers if they are in violation of any law.
- 4 Definitions of what is legal or illegal have become a highly politicized debate. Within the framework of negotiations on 'illicit trafficking in small arms and light weapons in all its aspects', some countries want to address the whole spectrum of small arms transfers, from legal to illicit, while others want to restrict negotiations to the black market only (i.e. exclusively those transfers occurring without government knowledge).
- 5 SIPRI defines a major armed conflict as one that involves the military forces of two governments or one government armed force and an organized armed group, and results in battle-related deaths of at least 1000 people, although in some cases in certain years less than 1000 deaths may occur. The incompatibility of the warring factions revolves around the control of territory or the government of the country (SIPRI, 2000).
- 6 See Berman (2000).
- 7 Such special dispensations are secret, so there is no public record if one was granted or not.
- 8 UN Security Council, 2000. This report is also known as the Fowler Report.
- 9 For a very detailed field report on the small arms situation in Somalia see Forberg and Terilinden (1999).
- 10 The breakdown is as follows: 351,000 rifles, 226,000 assault rifles, 25,000 machine guns, 38,000 pistols, 2,450 grenade launchers, and 770 mortars. In addition, 1 million anti-tank mines, 3.5 million hand grenades, and 1.56 billion rounds of small arms ammunition were stolen. (United Nations, 1998).
- 11 For an extensive analysis of the financing and transfers of arms to the KLA see Cooper (2000).
- 12 For an in-depth assessment of the Russian Federation military's involvement in arms trafficking see Turbiville (1995). For a very detailed study of the problems of small arms in Central Asia, focusing on Tajikistan, Uzbekistan, Kyrgyzstan, Kazakhstan, and Turkmenistan see Pirseyedi (2000).
- 13 Kitovani was at one time the Defence Minister of Georgia. He was sentenced to eight years in prison for establishing an illegal paramilitary force but was released early (in May 1999) on humanitarian grounds, due to ill health.
- 14 This was before Dudayev became the leader of the Chechen rebel movement. According to official reports, he was killed in a Russian bomb attack in 1996.
- 15 This allegation is especially interesting in light of the fact that Turkey received 347,000 Kalashnikov rifles in 1994 from former East German stocks, through NATO, after Germany's reunification.
- 16 See endnote 15.
- 17 These groups are also often heavily involved in the drug trade (Kantha, 2000; Siddiq-Agha, 2000).
- 18 Evidence is based on reports of the transfer and also the fact that two helicopters of the Sri Lankan armed forces were shot down before they could take evasive action, indicating the use of Stingers rather than other, less accurate anti-aircraft missiles.
- 19 This section on the Philippines was researched and written by Katherine Kramer.
- 20 Many goods, including weapons, arrive first at the port of Paraguá. Brazil, Brazil and Paraguay have signed an agreement to allow Paraguay, a landlocked country, free use of an Atlantic port. That port is Paraguá. Goods destined for Paraguay arriving in Paraguá are marked 'in transit', and are not checked until they meet their final destination (by land or air) in Paraguay.
- 21 For a detailed look at small arms trafficking from the US to Mexico see Lumpe (1997).

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