

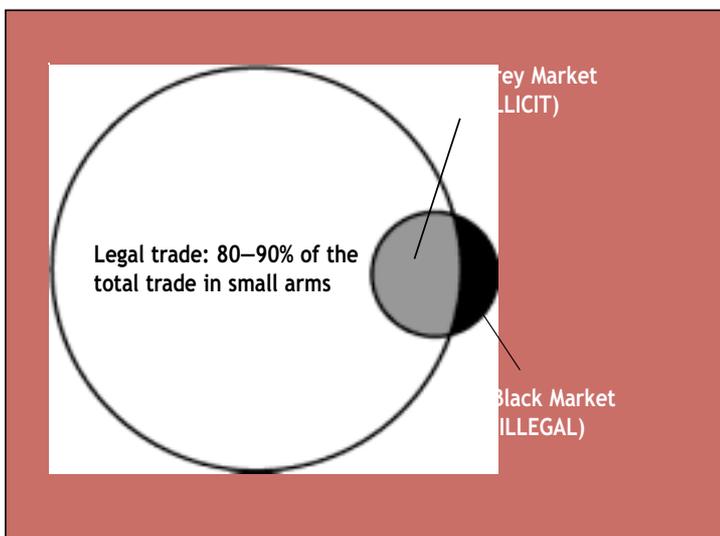
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Crime, Conflict, Corruption: Global Illicit Small Arms Transfers

It is the illicit trade in small arms, more than any other aspect of the global arms business, which exacerbates civil conflict, corruption, crime and random violence. The illicit trade is not new, nor is it the largest aspect of the global spread of small arms, yet it is far and away the most infamous.

The most accepted definition of the illicit trade comes from the United Nations, which has described it as 'contrary to the laws of States and/or international law'. This definition, however, fails to capture the full dimensions of the problem, which includes two components: the illegal black market where law is clearly violated; and the illicit but technically legal grey market, which includes government-sanctioned covert transfers. The grey market is almost certainly the larger of the two, both in volume and value, serving non-state actors and sanctioned governments. The smaller black market caters more to individuals and organized criminal groups.

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



The total scale of the illicit small arms trade is difficult to assess. Careful extrapolation based on several different types of available information shows that the global illicit trade in small arms is worth roughly US\$ 1 billion annually, which is significantly less than previous estimates. This constitutes between 10 and 20 per cent of the total trade in small arms.

All evidence suggests that the grey market is more significant than the black market in value and volume. Illicit arms flows are very different from legal ones. Insurgent groups, for example, acquire most of their armaments through raiding, battlefield seizures, grey market activity and to a lesser extent the black market. Indigenous production among non-state actors is rare but does exist. The largest illicit transfers in recent history appear to have occurred in the 1970s and 1980s, as the United States and Soviet Union armed their 'clients' in Africa, Asia and Latin America. These grey market weapons were an important part of subsequent black market transfers. The chapter highlights the importance of the previously overlooked 'ant trade', where small numbers of legally purchased weapons are sold to illegal buyers across national borders. Although usually small scale, such individual black market transfers can have a dramatic cumulative effect. Two of the best-documented examples are the ant trade between Paraguay and Brazil, and that from the United States to Mexico.



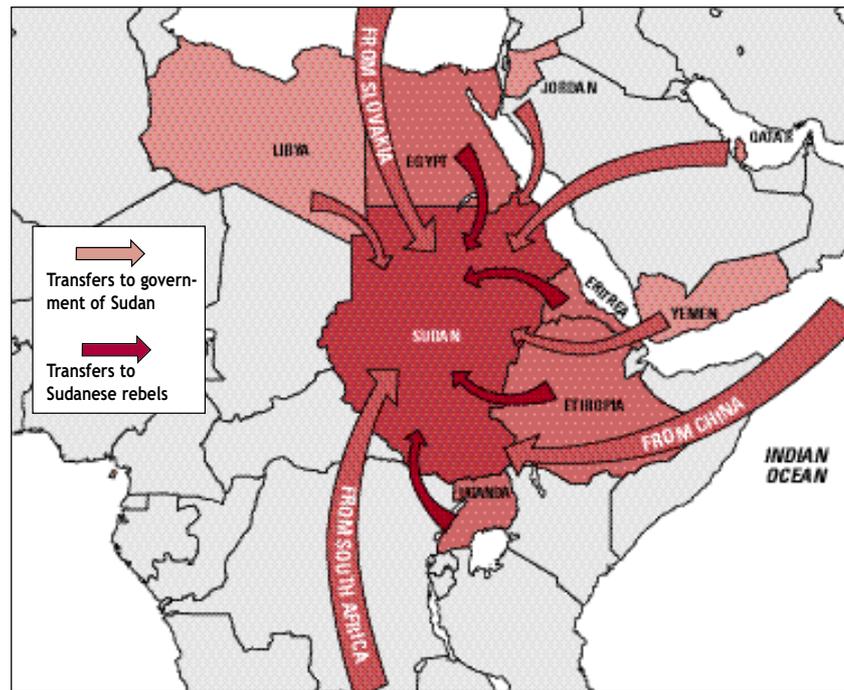
Associated Press/Hussein Malla

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

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

Although there is no comprehensive information on the systematic operation of the illicit arms market around the world, the chapter illustrates major trends through anecdotal reports, specific police seizures and official investigations. Even though these examples are not conclusive, they indicate distinct regional variations in the scale and type of illicit activity.

Map 5.3 Arms flow to the Sudanese government



Case studies from different regions show the importance of illicit sales through international brokers to regions of conflict. Grey market activity appears to be of the greatest importance in sustaining warring government forces and insurgent and/or separatist movements in many parts of the world, including West Africa, Sudan, the Balkans, Trans-Caucasus, Central Asia, South Asia, and Philippines. However, the importance of grey market activity is not the same everywhere. In Central and North America, for example, the illicit trade is dominated by a larger proportion of black market activity, mostly serving organized crime, especially the drug trade. Even there, however, there are large grey markets, illustrated by the Peruvian-sponsored sales to Colombian insurgent groups during 2000.

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

The general significance of the grey market leads to the conclusion that the problem of illicit small arms transfers is, above all, a problem of government policy. Many governments refuse to be accountable for their own actions, supplying arms to non-state actors or embargoed countries. Others avoid accepting responsibility for the acts of manufacturers and/or brokers on their territories. Long-term solutions will have to focus on reducing demand through conflict alleviation. But the most promising short-term efforts for dealing with the illicit trade will come through controlling crime, increasing transparency, eradicating corruption, and above all through strengthening the principles of official responsibility and accountability.

For further information and current developments on small arms issues please check our website at www.smallarmssurvey.org