

3

Fuelling the Flames:

Brokers and Transport Agents in the Illicit Arms Trade

Even though they may never come into actual contact with the weapons themselves, brokers and other intermediaries play a critical role in the legal and illicit trade in small arms. Without them, the trade in small arms would be smaller, and potentially less destabilizing. This chapter analyses the role that brokers and transport agents play in the trade in small arms, drawing on detailed case studies from different parts of the world.

Brokers facilitate and organize arms deals, working on behalf of suppliers and recipients for personal profit. Their ranks include traditional high-level players, mostly with roots in the Cold War-era, who concentrate on relatively large transactions. They have been joined by a new group of mid-level former officials and officers, attracted by opportunities for quick profits through smaller transactions.

Arms brokers have become increasingly prominent because of the declining role of government agencies in covert arms deals and the rising demand for indirect arms transfers to questionable recipients. The growth of internal conflict has created a new demand for arms among non-state actors. In addition, the rise of transnational organized crime has contributed to unprecedented demand for small arms, among those groups and individuals unable to turn to established suppliers.

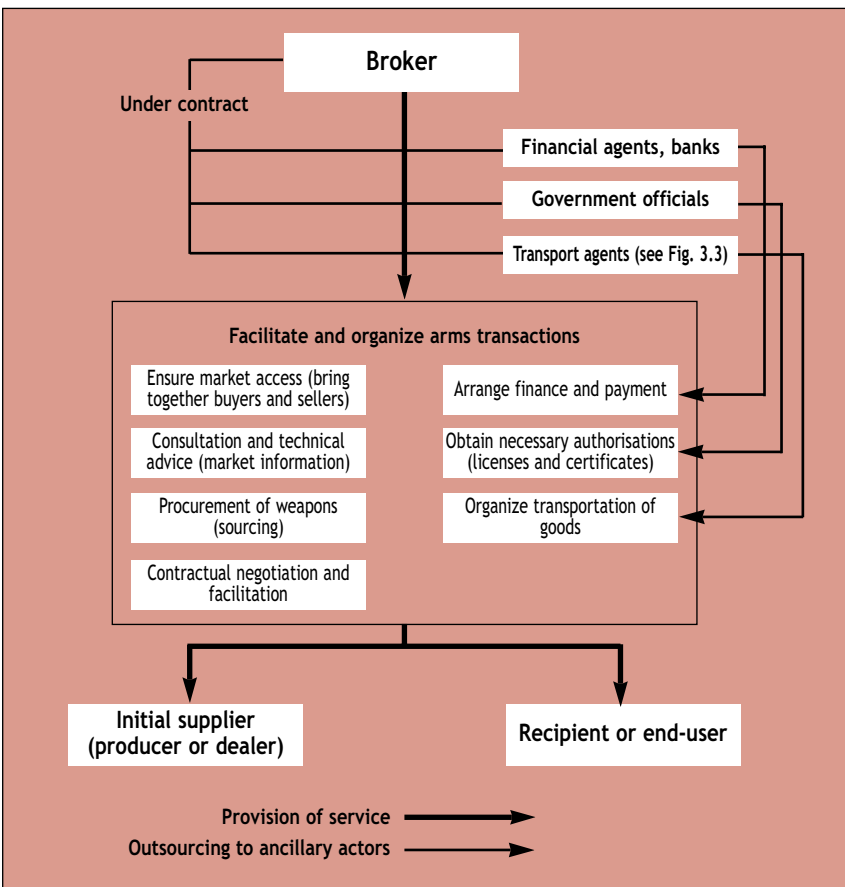
The operations of brokers are made possible, in many cases, by the complicity of public officials. Some governments use brokers to conceal their small arms exports or procurement. Other brokers work against



SIPA Press Agency/P. Eirurd

Arms broker: an individual who facilitates and organizes arms transactions on behalf of suppliers and recipients for some form of compensation or financial reward.

Figure 3.1 The broker's world

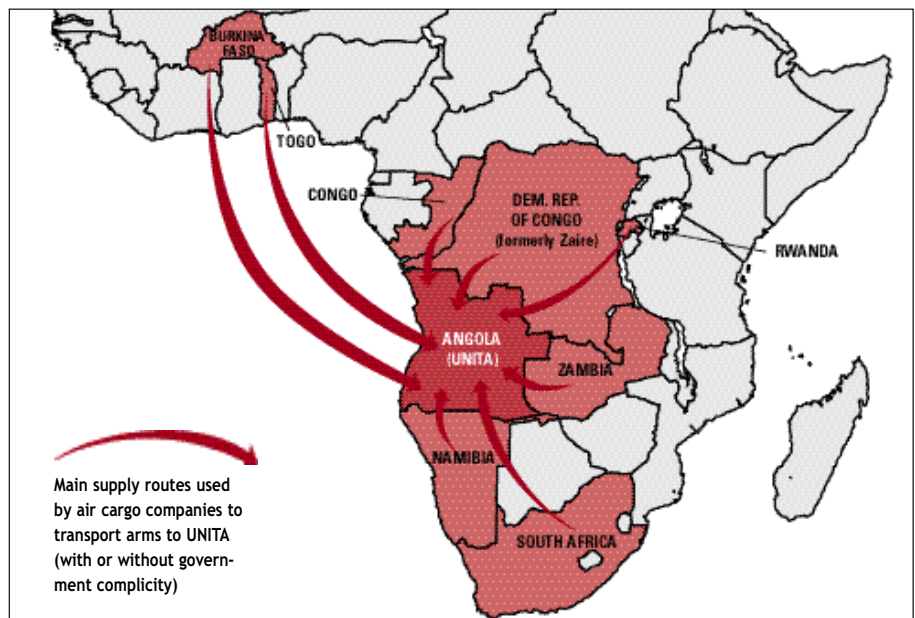


official policy by exploiting inadequacies and oversights in national regulations. Many national legal systems, for example, do not prohibit or even regulate the intangible services of intermediaries such as brokers. Even under the most permissive legal situations, brokers usually strive to maintain the secrecy of their activities, minimizing the accountability of any of the parties.

By ensuring the constant flow of diamonds and other resources in return for large quantities of weapons, transport agents have helped to perpetuate conflicts.

Today more than ever before, brokers play a key role fuelling the illicit arms trade and sustaining conflict. Closely related to arms brokering is the role of transport agents in the actual supply of military equipment. In recent years, air cargo firms have become increasingly important for shipping small arms and ammunition to regions of conflict, especially in Africa. Although evidence remains fragmentary, there is a growing appreciation of the essential services they provide in arranging the actual delivery of small arms shipments. Their rise is facilitated by the declining ability of national aviation authorities to regulate this rapidly growing field. Air transport agents often have expertise in the falsification of documentation and circumvention of inspection to conceal deadly cargoes. The importance of their skills is illustrated here by case studies of the supply networks serving rebel movements in Angola and Sierra Leone.

Map 3.1 Arms supply routes to UNITA (1993-99)



The most important step toward better control of brokers is national regulatory reform.

The most important step toward better control of brokers is national regulatory reform. Arms brokers are able to work with little or no official oversight because national armaments laws do not directly address their activities. Most countries have regulations that focus only on the physical transfer of armaments. They are not intended to capture the intangible service aspects of weapons deals. Of the 28 countries surveyed for this chapter, only seven directly regulate brokers (Germany, Israel, Luxembourg, Netherlands, Sweden, Switzerland and the United States). The United States appears to have the most comprehensive regulations, requiring official authorization for all arms brokering. In many cases inadequate laws on brokering are compounded by a failure to regulate the financing and transportation of armaments transfers. Weak law enforcement is another problem.

International regulatory co-ordination is essential to control better the activities of brokers and transport agents. In many countries, lax customs inspection and corrupt border officials prevent effective monitoring and oversight. But due to the transnational nature of arms brokering, no single state is fully capable of controlling the entire range of brokering activities that occur within its borders. Above all, control depends on transparency to identify dubious transactions and ensure rapid responses. Secrecy sustains illicit arms markets and creates the climate in which brokering is feasible. There is thus a need for better transfer documentation, rigorous end-use certification, information sharing, physical marking of small arms and co-operative international law enforcement. So long as states assist brokers and transport agents, whether for financial or political gain, the problem will be difficult to resolve.

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