

By Talyn Rahman

A country without trade is like a person without friends. Dialogue becomes unnecessary. Communication is non-existent. Amicability ranks second best. With all this, diplomacy has no justification without trade. For Britain, commercial diplomacy has historically provided investment, stability, security and alliances and such a strategy still applies to contemporary diplomatic governance.

Commenting on the February White Paper, British Foreign Secretary William Hague said that "business is part of our commitment to inject a new commercialism into the Foreign Office, using our international influence to help British businesses secure new trade opportunities." In this, he refers to high technology defence exports including the sale of arms, aerospace and security equipment to overseas markets that do not have their own defence industry.

Defence export accounts for about 3% of Britain's manufacturing exports with a 20% market share second to the United States. According to a government dossier, the UK security exports are £1.5 billion with the value of defence contracts being £7.2 billion. UK defence and security industries have licenses with over 96 overseas markets, which helps to secure 300,000 jobs for British people. This may mean that 1.2 million people rely on the arms trade indirectly.

Although these figures are not as substantial during the Cold War, Britain is seeking to become more competitive by broadening out its capacity to selling defence and security equipment to a wide range of countries. The Labour Government elected in 1997 pledged an "ethical foreign policy" that theoretically placed humanitarian issues before arms trade. The Labour Government elected in 1997 pledges an "ethical foreign policy" which arguably didn't survive contact with reality. Today, to make a substantial improvement in outcomes, is it necessary to do business with countries that violate civilised human rights policies? And what is the non-monetary cost of doing so?

Under the Coalition Programme, the UK Trade and Investment Defence and Security Organisation (UK TIDSO) reasserts that the government will only permit responsible defence exports that are used for "legitimate purposes, not internal repression". This policy is based on the EU Common Position on Arms Export adopted in June 1998, which states that export licenses will be refused if there is a risk that defence equipment will be used:

- for aggression and internal repression
- to provoke or prolong an armed conflict
- to assert territorial claim which may lead to war

Unfortunately, there is growing evidence that Britain has and continues to misjudge the risks of selling arms to allies and partners who break the promise to uphold their end of the bargain. Since the 80s, the UK has dealt extensively with Saudi Arabia totalling \$40bn, with the Al-Yamamah 'dove' contract considered to be the largest deal made.

According to the Financial Times, British export licenses since 2009 have covered submachine guns and tear gas to Bahrain, military components for helicopters to Algeria, hand grenades to Jordan, and machine guns to Egypt. Reports have also suggested that British-based defence contractors BAE Systems have sold shotguns to Morocco, tear gas and hand grenades to Saudi Arabia, night vision goggles and body armour to Yemen, and small arms ammunition to Syria.

UK TIDSO had regarded oil-rich states of Algeria and Libya as their priority markets in the Middle East. The agreement to supply Hawk, Tornado and other aircraft and support systems was the UK's biggest ever export agreements, so the market gap is clearly evident. Official reports show that the British government approved £6.1million in arms export to Libya's Colonel Muammar Gaddafi's regime. Yet, we have seen violence in the Arab Spring, with Gaddafi declaring war on his own people using British weapons and defence equipment against civilians and journalists.

In the struggle against the democratic movement, the dictatorship has been able to make use of British "CS hand grenades, demolition charges, smoke canisters and thunderflashes." Even before the current wave of unrest began, Saudi Arabia's British-supplied Tornado fighter-bombers were killing scores of civilians in the north of the country. How much of the weapons supplied by the UK is actually being used in the Arab Spring? This is yet unknown, but analysts are also struggling to identify the percentage of Gaddafi sympathisers and the number of peaceful demonstrators killed thus far.

The UK was surprised that a former ally had broken the basic understanding within their contract but has argued that there was no evidence that British tear gas was used against peaceful demonstrators. However, on a Middle East visit, Prime Minister David Cameron was forced to explain why he and his delegation were seen promoting the sale of arms to post-Mubarak Egypt instead of endorsing democracy.

In line with the EU Common Position on Arms Export, the Foreign and Commonwealth Office (FCO) has revoked more than 50 arms licenses from Bahrain and Libya since the uprising as a means to protect civilians from aggression and war. However is it not too late to revoke licenses when uprisings and aggression has already begun? Apparently not, because during Tony Blair's tenure, the government approved military licenses to human rights violators including Sri Lanka, Algeria, Zimbabwe, and Columbia. In the Human Rights and Democracy Report published in March 2011, the FCO recorded 26 countries with serious human rights concerns including the ones stated above. So why does the government not learn from its mistakes?

As set out in the Strategic Defence and Security Review, the government will promote defence and security exports for 'good' commercial reasons which help to build the capacity of British partners and allies, potentially reduce their own acquisition costs and gain comparative advantage in key technologies, skills and know-how. Business seems to take the lead over the

moral high ground particularly when considering its national interest and objective.

In his interview with Total Politics, William Hague noted how important it is for Britain to retain a global presence, by using diplomatic networks to support UK business. He said that, "...the expansion of world trade, including our trade with growing economies, is one of our most fundamentally important national objectives... Good trading links and expanding economic links can often go along human rights and rule of law [which is why] ...the commercial emphasis that we place in our foreign policy... is fundamentally important".

In short, defence and security trade is important in connecting Britain to markets in key regions and will continue to be an investment to Britain's trading infrastructure. Hague says: "You have to have a good legal reason to stop people exporting things...we can't, just on a whim, say that there's a whole list of things that we're not exporting [just because] we don't like the look of you. We have among the toughest criteria in the world for exports under successive governments".

The government believe that its trading policy and restrictions are rigorous and fair as it complies with international commitments, but even so government ministers have ordered a review into the issuing of arms export licenses. There is no doubt that the government needs to set out how it intends to reconcile potential conflict of interest between promoting arms export and upholding human rights but this writer believes still tighter regulations are required to minimise risk and errors of judgment.

Trade is at the heart of diplomatic missions, but the danger of trading defence and security equipment is not knowing who you can trust.