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US Arms Transfer Policy for Latin America

Lifting the Ban on Fighter Aircraft

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The decision by the Clinton administration in 1995 to modify the conventional arms transfer policy and permit the sale of advanced military technologies to Latin America has sparked a heated debate within political, academic, industrial, and military circles. One of the most controversial aspects of this new policy deals with the sale of advanced fighters to Latin America. This article posits that this was the right decision at the right time for the right reasons. The Western Hemisphere of 1998 is considerably different from the landscape of the 1970s and 1980s. Military regimes, the Central American conflicts, arms races, and the bipolar competition between the superpowers were commonplace throughout the region. Today, the hemisphere is characterized by democratic regimes, de-

clining defense budgets, economic integration, and reduced interstate tension, with Cuba serving as the only reminder of a discredited political experiment.

Our research addresses the main arguments against President Bill Clinton's decision to sell fighter aircraft and outlines the weaknesses of those arguments. For the most part, the discussion focuses on the impact of the new policy on seven countries: Argentina, Brazil, Chile, Colombia, Ecuador, Peru, and Venezuela. These countries have the largest air forces and are the most likely candidates for the purchase of fighters. Since 1995 the Chilean air force has expressed the desire to modernize its fighter aircraft. In 1996, Chile requested technical specifications from the United States for the F/A-18 and F-16 fighters. At the same time, Chile sought similar data from France for the Mirage 2000-5 and from Sweden for the JAS-39 Gripen.[1] By March 1997, the Clinton administration agreed to allow US manufacturers to provide classified technical data on the F-16 and F/A-18 and entered into negotiations for the possible sale of the aircraft.[2] On 1 August, President Clinton ended the 20-year-old ban and reversed the Carter administration's 1977 Presidential Directive 13 (PD-13), which had blocked the sale of advanced military technology in Latin America. In those 20 years, the US limited its aircraft sales in the region to lower-technology fighters such as the A-4 Skyhawk, the Northrop F-5 in several variants, and the A-37 Dragonfly. The only exception to this policy was the 1982 sale of F-16s to Venezuela by the Reagan administration. Unfortunately, the self-imposed US embargo did not limit, nor influence, the entry of advanced fighters into the region. Over the two decades, the French sold over two hundred fighters in South America. Other aircraft-producing nations followed suit. The Israelis, British, and Soviets also sold their fighters in all the major countries, undaunted by US efforts to limit the sales.

The critics of expanding fighter sales to Latin America focus on some important areas. Primarily, they stress the possibility of a renewed arms race in Latin America and the negative socioeconomic impact of expanded arms sales to these fragile democracies. Others emphasize the fact that these nations do not need advanced fighters for their security. On the other hand, advocates of the sales stress the economic benefits to the United States and to our defense-related industrial base. Additionally, they propose that these sales will yield security benefits and create closer ties with our regional allies. Furthermore, with the exception of Cuba, all countries in the hemisphere are currently under democratic rule and, as such, enjoy the legitimacy to determine the kind of military force structure they should have to provide for their defense.

This article proposes that the United States sell, on a case-by-case basis, advanced fighter aircraft to select countries. It should do so to enhance interoperability, promote military-to-military contacts in the region, and to help the regional air forces modernize their inventories with USAF-compatible equipment. These sales should conform to the principles set forth in the 1995 Williamsburg Hemispheric Defense Ministerial Conference, which stressed transparency, accountability, and mutual cooperation. This article does not propose the opening of an "arms bazaar," but rather increasing US engagement in the restructuring and modernization of the Latin American air forces.

If the primary purpose of the unilateral embargo on the part of the United States is to maintain fighter aircraft out of the region, it certainly has not accomplished the desired results. Our European allies and other nations have been more than willing to provide the aircraft to the Latin American air forces while US manufacturers stand on the sidelines. A senior executive for the Israeli Aircraft Industry recently highlighted this point: "American companies have been kept out of the market for some time . . . . There was a void there that we have filled successfully."[3] The United States should engage and promote responsible sales in order to increase our participation in the region and promote interoperability without sacrificing democratic rule and hemispheric peace and security.

Historical Background

The historical record of arms transfers and sales to Latin America, and the associated legislation, can be best viewed as a series of peaks and valleys. In many cases, the policy has been a direct reflection of the US president and his views towards the region or the current international situation. The Foreign Assistance Act of 1961 served as the cornerstone for weapons transfers during the early stages of the cold war.[4] Rooted in the Truman Doctrine of containment, this act provided the legal means for the United States to sell or transfer weapons to foreign governments that supported our national security objectives. By 1969, the Nixon Doctrine, which emerged from the quagmire of the Vietnam War, proposed the idea that the United States would use arms transfers as a means to contain Soviet influence. Arming friendly nations would allow them to defend themselves without having to risk American lives. The consequences of the Nixon Doctrine have endured as a point of heated debate. William Hartung argues that these transfers contributed to the rise of authoritarian governments and that many of the weapons sold by the United States were used to repress the civilian populace.[5] The 1976 Arms Export Control Act, proposed by Sen. Hubert H. Humphrey (D-Minn.), began to limit the presidential ability to transfer weapons to other nations by giving the Congress veto power over sales and extending the notification period to 30 days. Against the wishes of the Ford administration, several countries received even tighter restrictions based on their human rights records. This was the case with Chile in 1976 under Public Law 94-329. This legislation, commonly referred to as the Kennedy Amendment, prohibited security assistance, military training, and arms sales to Gen Augusto Pinochet's repressive military regime in Chile.[6]

In 1977, President Jimmy Carter issued PD-13 with the intent of reversing the Nixon Doctrine. President Carter required that arms transfers be directly linked to furthering US security interests and tied them very closely to the human rights records of the recipient governments.[7] Among its many limitations, PD-13 placed limits on the dollar amounts of the sales, prohibited the United States from introducing weapons to a region more sophisticated than those already present, and limited US production of weapons that were developed exclusively for export. Critics of PD-13 argue that "among the many failures of U.S. Latin American policy under the Carter Administration, none has been more complete than the failure of the arms transfer policy."[8] The Carter presidency was inconsistent with its application of PD-13, and it had great opposition even from within the ranks of his administration. While President Carter restricted aircraft sales to Latin America, he proposed one of the largest aircraft sales deals to Israel, Saudi Arabia, and Egypt in the spring of 1978, providing a clear example of the inconsistencies of his arms policies.[9]

President Ronald Reagan saw weapons transfers considerably different than his predecessor, framing them as "an essential element of our global policy" and subsequently reversing many of the limitations imposed by PD-13.[10] The Reagan administration sought to rearm the United States and its allies and to support anticommunist insurgencies throughout the world. During his first term in office, President Reagan tripled weapons sales to Central and South America, including arms transfers to repressive regimes such as those in Guatemala, El Salvador, and Argentina.[11] The Reagan administration approved the sale of F-16 fighters to Venezuela in 1982 to counter the Cuban acquisition of Soviet-built MiG-23 fighter/bombers.[12] The F-16 deal with Venezuela, nearly 17 years ago, was the last sale of a US-built advanced fighter to the region. The lion's share of the arms transfers to Latin America during the remainder of the Reagan years was directed towards Central America to counter the leftist insurgencies in El Salvador and its neighbors.

President George W. Bush continued with the relatively open transfer of weapons but did not sell any of the newer generation fighter aircraft. With the end of the Central

American conflicts and the ongoing termination of the cold war, the Bush administration shifted most of its focus in Latin America to the war on drugs. Additionally, most of the governments in the region returned to civilian control and implemented drastic reductions in the size of their armed forces. Argentina is perhaps the clearest example of this reversal in military spending and influence. Between 1983 and 1993, the Argentine military was reduced from 175,000 men in uniform to 65,000.[13] For the most part, the Latin American air forces did not acquire any new aircraft in the early 1990s. Their fighter aircraft continued to age, and spare parts became more difficult to purchase. The success of US weapons during the Gulf War and the aging fleets of most Latin American air forces reignited the debate on the sale of advanced aircraft to the region.

Presidential candidate Bill Clinton proposed to curb the sales of US weaponry, but after his election and being faced with the disappearance of countless defense-related jobs, Clinton's approach quickly changed. In 1996, 79 members of the US House of Representatives sent President Clinton a letter suggesting that the ban on fighter aircraft was no longer appropriate under prevailing conditions.[14] These ideas have enjoyed bipartisan support, to include senators Bob Graham (D-Fla.) and Richard Lugar (R-Ind.), who believe that these sales would actually be good for the region by claiming that "other nations are more than willing to peddle their military wares in the Americas, so lifting the moratorium—and subjecting proposed arms sales to the strict checks of the state department will increase our influence over who buys arms in Latin America."[15]

These proposals and other economic pressures prompted President Clinton to draft the president's conventional arms transfer policy embodied in Presidential Decision Directive 34 (PDD-34). Under PDD-34, conventional arms transfers are viewed to be a legitimate instrument of US foreign policy when they enable the United States to aid allies and friends to deter aggression, promote regional stability, and increase the interoperability of US and allied military forces.[16] Additionally, PDD-34 stresses that supporting a strong, sustainable US defense industrial base is a key US national security concern, and not purely an issue of commercial concern. Therefore, PDD-34 raises the value of significant domestic economic considerations in the arms transfer decision-making process to a higher level than in previous legislation.[17] But this reversal of policy, although applauded by US weapons manufacturers, is presently a serious issue for debate.

The Critics: Arguments against Lifting the Ban

The cast of critics condemning President Clinton's decision to lift the ban is long and distinguished. Opponents include Nobel peace laureate and former Costa Rican president Oscar Arias and several US legislators, specifically, Sen. Joseph Biden (D-Del.), Sen. Christopher Dodd (D-Conn.), and Congresswoman Nita Lowey (D-N.Y). The critics have argued that the costs of selling high-tech arms to the region far outweigh any economic or political gain to US interests. Specifically, the opponents argue that arms sales could undermine the Clinton administration's efforts to promote economic stability and development, strengthen democratic political institutions in Latin America, and ensure hemispheric peace and security.[18]

They argue that the sale of high-tech weapons systems, particularly combat aircraft, cannot address the "new" security threats facing the region, such as rampant drug-trafficking, growing economic inequality, social dislocation, unresolved border disputes, and nagging guerrilla movements.[19] In fact, as former presidents Jimmy Carter and Oscar Arias have recently stated, opening an "arms bazaar" to interested Latin American buyers will only exacerbate or reverse the progress achieved in the last 15 years in the area of democratization, macroeconomic stability, and hemispheric cooperation and security.[20] In an effort to restore the moratorium via hemispheric consensus, Carter and Arias have received the support of 27 heads of state. The

group proposes a two-year moratorium on the acquisition of advanced military equipment. Their recommendation calls for a "cooling-off" period to give the region time to study and address regional security threats and the social, political, and economic impact of an arms race in the region.[21]

The principal economic argument against arms sales is that an increase in military expenditures will divert scarce resources away from much-needed social and economic programs such as education, health care, and job-creation initiatives. In a period of restrained state spending and macroeconomic stability, the purchase of military equipment further reduces resources available for social investment. According to the World Bank, these countries need to be investing their limited resources in production for local and export markets as well as in physical infrastructure and social services such as education and health care. Latin America needs to spend up to $1 billion (US dollars) per week to maintain and upgrade crumbling or nonexistent communication, water, and transportation systems.[22]

Moreover, the critics argue, the shifting of resources to military purchases will further complicate the region's growing social problems. Poverty and income inequalities have increased as a result of structural adjustment and austerity policies implemented by Latin American governments over the past 10 years. The poverty level remains at about 35 percent for the region, and annual per capita growth between 1990 and 1995 increased by only 1.3 percent.[23] Other social indicators such as infant mortality, access to education, and sanitation services have also shown only limited improvement. Poverty is only increasing in absolute terms, but the income gap is growing at a faster pace. According to the Inter-American Development Bank, the top 10 percent of the population increased its share of the nation's income from 58 percent in 1985 to 66 percent in 1995.[24] This level of poverty and income inequality will delegitimize democratic institutions, making them vulnerable to violence and other post-cold-war threats. As former Colombian president Ernesto Samper, an ardent critic of US policy, stated recently, "Diverting social spending toward other ends can contribute to the delegitimization of our democratic system, making them more vulnerable to threats such as terrorism and drug trafficking."[25] In short, stagnant economic growth and high unemployment coupled with declining social services will produce the very conditions the United States is seeking to avoid: institutional breakdown and regional insecurity. Funds spent purchasing expensive weapons deprive other sectors of the economy of critical resources needed to combat growing poverty. From a political and economic perspective, these countries simply cannot afford these purchases.

Another argument against lifting the ban is its impact on democracy and civilian control of the armed forces. Critics pose that further reductions in social spending will undermine confidence in democratic processes and institutions as poverty levels increase. Moreover, the sale of weapons will have the negative effect of strengthening the one institution that has always threatened democratic rule in Latin America—the armed forces. At a time when democracy and its institutions are still weak and in transition, the sale of arms sends an ambiguous signal, given the situation of continued uncertain or limited civilian control in some countries such as Chile, Honduras, and Peru. The level of consolidation of critical institutions such as legislatures, courts, and political parties remains dubious. As a result, the mechanisms that can ensure civilian control are still in gestation and thus vulnerable to military prerogatives and interference.[26]

Several of the Latin American armed forces retain considerable institutional autonomy, specifically in the areas of the budget and internal security. Moreover, coup attempts in Venezuela and Paraguay and the continued role of "guardian" provided by constitutions to the militaries suggest that civilian control is far from consolidated despite significant strides in democratic rule in the last 13 years.[27]

In short, the institutional and legal frameworks continue the threat of praetorianism in Latin America. The critics of US policy maintain that "professionalization" and modernization of Latin American weapons systems can have a similar result to that of the 1960s when professionalization led to military intervention in the context of socioeconomic distress. In short, selling high-tech weapons systems to Latin America offers no significant advantage to supporting or consolidating fragile democracies or civilian control.

Finally, the opponents of US policy argue that arms sales threaten hemispheric peace and security because of the potential for an arms race among countries with unresolved border disputes. As the conflict between Ecuador and Peru demonstrates, historical animosities or border conflicts can be easily reignited. Arms sales to only a few countries are enough to start an arms race that can lead to the destabilization of the region, particularly if sales such as combat aircraft give nations a clear strategic advantage over their neighbors. Chile's procurement of high-tech weapons can be interpreted by Argentina, Bolivia, and/or Peru as a Chilean effort to obtain a strategic advantage. This may induce them to enter the arms market at a time they can ill afford to do so. Moreover, these weapons systems are completely inadequate to deal with the new, nontraditional security threats facing the hemisphere in the post-cold-war period. Latin America has achieved an unprecedented level of regional peace and cooperation that can be easily undermined by an arms race started by any government's decision to modernize its military hardware. Cooperative security arrangements and other mechanisms, such as defense transparency and confidence-building measures, are still in their early stages, and any attempt to "modernize" weapons systems will obviously undermine these processes.

All of these factors are intertwined. The diversion of resources will lead to a loss of confidence in democracy and eventually to its collapse. Consequently, more powerful military institutions or, if democracy disappears, authoritarian regimes and their new weapons system will surely create an unstable regional environment conducive to the resurgence of interstate conflict. According to the critics, the lifting of the moratorium is not in the long-term interests of the United States. Though lifting the ban may bring short-term boosts in weapons exports, in the long term it will undermine foreign policy objectives by shifting investment capital away from domestic development and into military spending. This will result in lost export opportunities for nonmilitary industries and a loss of export-related jobs. Moreover, regional conflict as a result of an arms race will have a direct and negative impact on US national security. In short, except for defense contractors in the United States, the lifting of the ban will have very few winners and many losers. In the end, Oscar Arias, the principal critic of President Clinton's policy, concludes that

> although democracies exist throughout Latin America, one would be naive to believe they are strong. Introducing high-tech weapons to the region bodes a future of violent eruptions, regional instability [and] a growing arms race. Existing border skirmishes will be intensified; fragile civilian control over traditionally strong militaries will be weakened; national resources will be diverted to satisfy professional soldiers' egos. How can a continent progress into the twenty-first century when governments are busy building arsenals and not schools? How can people continue their struggle for peace when more money is spent on modernizing fighter planes than on hospitals?[28]

Without a doubt, the arguments made by the critics of expanding military sales express legitimate concerns about the welfare and stability of the region. Their claims appear stronger in light of the current socioeconomic conditions, the interventionist record of the armed forces, and the fragile nature of the democratic regimes. With these factors in mind, what possible advantages, other than increased profits and markets for the US arms industry, could there be for reopening the door for the sale of fighter aircraft?

Flaws in the Critics' Arguments

Before addressing the critics' arguments, it is important to emphasize one key point—the ban has not worked! But even if the United States continues its ban on the sales, there will be another state willing to step in to fill the need. It is ironic that leaders in a nation that built its economy on the laws of supply and demand fail to understand that as long as the demand exists for fighter aircraft in the region, a supplier will emerge. With the end of the cold war, new actors such as Belarus have emerged on the international arms market selling secondhand military technology. Belarus sold surplus MiG-29s and a complement of air-to-air missiles to Peru in 1995.[29] Detailed analysis of the five criticisms against lifting the ban will highlight the weaknesses of their proposals.

The strongest argument posed by the critics is based on economics. Without a doubt, the region would be better served by focusing its limited financial resources on social and economic programs instead of military spending. But there is absolutely no indication that if the United States refuses to sell fighters that the money will be spent on social programs. The zero-sum nature of the argument cannot be proved, particularly if the government had decided to earmark those funds for defense. It is naive to believe that the United States can influence how a sovereign state will spend its resources. In reality, we lose leverage by removing ourselves from the table. This fact was highlighted by Heliodoro Gonzalez in a study of the US arms transfer policy in Latin America: The "so called 'commercial pragmatism' on the part of such countries as France made U.S. efforts to slow the flow of sophisticated equipment to Latin America quite hopeless."[30] The United States can link these sales to economic and security initiatives and ensure that the purchases carry some limitations and are technologically feasible for the purchasing state. Research on Latin American motivations for the importation of arms has pointed out that the availability of domestic economic resources is the primary political consideration.[31] If the civilian government has made the budgetary decision, either because of military pressure or national security, to divert the funding to purchasing aircraft, the "swords to plowshares" argument is moot.

The second criticism of the aircraft sales simply argues that these air forces just do not need this type of equipment based on their threats and missions. Before addressing the question of need, there is a disturbing dimension to this argument that needs to be brought to bear. Exactly who determines what those countries' needs are? It is not the role of the United States or that of former presidents Arias and Carter to determine, or stipulate, the defense needs of another country. Does the US Air Force truly need the B-2 bomber in an age when it does not face a true peer competitor? Would the US president respect, or follow, an externally imposed moratorium on aircraft purchases or development because some foreign leaders believe they are not necessary for our national defense? But this double standard can be explained away by the realist argument of international relations: "The strong do what they can, and the weak do as they must." Without a doubt, this line of reasoning is a violation of the sovereignty of these democratically elected governments, and a slap in the face regarding their ability to determine their nations' defense policy. Essentially, we are telling them that they must demilitarize, while we continue to maintain our military capabilities.

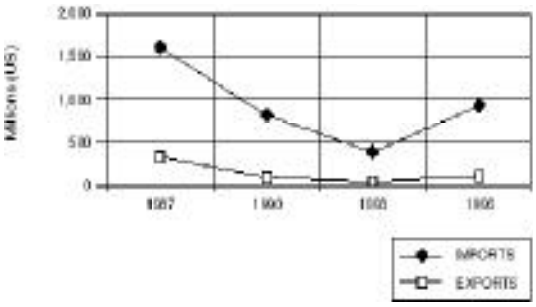
Moreover, this line of reasoning ignores the current reality that many Latin American states are attempting to integrate themselves into the international community. Several have significantly increased their participation in UN-sponsored peacekeeping missions. They have contributed troops to regional peace initiatives such as the military observer mission between Ecuador and Peru (MOMEP). Argentina participated in the Gulf War and supported the US position during the Haitian crisis.[32] The first aircraft to fly into Baghdad after the cease-fire was an Argentine air force Boeing 707; the Chileans operated helicopters in Kuwait after the Gulf War; and

the Uruguayans used their newly acquired C-130 transports to support their peacekeeping troops in Cambodia. It is not inconceivable for these armed forces to incorporate themselves into more complex missions such as the UN-sponsored no-fly zones currently in place in Iraq and the former Yugoslavia. In order to do so, they would require modern fighter aircraft along with the doctrine and training to permit smooth incorporation. The Argentine military has sought involvement in missions that require a higher degree of military expertise or the opportunity to participate with more advanced military forces in order to gain training and prestige for its troops.[33] Additionally, Argentina has recently been named a major non-NATO ally, which should increase its willingness to participate in multinational operations and perhaps even offer the possibility of providing resources to the NATO mission in Croatia. Excluding these armed forces from such operations sends a negative signal to these emerging democracies that they are just not good enough to participate in the international arena. Additionally, it condemns the more advanced countries to the steadily expanding role of global policemen, which is a drain on their national resources and military.

The third line of reasoning assumes that the sale of fighter aircraft, or other advanced military systems for that matter, weakens democratic governments. Realistically, one could argue just the contrary by stating that prohibiting the sales to these governments weakens their prestige in the eyes of the nationalistic sectors of their society and armed forces. Critics of the United States argue that it is our goal to disarm their nations in order to enhance our hegemonic position in the hemisphere.

> In the international arena, the richer countries attempt to implement their "new world order," a philosophy which divides nations into two groups: "primary or secondary"; where the latter are condemned to permanent underdevelopment, with the aim of preventing them from ever becoming competitors on the international economic stage. . . . The basic rule for said project is to impose a subservient attitude on the "secondary" countries in order for them to resign themselves to the humiliating state of permanent social, economic, political, and military underdevelopment. . . . It is obvious then that the armed forces of these countries are one of the primary targets of their strategy.[34]

The comments cited above were made by a commander in the Brazilian air force in 1993, and they mirror the beliefs of a growing sector of the Latin American military and political establishment. Many leaders in the region believe that their countries are kept in a state of underdevelopment by the developed world. On a grander scale, they frame the argument in a North-South axis, with the developed nations maintaining a "technological apartheid" over developing states. Essentially, we deny them the technology so that we can subordinate them to our will. Additionally, they use this very reasoning to propose that the denial of military technology also weakens their security vis-á-vis their neighbors. This reasoning can lead to the development or expansion of domestic weapons production, which will prove to be more costly than the outright purchase and will cause an even greater burden on their society. Latin American nations, across the board, have reduced or dismantled their domestic weapons production capabilities. These reductions have generated pressure



Source: Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook, 1997: Armaments, Disarmament and International Security* (New York: Oxford University Press, 1997).

Figure 1. South American Arms Imports versus Exports

from sectors of the armed forces and labor unions. Between 1980–1987, the US Arms Control and Disarmament Agency ranked Brazil as one of the 10 leading arms exporters to the Third World, but today many of the factories that produced weapons are idle or closed.[35] Figure 1 illustrates the decline in both arms exports and imports in South America in recent years.

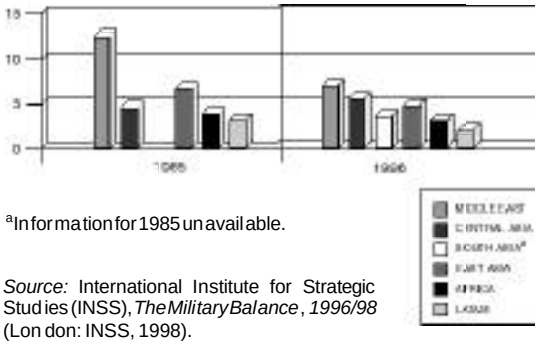
Additionally, this line of thinking places the civilian governments in a peculiar situation by questioning their control over the armed forces. Without a doubt, the degree of autonomy of the armed forces varies from state to state based on their withdrawal from power, the legitimacy of the civilian government, and countless other factors. In Chile, the military has retained a great deal of its prerogatives, while in Argentina the military has little influence or prestige.[36] Whatever the case, it is imperative for these governments to be able to formulate, or contribute to, the development of defense policy, and to not appear that they are merely puppets of the United States.

Actually, some regional experts have proposed that liberalizing the arms transfer policy may help improve civil-military relations. Patrice Franko, an expert on the Brazilian defense establishment, stated in a recent interview that easing the policy "will show the militaries that there is a reward for the sort of policies they have been pursuing in greater civilian control and reduced regional tensions."[37] Democracy has become the norm in the region, and these democratic regimes have embraced most of the neoliberal economic reforms which have been required of them, but we refuse to recognize their right to unilaterally determine their defense needs. Essentially, we are telling them that we know what is good for them and that they are not mature enough to determine their own policy. This argument appears to many Latin Americans as condescending at best and ethnocentric at worst.

The fourth argument against the sales is based on the notion that it will destabilize the region by introducing new technology and weapons, therefore triggering an arms race. History offers evidence that US embargoes can prove to be counterproductive. A clear example of this occurred in the late 1970s during the Carter administration, when the United States refused to sell aircraft and tanks to Peru. The Peruvian government turned to the Soviet Union and purchased Su-22 fighters and a significant number of main battle tanks, artillery, and helicopters. The sale alarmed Ecuador, Peru's neighbor, which in turn requested that the United States sell them aircraft to correct the imbalance. The United States, in accordance with Carter administration policies, refused the sale and initiated a chain of events that proved the futility of the US position. After being refused by the United States, Ecuador attempted to purchase 24 Kfir fighters from Israel for $152 million (US dollars). The United States blocked the sale because the Kfir uses the General Electric J-79 engine and Israel must receive US approval prior to any transfer to a third party. Finally, Ecuador turned to France and negotiated the purchase of 24 Mirage F-1s for $260 million (US dollars).[38] The attempt on the part of the Carter administration to limit the entry of fighters into the troubled region resulted in failure at several levels. The aircraft were purchased without using US sources and at a greater cost than initially anticipated. Furthermore, it forced the Ecuadorians to buy the Mirage F-1, an aircraft considerably more sophisticated than they were originally attempting to purchase. Ironically, years later the Peruvians would purchase the Mirage 2000 to counter the threat posed by the Ecuadorian F-1s. Regrettably, history would repeat itself in 1995 after the most recent conflict between Peru and Ecuador. Following the conflict, the Peruvian air force purchased the MiG-29 Fulcrum from Belarus to replace losses incurred in battle. Additionally, the Peruvians acquired over one hundred AA-10 and AA-8 air-to-air missiles for the MiG-29 as part of the purchase. The Ecuadorians, on the other hand, turned to Israel and acquired four Kfir C-7s from the Israeli Air Force.[39]

The unwillingness of the United States to enter the aircraft market in Latin America has not limited or prevented the entry of such technology or diminished the possibility of an arms race. Over the last few years, the Chilean air force has continued its acquisition of aircraft, including the purchase of 25 Belgian air force Mirage Vs to replace its aging Hawker Hunters. Additionally, the Chileans are negotiating the purchase of additional early warning (EW) aircraft to augment its single Condor (Israeli-built, Boeing 707 variant, EW platform). This expansion would give the Chileans a significant advantage in EW, intelligence gathering, and battle management, significantly reducing their need for additional fighters.[40] Furthermore, Chile has made it very clear that the United States is not the only contender for their upcoming purchase of perhaps as many as 60 fighters.[41] During the 1998 *Ferie Internacional del Aire y del Espacio* (FIDAE), a major aeronautical air show in Chile, the French and Swedes aggressively marketed their competing aircraft in an attempt to close that lucrative deal. In a recent interview with a Chilean newspaper, Anders Bjorck, Sweden's former defense minister, stressed that Chile was undoubtedly the highest priority in Latin America for his country and that, unlike the United States, Sweden does not attach restrictions on its arms sales.[42]

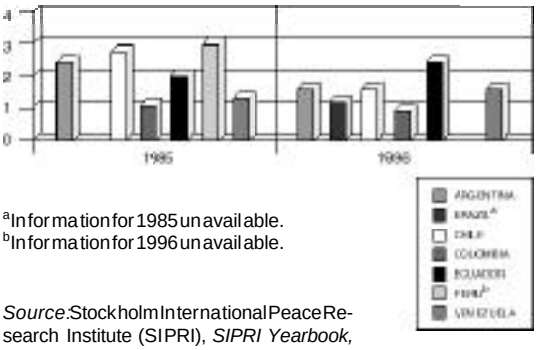
Perhaps the strongest argument against the possibility of an arms race is the historical record. Latin America is not a region known for interstate conflict. In recent years, most areas of potential conflict, such as the *Hielos Continentales* dividing line between Argentina and Chile, will have been resolved. In addition, Latin America has traditionally spent less on defense as a percentage of the gross domestic product (GDP) than in other regions of the world and had fewer interstate conflicts than most regions of the world (fig. 2).



[a]Information for 1985 unavailable.

Source: International Institute for Strategic Studies (INSS), *The Military Balance, 1996/98* (London: INSS, 1998).

Figure 2. Regional Defense Spending as a Percentage of Gross Domestic Product



[a]Information for 1985 unavailable.
[b]Information for 1996 unavailable.

Source: Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook, 1997: Armaments, Disarmament and International Security* (New York: Oxford University Press, 1997).

Figure 3. Defense Spending by Country as a Percentage of Gross Domestic Product

Even during the years of the military governments, their expenditures were comparatively lower. Analysis of defense spending on a country-by-country basis demonstrates virtually no difference in the outcome. For the most part, Latin American countries maintain their military expenditures below 2 percent, showing a decline over the last 10 years (fig. 3).

Furthermore, regional leaders have been meeting in an attempt to standardize the calculations of defense expenditures for even greater transparency. In July 1998, during the fifth meeting of the Argentine-Chilean Permanent Committee on Security, leaders from both countries agreed to abide by the defense expenditure guidelines proposed by the UN Economic Commission on Latin America

(ECLA).[43] This significant milestone is consistent with the spirit of the Williamsburg and Bariloche ministerial conferences.

In their fifth and final argument, the critics accuse the Clinton administration of buckling to the pressures of the US aeronautical industry and other arms manufacturers in their efforts to promote their goods in the region. Former president of Costa Rica Oscar Arias, one of the proponents of this criticism, recently stated:

> The engine of the arms trade is no longer fueled by East-West politics. It is now driven by economic motives alone, by greed. Arms merchants aggressively seek new clients, especially in the developing world. And while the governments of these developing countries buy billions of dollars a year in arms, their people remain subject to the chilling reality of poverty.[44]

Beyond any economic benefit that arms sales may accrue to US defense companies, the lifting of the ban can have a direct and positive impact on US interests. In other words, a more interesting question is not so much what a change in policy might accomplish for defense companies and their employees but for broader US goals in Latin America. The argument can be made that sales are needed to maintain the defense industrial base and provide jobs for US workers. Moreover, prohibitions jeopardize competitiveness of US companies in the global market that is further exacerbated by budget cutbacks that reduce funding for research and development programs.[45] However, this argument is narrow and could be interpreted as too self-serving by critics of arms sales. A broader and more focused argument in favor of how arms sales protect and enhance US interests in the region is more persuasive. In reality, we believe that the unwillingness on the part of the United States to sell fighters may hinder the sale of other aircraft or technologies, such as the T-6 Texan 2 trainer, which would further diminish our presence in-theater. Raytheon, the manufacturer of the T-6, believes that there will be a market for three hundred to four hundred trainers in Latin America in the near future and hopes to capture a portion of this market.[46] The T-6 would compete against foreign-built trainers such as the Brazilian Super Tucano and the Swiss-built Pilatus PC-9. The inability of US manufacturers to sell trainers in the region would create an even wider chasm between the US Air Force and our regional allies who have traditionally depended on our training manuals, instructor exchanges, and program syllabi for their pilot-training programs.

The Latin American fighter aircraft market is too small to make a significant impact on the US aerospace industry. In all likelihood, several countries would be buying excess military aircraft, such as older models of the F-16. Many of these fighters have been retired from the inventories of the US Air Force, the Air National Guard, or the Air Force Reserve. The drastic downsizing of the US armed forces, particularly since the Gulf War, has forced many of these aircraft to face early retirement in the Arizona desert. The sale of these aircraft could create some "offset agreements" requiring that some assembly or maintenance functions of the fighters be accomplished in the purchasing country. These "offsets" reduce even further the economic benefits of such a sale. This has been the case with the A-4AR Fightinghawk program in Argentina. About two-thirds of the A-4ARs will be assembled in the Lockheed-Martin plant in Cordoba, Argentina, diminishing the economic benefits and job opportunities in the United States.[47]

It is imperative for the United States to remain engaged in the region, and to do so it must be willing to address the security needs and concerns of its neighbors. These needs include the acquisition of fighter aircraft to modernize their aging fleets. If we are unwilling do so, other actors will step in to fill the void, and our influence will continue to decline. A review of our interests in the region is critical in order to understand the growing importance of US military participation in Latin America.

Arms Sales: US Interests, Security Cooperation, and Socioeconomic Development

Arms sales provide the means to build and sustain military-to-military contacts at a time in which the United States has lost significant influence and leverage with Latin American militaries. Samuel Fitch has noted that US military influence has declined significantly since before the end of the cold war, much of it as a result of dramatic drops in military aid and arms transfers.[48] The continuing decline in US allocations for international military education and training (IMET) funding for Latin America (table 1) is further evidence in this loss of influence and diminished engagement. The more intense the defense relationship, the greater the ability of Washington to influence the region's armed forces to respect human rights and democratic institutions and promote professionalism. The overall interest is to engage in military-to-military contacts to enhance security, build economic stability, and promote democracy.

Ultimately, military sales will result in more exchanges, joint exercises, and greater mutual understanding. In other words, transfers allow for more engagement and the establishment of new and broader channels of communication between militaries and governments. Professor Fitch notes that such engagement has limited impact on changing values and beliefs of Latin American officers. It does, however, provide an important adjunct to US policies in favor of democratization or drug control because it provides "tangible and intangible goods that will be lost if the recipients act in ways counter to U.S. policies."[49]

Table 1

IMET Expenditures in the Region (In Thousands of Dollars)

COUNTRY	1996 Actual		1997 Actual		1998 Estimate		1999 Request	
	Total Allocation	Students Trained	Total Allocation	Students Trained	Total Allocation	Students Trained	Total Allocation	Students Trained
Argentina	$542	186	$603	179	$600	178	$600	178
Brazil	$200	38	$222	42	$225	42	$225	42
Chile	$366	187	$395	167	$450	190	$450	190
Colombia	$147	30	$0	0	$900	100	$800	89
Ecuador	$500	135	$425	118	$500	138	$500	139
Peru	$400	75	$483	133	$450	124	$450	124
Venezuela	$430	114	$388	100	$400	103	$400	103

Source: Adam Isaacson and Jay Olson, *Just the Facts: A Civilian's Guide to U.S. Defense and Security Assistance to Latin America and the Caribbean* (Washington, D.C.: LATAM Working Group, 1998).

In fact, arms transfers can also increase US influence in other nonmilitary or security issues. One recent study demonstrated that US arms transfers are an important component of an overall package of carrots and sticks that enhances US leverage over recipient countries.[50] Consistent with the theory of functionalism which states that power and influence are fungible, military sales and security cooperation can easily translate into influence in other political and economic issues. Arms transfers on a case-by-case basis offer the opportunity to replace lost hegemony by reinstating the exercise of what Joseph Nye has called "hard power leverage"; that is, restoring the capacity to pressure other countries to conform to its policies by reinstating the le-vers of influence (e.g., weapons systems) that can be used later by threatening to withdraw or sanction if certain expectations are not met.[51] In short, arms sales will increase the level of contact, leverage, and political camaraderie, which can be used to exercise influence on a range of issues, specifically those related to democracy and hemispheric peace and security.

In recent years, fewer numbers of Latin American fighter pilots have received flight training in the United States, while growing numbers have done so in France and Israel. Within the last 10 years, the US Air Force has deactivated the A-37 training program at Howard AFB, Panama, and the F-5 training squadron at Williams AFB, Arizona. Hundreds of Latin American fighter pilots passed through these schools and were exposed to US Air Force doctrine and pilots. With the exception of the aviation leadership program in T-37s and a limited number of slots in A/T-38 training, few Latin Americans have the opportunity to receive training in the United States. Fighter pilots continue to be a large portion of the current and future leadership in the Latin American air forces and it is imperative for the US Air Force to maintain close ties with these officers.

Former defense secretary William Perry noted that the sale of US aircraft is indeed more stabilizing than destabilizing because it comes with US training, military-to-military contact or dialogues with our democratically controlled armed forces, and control by the US over spare parts.[52] It provides some degree of leverage over how US equipment is employed. Potential misuse of weapons can be minimized by dependence on US suppliers, training, spare parts, and other support. The degree to which the United States moves to the position of principal supplier for entire groups of countries, the more it can determine the relative balance of weaponry in the region. If the United States provides the same equipment to neighboring countries, it is in a position to promote confidence-building measures through joint maneuvers with the US Air Force and Navy, since doctrine tends to follow equipment.[53]

The interoperability of weapons systems among countries in the hemisphere is an important component of the kind of security cooperation that can be achieved through continued joint maneuvers and efficient inter-American operations and peacekeeping missions. Interoperability is a critical means of interacting cooperatively with other nations in the region. With the exception of Venezuela's F-16s, there are no Latin American air forces operating fighters currently found in the USAF inventory (table 2). Additionally, most fighters in the region are more than 20 years old and often lack sources for spares. This is particularly the case with US-built fighters. Even the newly refurbished A-4 Skyhawk purchased by Argentina, Brazil, and Bolivia are old airframes with upgraded avionics and, in the case of Argentina, radars. It is safe to assume that the service life of these A-4s will not be as long as that of an F-16. The latter is operated by many air forces and is scheduled to remain in the USAF inventory for many years to come. Common equipment facilitates interoperability for combined operations for disaster relief, peacekeeping, and the fight against drug trafficking. Much like doctrine follows equipment, interoperability also contributes to the development of shared doctrine, negotiated procedures, routine exercises, and compatible command and control.

Table 2

Fighter Aircraft in Major LATAM Air Forces

Aircraft	Origin	Date of Manufacturer	Air Force and Quantity
AMX A-1	BR/IT	1989	BR (28)
A-4 Skyhawk	US	1972	AR (48) some a/c on order
A-37 Dragonfly	US	1967	CH (35), CO (26), EC (10), PE (16)
F-5 Tiger	US	1972	BR (56), CH (16), VE (18)
F-16A Falcon	US	1978	VE (24)
Jaguar	UK	1972	EC (11)
Mirage III	FR	1965	AR (15), BR (18)
Mirage V	FR	1970	AR (5), CH (29), CO (13), PE (11), VE (?)
Mirage F-1	FR	1976	EC (14)
Mirage 50	FR	1980	CH (15), VE (17)
Mirage 2000	FR	1982	PE (10)
Kfir C-2/7	IS	1975	AR (22), EC (9), VE (12)
Su-20/22	USSR	1970	PE (20+)
Su-25 Frogfoot	USSR	1970	PE (14)
MiG-21	USSR	1958	CU (150)
MiG-23 Flogger	USSR	1971	CU (38)
MiG-29	USSR	1982	CU (34), PE (18)

Source: Lt Col Luis F. Fuentes, "Air Forces of the Americas," *Airpower Journal International,* 5 May 1998, available from http://www.airpower.maxwell.af.mil/almanac/english/engindex.html.

Once again, interoperability in these areas not only enhances cooperation but also Washington's ability to influence Latin America in other areas of national interest to the United States. As Brazilian scholar and policy maker Tomaz Guedes da Costa aptly asserts:

> The Soviet threat no longer exists, but if, for example, the United States wants more than the symbolic participation of Latin American countries in international collective peacekeeping or peacemaking initiatives, an effort must be made to build common military operational capabilities in order to permit efficiency in field operations. The lack of common technological, weapons, and tactical standards may frustrate the formation of an international force for joint operations.[54]

Arms transfers also place the United States in a unique and more influential position to strengthen hemispheric security cooperation and confidence and security-building measures (CSBM). Establishing an arms bazaar rather than making decisions on a case-by-case basis does not contribute to hemispheric peace and security. It limits the ability of the United States to maintain links and exercise influence in the establishment of a cooperative security system. Military sales must be coupled with transparency in defense planning, acquisitions and budgets, joint exercises, periodic high-level civilian and military

meetings, and other CSBMs that will contribute to building trust, confidence, and mutual understanding among the militaries of the region. The cooperative security architecture developed by the first defense ministerial meeting (July 1995) in Williamsburg, Virginia, provides the framework to safeguard peace and security in the region, thus averting the potential for an arms race and conflict that may result from arms sales to the region. In other words, given better information about a neighbor's weapons purchases and defense plans and capabilities, countries in the region should be able to more confidently evaluate their own security needs and thus avoid unnecessary arms purchases.

The Williamsburg meeting established a set of principles that have become the cornerstone of a new security arrangement in the hemisphere. First, the resolution of outstanding disputes by negotiated settlement and widespread adoption of confidence-building measures, in a time frame consistent with the pace of hemispheric economic integration. Second, increase the transparency in defense matters through exchanges of information by reporting on defense expenditures and greater civilian-military dialogue. Finally, promote greater defense cooperation in support of voluntary UN-sanctioned peacekeeping operations.[55] The establishment of the Inter- American Center for Defense Studies at the National Defense University is not only an important effort at enhancing civilian expertise in regional security and defense issues but is critical to building cooperative programs and relationships among civilian and military leaders of Latin America.

Finally, there is little reason to believe that US arms sales will lead to a burst of defense spending and the weakening of democratic institutions, as some critics have argued. First, this assumes that, in an age of economic neo-liberalism and fiscal austerity, Latin American governments will embark on a military spending spree. The decision of the Chilean government to suspend its purchase of combat aircraft because of budgetary constraints due to the current global financial crisis demonstrates a level of fiscal responsibility that critics are not willing to accept. Moreover, Latin America spends less than 2 percent of gross domestic product on defense. There is no reason to believe that lifting the ban will inevitably lead to an increase in irresponsible defense spending. In other words, there is no zero-sum relationship between purchasing weapons and socioeconomic development. Finally, the argument that defense spending negatively affects economic growth and social conditions has been consistently disproved by the data.[56] In fact, some studies have found the relationship between "guns and growth" to be positive.[57] Karl DeRouen recently noted that defense procurement in Latin American democratic regimes has neither a positive nor negative effect on poverty and socioeconomic development in the region.[58] As noted, arms sales, if coupled with transparency and a concerted effort to establish a cooperative security arrangement in the hemisphere via CBMS, will not endanger the security and socioeconomic development of the Americas.

Conclusions

The key element in US arms sales policy to Latin America is to adopt a more realistic approach that allows arms sales to be a component of US influence and leverage, specifically over the region's armed forces, while attempting to maintain or enhance the level of peace and security via confidence-building measures and security cooperation arrangements. Such arrangements were delineated in the defense ministerial meetings in Williamsburg and Bariloche, Argentina. This article has argued against prohibition and an arms bazaar. Neither extreme alternative offers a guarantee of peace, security, and cooperation in the hemisphere. Moreover, there is also no evidence that these alternatives will necessarily contribute to the strengthening of democratic institutions or to the channeling of resources to socioeconomic development. In fact, there is no evidence that arms transfers have a negative effect on democratization, hemispheric

peace and security, or socioeconomic development in the region. The critics of arms sales have only provided suppositions and no real evidence that arms transfers will have a deleterious impact on democracy, security, and development in the region.

Rather than tilting civil-military relations in favor of the armed forces, as most critics maintain, arms sales can be an element of a more stable relationship that can contribute to democratization. A well-trained and professional military that is engaged in joint exercises and global operations, such as peacekeeping, will increasingly depoliticize the armed forces and strengthen civilian control. There is no correlation between providing the Chileans with a squadron of F-16 fighter aircraft and the weakening of democracy. The Chilean armed forces do not need fighter aircraft to undermine democracy. With respect to hemispheric security and militarization, arms transfers will also not necessarily lead to an arms race or conflict if it's within the context of transparency, cooperation, and confidence-building measures such as joint exercises and military-to-military contact. The Williamsburg principles provide the hemispheric security framework or architecture necessary to make transfers a component of peace and security rather than militarization and conflict.

Finally, the critics of arms sales argue that the purchase of weapons systems will divert resources from much-needed social and economic programs. Once again, there is no hard evidence that this is true. In fact, democratic governments in the region have actually reduced defense spending over the last few years with no significant increase in social spending. Democracies are constrained by constituency preferences that they cannot ignore. If, in fact, there is a zero-sum relationship between arms purchases and socioeconomic development, democracies will always opt for satisfying demands from their constituencies. Wendy Hunter notes in her rational choice analysis that civilian governments will always contest and subsequently erode military influence as a result of democratic practice and the need to satisfy constituent demands.[59]

In sum, arms transfers can, in fact, be used as an instrument for building peace and democracy in Latin America rather than being a source of militarism and conflict. However, arms transfers must be carried out on a case-by-case basis and within the context of a consolidated hemispheric security framework that will enhance hemispheric security and cooperation through CSBMs. In the end, arms transfers can become an integral element of broader US policy and interests in the region: democracy, peace and security, development, and the restoration or enhancement of US influence and leverage in Latin America. □

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