



# Arms Export Policy: A History and Analysis of the U.S. and French Experiences

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## INTRODUCTION/ABSTRACT

The United States and France export billions of dollars of weapons every year. In recent history, the U.S. government has extended its foreign influence through sales of conventional weapons to foreign militaries. However, the French government has established arms exports as a pillar of its national economy and adopted an accordingly *laissez-faire* approach to the regulation of its defense industry. This project examines economic motivations and historical events which have shaped the two countries' divergent approaches to the regulation of their defense industries, using the shared 1989 embargo on arms exports to China as a case study.

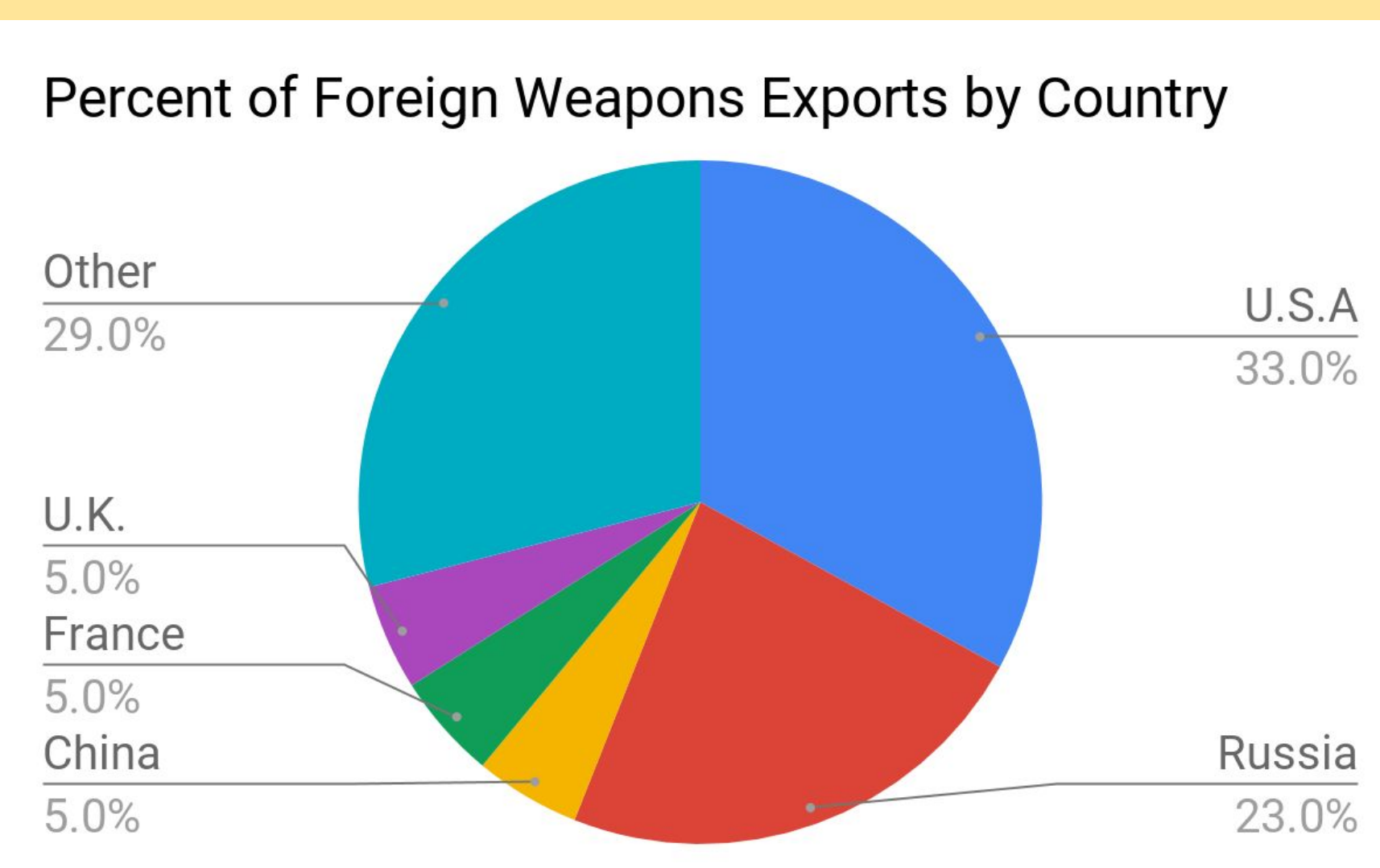
## BACKGROUND INFORMATION

### Tiananmen Square and the Chinese Arms Embargo

In June of 1989, Chinese university students in Beijing protested the Chinese Communist Party's (CCP) inability to institute democratic reforms in the country's political institutions. In response, Deng Xiaoping declared martial law and ordered the Chinese army to suppress the protests. The result was a brutal crackdown and subsequent massacre in which Chinese troops fired upon and killed hundreds of protesters. Soon, a number of European nations and the United States immediately instituted an arms embargo, or a ban in weapons sales to the PRC, and called for the European Union to institute an EU-wide embargo, which was subsequently announced in November of 1989.

### France and China

The French government was one of the few countries that resisted the passage of the embargo to maintain its foothold in the Chinese defense market. France's insistence on keeping key ties to China can be traced to the France's desires to preserve its economic health. In the 1980s, France saw the its manufacturing and economic growth stagnate, leading it to reevaluate its economic priorities. Foreign weapons sales proved to be an effective method of economic recovery and relief to France, which contributed over 5% of global weapons exports. The French government saw the growing Chinese military as an untapped market and began to abandon their previous international obligations (Wellons 2007). This took the form of vehemently resisting the embargo. However, France did not prevail in its attempt to convince Europe to lift the embargo; instead, it pursued a less strict interpretation, which subsequently allowed the country to export non-lethal, military equipment to China (SIPRI, 2004).

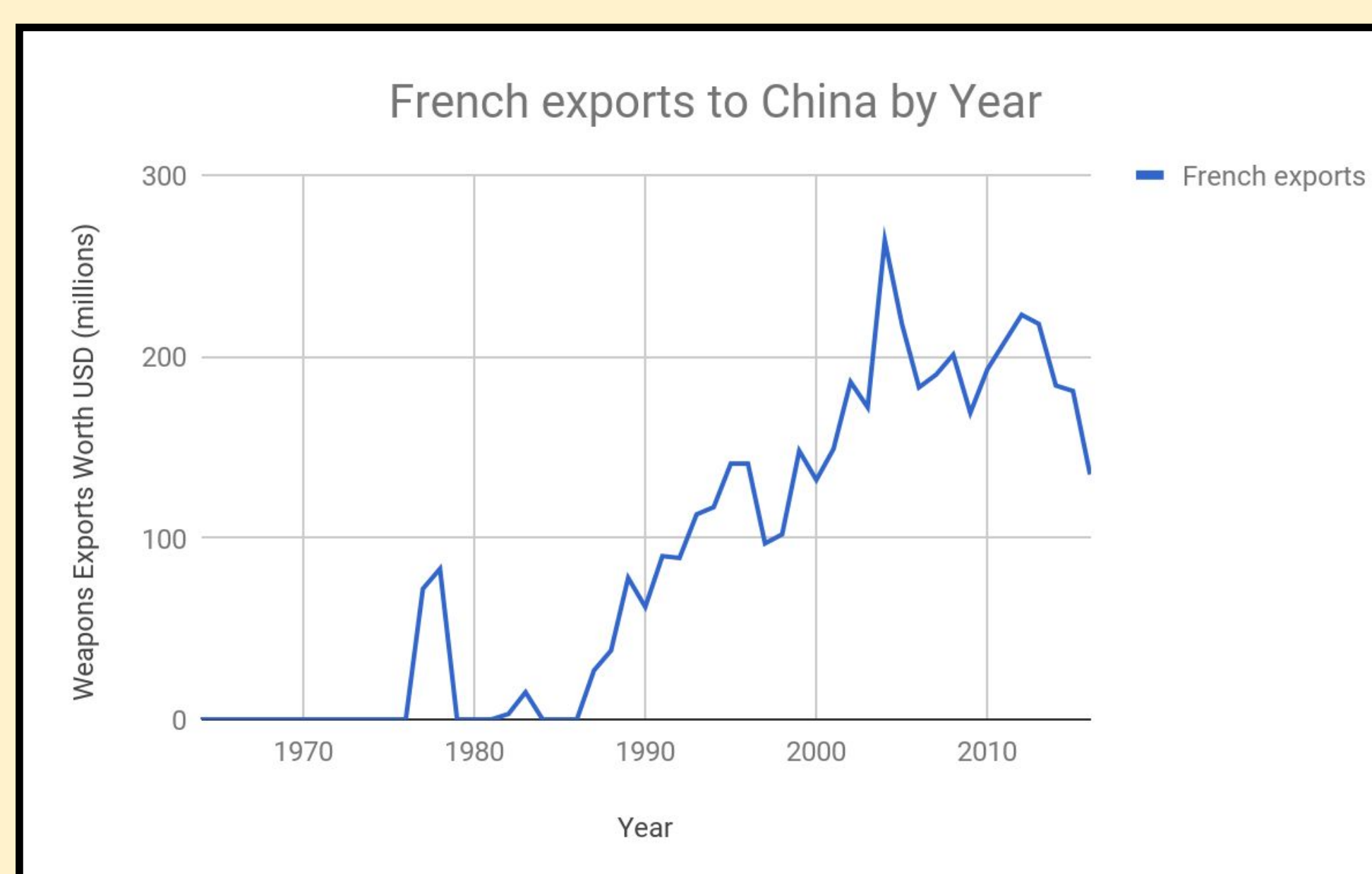


### The U.S. and China

The United States was one of the first nations to implement an arms embargo on the Chinese government following the massacre. U.S. policymakers called for the European Union to institute sanctions of its own against the PRC. Part of this outrage was fueled by domestic pressures. Representative Stephen Solarz and Assistant Secretary of State Richard Solomon both concur that the massacre sent the rapidly warming relationship between the two countries into a tailspin ("Managing a Massacre: The Ramifications of Tiananmen Square," 2015). However, the situation that the U.S. found itself in was not even remotely similar to that of France. At the time, the U.S. was one of the largest arms exporters in the world, contributing over 20% of global weapons exports. The 1980s saw growth in the private sector, and the United States viewed weapons sales as an added bonus to its primary usage as a method of foreign influence. Thus, the United States found it advantageous to impose heavy sanctions against the Chinese government in order to spur democratic reforms.

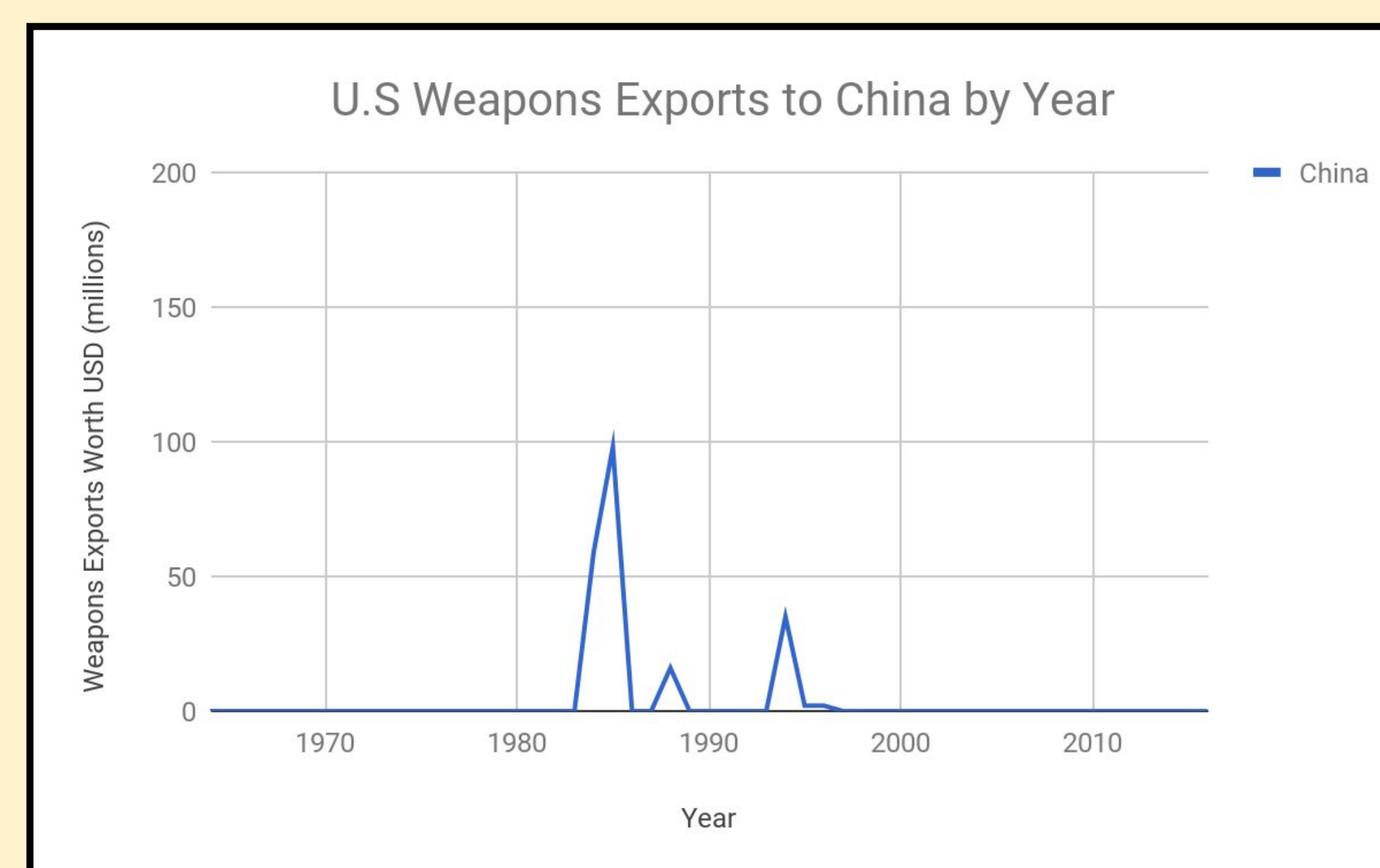
## DISCUSSION, ANALYSIS, AND EVALUATION

### French Weapons Sales



#### Value of armaments sold by French corporations to China from 1950 to 2017.

Before the imposition of the E.U. arms embargo, the number of weapons France sold to China was increasing. However, after the imposition of the embargo, there continued to be an upward trend. Following the implementation of the embargo, there was a vacuum of weapons suppliers. Additionally, PLA leaders took special interest in increasing the sophistication of their current weapons platforms, generating massive demand for western weapons. According to the Stockholm International Peace Research Institute, in 1989--the year when the joint E.U.-U.S. embargo was passed--the Chinese government imported weapons from three countries: Germany, Italy, and Japan. French exports made up 71% of the value of the weapons that China had received. In the following years, exports from Germany and Italy, two of the countries that fell under the umbrella of the arms ban and followed a broader interpretation of the arms embargo, stagnated or drastically decreased. Meanwhile, France's arms exports outpaced them, making up more than half the weapons exports to China from Western Europe from 1989 to 1998. It seems highly likely that the French defense industry took advantage of the vacuum of weapons suppliers in China following the declaration of the embargo to entrench themselves in the Chinese defense market.



#### Value of armaments sold by U.S. corporations to China from 1950 to 2017

Since the U.S. did not formally recognize the PRC until 1979, weapons sales remained low. This changed in 1994, when U.S. aerospace firms Honeywell Aerospace and Allied Signal sold over \$50 million in military aerospace technology to the PLA ("Arms Trade Registers," 2017). The two spikes in the graph indicate the time periods when the two parts of this order were delivered. Since certain dual-use aircraft components did not fall under the U.S. Munitions List, Chinese companies could legally purchase aircraft engines that were also in service with the U.S. military. This breach of the embargo manifested itself in the Chinese military's acquisition of this advanced aerospace technology. These same engines and gas turbines were incorporated into a jointly researched K-8 trainer aircraft, a collaborative effort between Pakistan and China. This extremely rare instance of a significant weapons sale to China is indicative of the pragmatic U.S. arms export policy at the time. However, this is poised to change with regulatory rollbacks spearheaded by the Obama and Trump administrations.

## CONCLUSIONS, IMPLICATIONS, AND NEXT STEPS

### Policy Recommendations and Conclusion

The U.S. attempts to use arms exports as a combination of direct intervention and diplomacy. Attempts to dissuade conflict via this method have worked out in the short term but can actually fuel tensions if continued with little oversight, even if the countries share U.S. values. For example, disputes in the South China Sea have been escalating with all parties involved. This was seen when Vietnam--which was subject to an American arms embargo for 50 years before the Obama administration but resumed arms exports in part due to increased liberalization--moved its imported rocket launchers to the SCS in 2016 as a response to Chinese fortification of islands in the region. Further arms exports could compromise the version of regional stability that the U.S. prefers.

When the U.S. arms countries that refuse to respect fundamental human rights in an attempt to stop other human rights violations, its international credibility is lessened, increasing the risk of regional conflicts. The risks of armed conflicts, the endangerment of foreign assets, and the loss of battlefield parity increase in tandem with every piece of advanced weaponry the U.S. sells to authoritarian countries to curry favor. The U.S. should stop treating weapons sales as the recognition of a country and should not treat weapons sales as a means of barter. Furthermore, U.S. opinion on this issue is concerningly focused on short-term economic gains and Obama- and Trump-era deregulatory efforts should be rolled back in order to prevent the loss of U.S. military and technological superiority. Depending on foreign arms exports as a key sector of the economy could force the U.S. to adopt a French *laissez-faire* policy, further lessening U.S. credibility and fueling regional conflicts. The U.S. should consider economic incentives such as increased investment into key industries of the country of interest or favorable trade deals instead of weapons sales. The U.S. should move away from applying its coercive credibility and towards an increased application of persuasive credibility. While there is a certain degree of difficulty to establishing multilateral and bilateral trade deals, the long-term benefits gained from adopting this trade-minded policy far outweigh the short term benefits gained from continuing a weaponized foreign policy.

#### U.S. influence wanes

The U.S. sells weapons to foreign countries regardless of their regard for human rights to "buy influence."

#### The International Community disapproves

The international community questions U.S. motives and fails to hold itself accountable in U.S. backed agreements.

#### U.S. influence further decreases

The loss in U.S. credibility forces the country to sell more weapons to more countries to curry favor.

## ACKNOWLEDGEMENTS / REFERENCES

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