

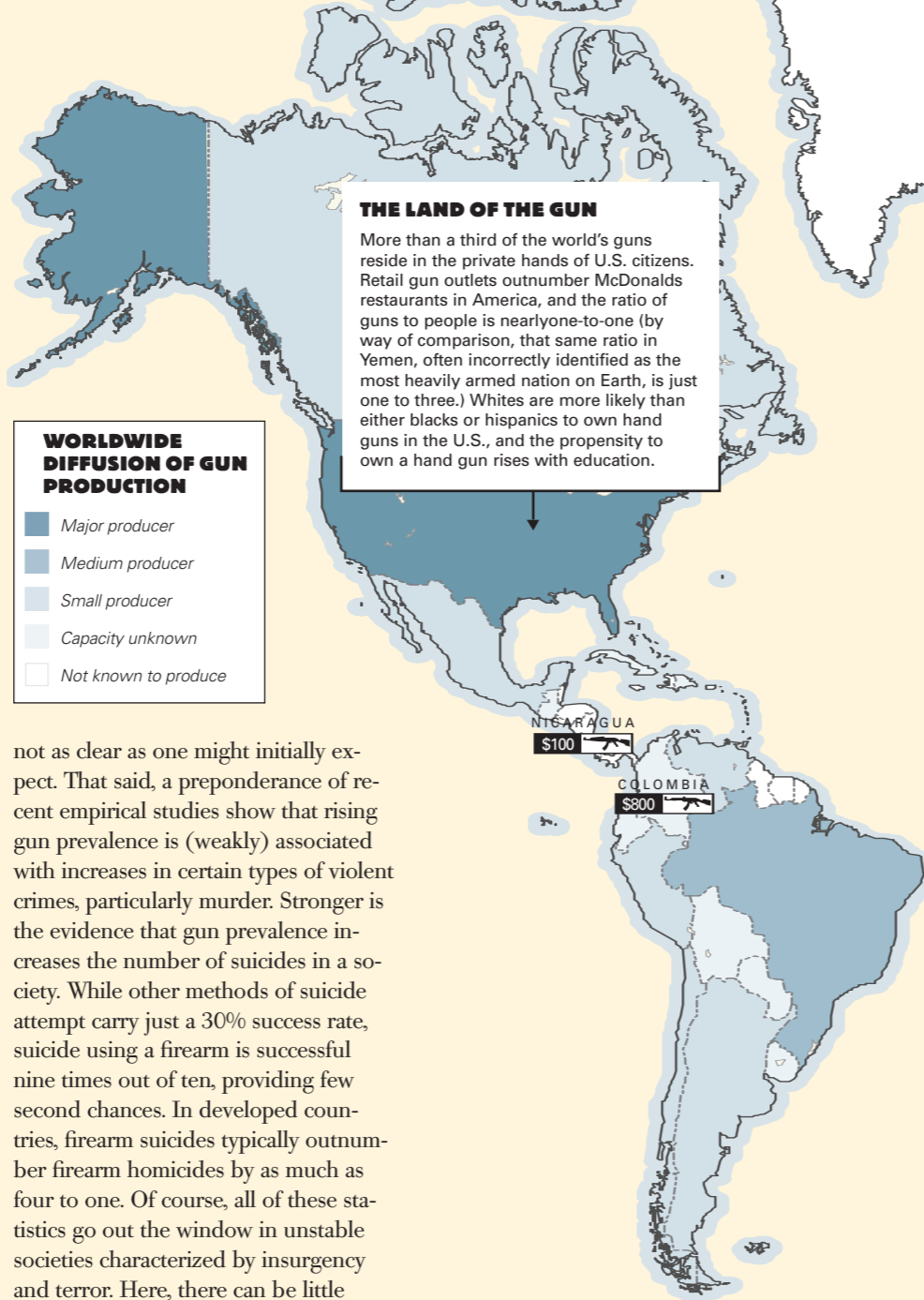
THE GUN TRADE

The market for small arms is becoming ever more efficient. Where they flow tells us much about the prospects for war and peace worldwide.

No one really knows how many guns are in existence worldwide. They move quickly from place to place, are easily hidden, and are often held by people who have cause to hide them. The best current estimate, from the 2002 Small Arms Survey undertaken by the Graduate Institute of International Studies in Geneva, Switzerland, indicates that there may be about 640 million small arms—ranging from hand guns to rocket launchers—worldwide, or one for every nine people on earth. This figure has been revised steadily upward in recent years as better information has become available.

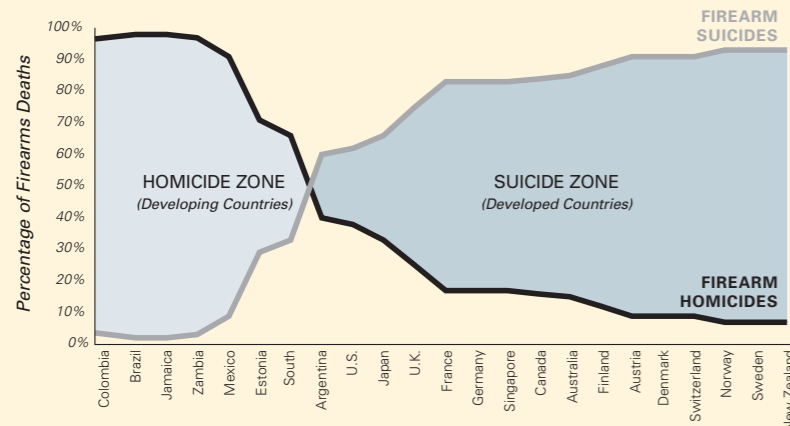
Gun production has slowed substantially over the past decade, principally due to military downsizing. Still, known, legal small arms manufacturers worldwide produced about 8 million new guns last year. Adding in unknown and illegal gun production, it is likely that the world's stock of small arms continues to increase at a faster rate than the world's population, indicating that international appetite for guns is by no means sated. For good or for ill, a high and rising proportion of these weapons are in private, not government, hands (see bottom right).

In stable societies, the relationship between gun prevalence and violence is



not as clear as one might initially expect. That said, a preponderance of recent empirical studies show that rising gun prevalence is (weakly) associated with increases in certain types of violent crimes, particularly murder. Stronger is the evidence that gun prevalence increases the number of suicides in a society. While other methods of suicide attempt carry just a 30% success rate, suicide using a firearm is successful nine times out of ten, providing few second chances. In developed countries, firearm suicides typically outnumber firearm homicides by as much as four to one. Of course, all of these statistics go out the window in unstable societies characterized by insurgency and terror. Here, there can be little doubt about the awful humanitarian

PREDOMINANCE OF SUICIDE OVER FIREARM HOMICIDE

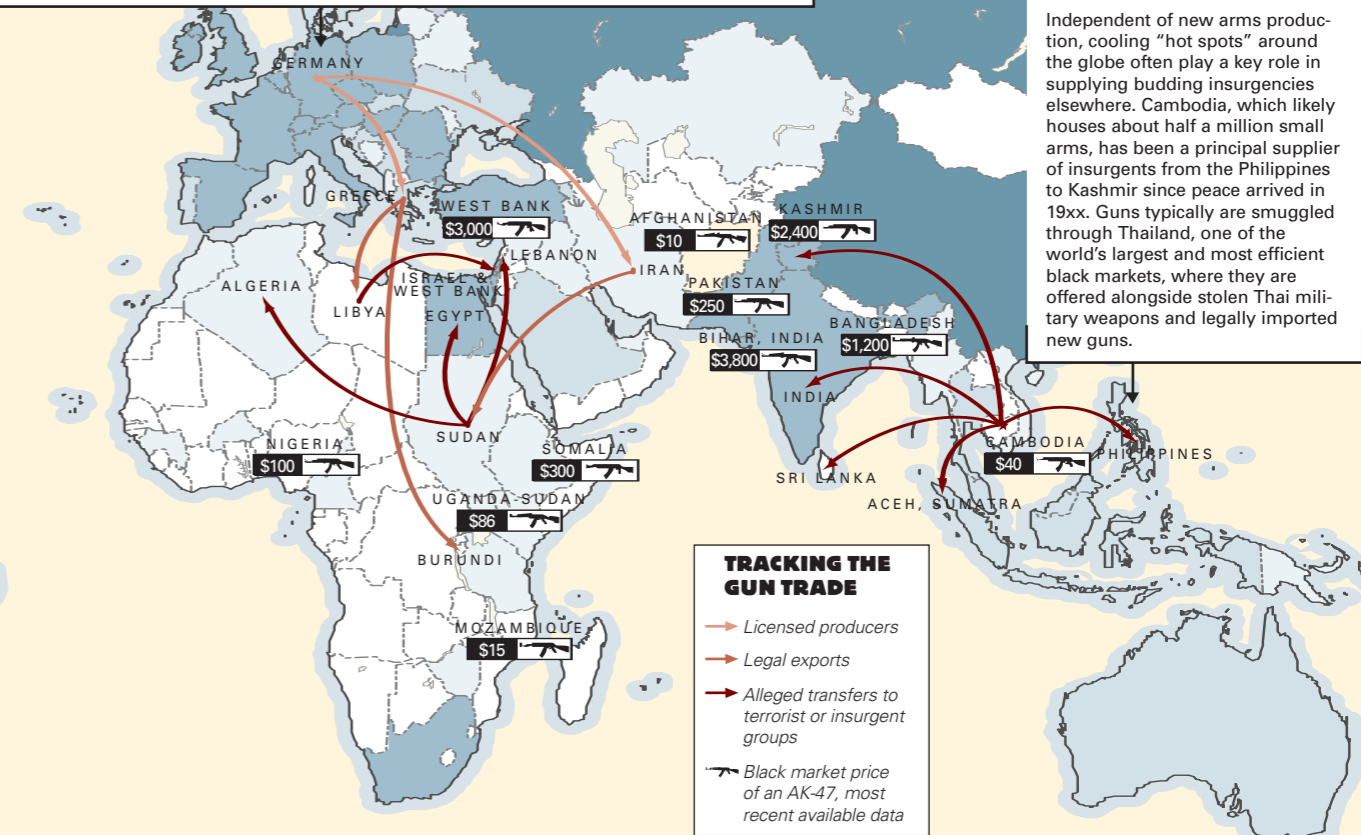


consequence of widespread armament.

Worldwide, the production of small arms is following a familiar path. Once concentrated in the U.S., Europe, and Russia, substantial production capacity has now spread to ninety-eight nations—a preponderance of which are now less developed countries (???)—often through production licensing agreements with European or U.S. companies. The commoditization and diffusion of gun production, the enormous stock of small arms already in existence, and the expansion of global trade have made the illicit flow of guns

FROM FACTORY TO INSURGENCY (IN THREE STEPS)

Since the 1960s, arms makers in fourteen advanced states have established licensed production agreements with 46 other countries. The arrows below show just two of the production agreements of Heckler & Koch—a German maker of assault rifles and submachine guns—along with subsequent exports from licensed factories. Worldwide, the multiplication of high-quality arms production sites has made any restraint on the small arms trade extremely difficult. (Heckler & Koch is neither disreputable nor unusual). In recent years, fifty-four states are alleged to have violated mandatory U.N. arms embargoes—often through lax export controls—including China, Russia, France, the U.K. and Israel.

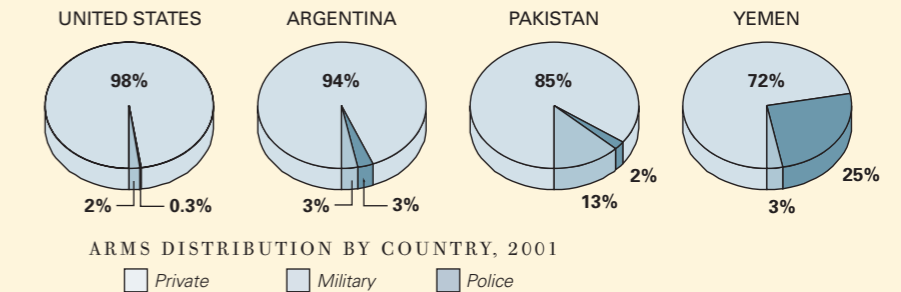


THE PROBLEM WITH PEACE
Independent of new arms production, cooling "hot spots" around the globe often play a key role in supplying budding insurgencies elsewhere. Cambodia, which likely houses about half a million small arms, has been a principal supplier of insurgents from the Philippines to Kashmir since peace arrived in 19xx. Guns typically are smuggled through Thailand, one of the world's largest and most efficient black markets, where they are offered alongside stolen Thai military weapons and legally imported new guns.

to areas of insurgency and conflict increasingly difficult to stop, as the map to the right attests.

Black market gun prices can be one of the best leading indicators of gathering (or ebbing) conflict. The map displays recent black market prices of AK-47 assault rifles—the weapon of choice for most insurgents due to their killing power and widespread availability. (About 10%—or 100 million—of the world's guns are AK-47s.) Under normal conditions and in legal markets, used AK-47s typically fetch between \$240 and \$400. Prices under \$100 usually show an environment where peace has arrived suddenly (and convincingly) after a period of intense conflict. Rock-bottom prices of \$30 or less create their own problems, typically leading to the widespread armament of pet-

GUNS OVERWHELMINGLY IN PRIVATE HANDS (ESPECIALLY IN DEMOCRACIES)



ty criminals, and perpetuating a very high rate of firearms deaths for months or years after political stability has returned.

At the other end of the spectrum, prices above \$1,000 generally serve as bright red flags for incipient, organized violence. These prices mean that people are desperate to own weapons, and that

normal supply chains cannot keep up with demand. Once new supply routes are found, weapons will flood the market, and violence may erupt.

One must take care in interpreting the prices on these pages. Pricing can change very quickly (in Somalia, for example, prices in 1992 fell from \$300 to \$100 in a matter of days as U.S.