EXPLORING A CONVENTIONAL ARMED FORCES TREATY FOR SOUTH AMERICA

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By

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ABSTRACT

In recent years South American countries have been engaged in the acquisition of conventional weapons on a far greater scale than in the previous three decades. This has led several actors to comment on the possibility of an arms competition developing in the region. Such a dynamic would prove detrimental for a region that has undergone economic hardship and financial underachievement.

The region has proven capable of solving intra-regional disputes through dialogue and diplomacy, thanks in large part to a prevailing institutionalism.

This thesis explores options and outlines a scenario for the design and implementation of a conventional arms control regime. This would be just one in several confidence building tools aimed to promote transparency, understanding, trust, cooperation and development in region that will enhance stability and security in the world.
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INTRODUCTION

This thesis seeks to answer several related questions to the extent of which there is an arms race developing in South America? Could an arms control regime be implemented in order to either prevent or contain such a dynamic? Is there the political will for its implementation? And finally, what would be its critical components for it?

South America is a region composed of 12 independent countries and a European territory (French Guyana) that encompass a population of over 380 million inhabitants and a USD 3.8 trillion economy.\(^1\) Brazil is the only Portuguese-speaking state in the region and accounts for roughly half of these totals. This provides it with a natural leadership position. It is still a region undergoing economic development and its states have considerable internal as well as external contrasts. It is also faced with a considerable number of threats. Most of them come from the less traditional and non-military sectors, with terrorism, drug trafficking, organized crime, small arms and light weapons (SALW), man-portable air defense systems (MANPADS) and corruption identified as the most common.\(^2\)

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\(^1\) UNASUR Statistics consulted in February 2010 [http://www.unasur.org/](http://www.unasur.org/)

\(^2\) Managua declaration - Meeting of the States party to the inter-American convention against corruption July 8-9, 2004
Traditional inter-state conflict has been relatively absent over the past five to six decades, with only one major war between two South American states recorded,\(^3\) and one between a South American state and an external power.\(^4\) This does not mean that the region is immune to traditional war. There are a number of territorial and political-ideological disputes that could ignite some of the region’s members into full-scale war in a matter of weeks. During the past decade most South American nations sought to modernize their ageing defense inventories and this has lead to propositions that there is an arms race developing in the region.

**Methodology**

This thesis seeks to identify the key components of what constitutes an arms race through theory as well as measure the potential detriment to the region; define if there is an arms race in place or on the verge of developing using theory; explore what measures have been implemented in other regions to either prevent or contain conventional arms races and identify what are the necessary conditions to implement a similar framework.

Section I includes a brief description of arms trace theory and a worst-case scenario in a full-scale arms race outlining the potential for instability. Section II will include a study of the regional perception of an arms race through measurement of media headlines as well as recent research by leading think tanks on the subject, and the attention received.

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\(^3\) The 1995 Condor War between Peru and Ecuador
\(^4\) The 1982 Falklands/Malvinas War between Argentina and the UK
by relevant non-governmental organizations (NGO’s). I will then provide an in depth look at four cases that have recorded an unusual amount of defense procurement over the past 5 years. This is important because it will provide with an original conclusion on whether there is an arms race developing in the region and if so where. Section III will analyze two conventional forces treaties implemented during the 20th Century: the 1922 Washington Naval Treaty and the Conventional Forces in Europe (CFE) Treaty. Both were instruments established to either avoid or contain an arms race, promote cooperation and enhance security and stability. This thesis will provide an overview of each treaty and draw on the lessons learned in order to articulate if there are any applicable elements for a regional framework. Finally, Section IV will propose what are the necessary characteristics, drivers and enablers to implement a Conventional Forces in South America (CFSA) treaty.


SECTION I

Arms Race Theory

Arms races are difficult to identify, as they are usually the product of years of defense-related research and development linked to local arms production and/or external procurement. They are usually caused by one or more of the following: “1) Imperial and national rivalries, power politics and expansionist schemes; 2) Security dilemmas caused by real or tenuous, perceptual internalized fears of aggressive or vindictive intentions on the part of neighbors or great powers; 4) Systemic competition of a socio-political, ideological or religious nature; 5) Profit and vested interests related to pressures from the military-industrial complex; and 6) technological momentum driven by the thrust of military technology.”

When analyzing if two or more states are engaged in an arms race, we must be on the look to identify an “action-reaction mechanism”. This is usually an exaggeration about the capabilities or arms build up of a potential foe. It is usually followed by internal demands for additional resources to be spent in order to match such capability. An

5 Thee, Mark, Military Technology, Military Strategy and the Arms Race, The UN University, St. Martin’s Press, New York 1986 p.101
6 Thee, Mark, Military Technology, Military Strategy and the Arms Race, The UN University, St. Martin’s Press, New York 1986 p.113
overreaction mechanism would seek to outmatch a rival’s capabilities, exceeding what would otherwise be a justified situation.⁷

**Economic effects of an arms race on the region**

An arms race in South America would be detrimental for the region’s economic development, competitiveness and prosperity. It would see the dilapidation of already scarce financial resources towards funding what are known as “big ticket” items: tanks, artillery, jet fighters, submarines and warships.

The possibility of overspending or misusing scarce resources is not one to take lightly. The 10 selected countries in this region spent an estimated 1.67% of their GDP in defense during 2008, which amounted to close to USD 50 billion.⁸

<table>
<thead>
<tr>
<th>Country</th>
<th>Defense Budget (USD millions)</th>
<th>Defense Budget (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>2,031</td>
<td>0.61</td>
</tr>
<tr>
<td>Bolivia</td>
<td>250</td>
<td>1.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>26,254</td>
<td>1.66</td>
</tr>
<tr>
<td>Colombia</td>
<td>9,546</td>
<td>3.91</td>
</tr>
<tr>
<td>Chile</td>
<td>5,561</td>
<td>3.28</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1,105</td>
<td>1.99</td>
</tr>
<tr>
<td>Paraguay</td>
<td>132</td>
<td>0.83</td>
</tr>
<tr>
<td>Peru</td>
<td>1,424</td>
<td>1.11</td>
</tr>
<tr>
<td>Uruguay</td>
<td>260</td>
<td>0.81</td>
</tr>
<tr>
<td>Venezuela</td>
<td>3,328</td>
<td>1.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,891</strong></td>
<td><strong>1.67</strong></td>
</tr>
</tbody>
</table>

⁷ Brooks, Harvey “Military innovation and the Quantitative Arms Race” quoted in Thee, Mark, Military Technology, Military Strategy and the Arms Race, The UN University, St. Martin’s Press, New York 1986 p.111
⁸ Data from the Military Balance 2010, p.465-466
Most of this expense is geared towards personnel expenses. According to the regional think tank RESDAL, 66% of Latin American defense budgets are spent on personnel expenses, comprising salaries, benefits and pensions.\(^9\) This leaves a fairly small percentage to consider operational expenses such as fuel, maintenance and even smaller percentage for procurement. Although an increasing number of countries are connecting procurement with national development, through the implementation of offsets, technology transfers and local industrial participation, this sort of “responsible procurement” is usually neglected when an arms race impacts a region. Therefore, the escalation of overall regional spending triggered by an arms race to a level comparable to that of the Middle East and North Africa would see defense spending almost triple, to an estimated USD 140 billion.\(^{10}\) Given that the region’s main threats, which according to the 2006 Bogota Declaration by the Community of South American States include the traffic of illicit drugs, illegal weapons, munitions and explosives, terrorism, human and organ trafficking and organized transnational crime syndicates, adding “traditional” threats in the form of an arms race and interstate conflict would be detrimental to the region’s economic development and its stability.

In order to fund military modernization programs or emergency situations, countries in the region are linking natural resources, trade or wealth surplus to procurement. Examples of these include: Chile’s Copper Law, which allocates 10% of revenue from the sale of State-owned company CODELCO to the armed forces, strictly for

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\(^{10}\) Based on a regional defence expenditure of 4.71% of its GDP
procurement of military equipment. Financially stricken Bolivia recently proposed the establishment of a “Supplies, Replacement and Equipment Fund (FARE)”\(^{11}\) that will draw funding from up to 15 different sources\(^{12}\), including a minimal tax from hydrocarbon, mineral and wood sales, a proportion of the Specific Consumer Tax (ICE) and a proportion of the national retirement fund in order to fund procurement. This will be equivalent to around 1% of GDP.\(^{13}\) Peru’s Ministry of Defense (MoD) announced the creation of a special US 650 million fund\(^{14}\) in 2006 to reactivate the armed forces. This proved insufficient and by mid 2008 the MoD proposed a 5% tax on the mining revenue canon. This canon had been created in 1997 to decentralize revenue obtained from mining activities towards local governments in the municipality, province and district sectors, promoting local development.\(^{15}\)

Upon assuming the presidency of Colombia, Alvaro Uribe kicked off the “Democratic Security Policy”, with which the armed forces (that include the National Police) grew by about 50% over the next six years. This was funded by a new wealth tax, which comprised a 1.2% tax on all liquid assets in Colombia.\(^{16}\) The wealth tax, which is paid by approximately 7,000 of Colombia’s wealthiest contributors, is scheduled to expire in

\(^{11}\) Fondo de Abastecimientos, Reposición y Equipamiento


\(^{13}\) Nuevo régimen militar apunta a defender el Estado Plurinacional, La Prensa, 13 January 2010


\(^{14}\) Known as the Nucleo Básico Eficaz (Basic Efficient Core)

\(^{15}\) ¿Que es el canon minero? Sociedad Nacional de Minería, Petróleo y Energía


\(^{16}\) Decreto por medio del cual se crea un impuesto especial destinado a atender los gastos necesarios para preservar la seguridad democrática Equipo Nizkor – uman Rights in Colombia, 11 August 2002

2010, in a par with Uribe’s administration. In May 2009 President Uribe and Defense Minister Santos presented a bill to Colombia’s Congress to make this tax permanent in order to continue funding the country’s defense and security modernization program. This was approved and on December 30, 2009, and Defense Minister Gustavo Silva announced that a new accountability office would be created to oversee the use of these funds, announcing that some USD 5 billion would be spent on equipment over the 2010-14 timeframe. Colombia has additionally received US 6.2 billion since Plan Colombia was implemented in 1999, although 5.3 billion out of this has been through the International Narcotics Control and Law Enforcement (INCLE) and Counter Drug Assistance (Section 104) programs. However, the U.S. has not provided a single item covered under the “conventional forces” category.

This analysis provides us with enough evidence to understand that when there is a will, there is a way to fund military procurement programs, even in the least developed of nations.

**Beyond financial ruin; going nuclear**

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18 Just the facts, a civilian’s guide to U.S. defence and security assistance to Latin America, WOLA-CIP consulted on February 28, 2010 [http://justf.org/Country?country=Colombia&year1=1999&year2=2011&funding=All+Programs&x=63&y=7](http://justf.org/Country?country=Colombia&year1=1999&year2=2011&funding=All+Programs&x=63&y=7)
Overspending national resources on military hardware may be the least of the problems generated by this, as an arms race could transform the relatively stable (inter-state wise) region into a hotbed of conflict. The increasing economic and military disparity between neighbors such as Argentina, Bolivia, Ecuador and Peru on one side and Brazil, Chile, Venezuela and Colombia on the other may push any of these countries into developing a deterrence capability through weapons of mass destruction. Brazil and Argentina have pursued such avenues in the past and could produce a nuclear weapon in a relatively short period of time, while Bolivia, Ecuador and Venezuela\(^1\) all have nuclear energy programs in some stage of development.

My thesis contends that one way of contributing towards a more secure and stable region is by obtaining a balance between the conventional fighting capabilities of South American nations. In essence this will prevent the region from engaging in an arms race, avoiding the financial expense this represents, maintaining interstate peace, promoting confidence and trust in the region through transparency and accountability and preventing in a worst-case scenario, a nuclear arms race. There is another, secondary, although considerably important agenda for this: a confidence-building framework of this type can also be used to build a cooperative regional defense structure.

\(^{19}\) EFE; infolatam, La OIEA promociona la energia nuclear en América Latina (The IAEA promotes nuclear energy in latin America) March 23, 2009
http://www.infolatam.com/entrada/la_oiea_promociona_la_energia_nuclear_en-13070.html
SECTION II

As of early 2010, my hypothesis is that the region is either on the verge or has begun an atomized arms race. I will conceptualize the way it is perceived by regional media and the relevant think tanks associated with this study. I will then apply theory to four cases where arms acquisitions have become an issue, in order to provide enough explanatory power for my hypothesis.

Measuring media perception

The media’s preoccupation with this topic can be best described by the coverage it has provided since 2005 to the headline “Carrera Armanetista en América Latina” (Arms race in Latin America), which has been published a totals of 1,019 times in Spanish; 60% of these during 2009. During January 2010 the headline appeared 68 times.20

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20 According to a (google) news in Spanish search performed on February 25, 2010
Think tanks and NGO reactions

The aforementioned has certainly raised concern in top international think tanks. In January 2010, the Stockholm International Peace Research Institute (SIPRI) published a monograph titled *Is South America on the verge of an arms race?* In their assessment, Solmirano and Perlo-Freeman indicate that the current South American arms build-up is mostly driven by the modernization of obsolete inventories, and that in order for an arms race to exist, procurement must be motivated by another state’s acquisitions and should be competitive. That is, it should include the action-reaction mechanism outlined in arms race theory. Their assessment was that there is no such scenario at the moment. The International Institute for Strategic Studies (IISS) suggests that military spending in the region has more than doubled, from USD 20 billion in 2003 to USD 49 billion in 2008. Although this is also linked to a devaluating dollar during the 2007-2008 timeframe, it is clear that some countries are spending more than they are used to. The Inter-American Dialogue hosted an event in November 2009 to determine weather the region was headed towards an arms race. It concluded: “there is a process of rearmament, not an arms race”. On February 26, 2010, the Washington Office on Latin America (WOLA) put out a communiqué urging: “In recent months, South American defense spending has increased significantly. Whether or not you consider it an arms race, the situation deserves our attention.”

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21 Solmirano, Carina and Sam Perlo-Freeman, [http://www.sipri.org/media/newsletter/essay/jan10/](http://www.sipri.org/media/newsletter/essay/jan10/)


Regional leaders express concerns

A number of South American presidents have expressed their own preoccupation of our focus of study: Uruguay’s President Tabaré Vasquez announced: “The arms race is there. It is a reality” during a visit to Washington. Peruvian President Alán García recently urged the United Nations and the Organization of American States to help halt the excessive military spending’ and Paraguay's ambassador to the OAS, Hugo Saguier, formally asked the organization's on Oct. 15, 2009 to discuss the issue.24

The sum of media, think tank, non-governmental organization and international organization’s activities indicates that there is multi-sector mobilization towards identifying and addressing this issue.

CASE STUDIES

Colombia-Venezuela

Venezuela’s socialist President, Hugo Chavez has made headlines again and again due to his anti-Western stance. He has particularly pointed out the United States and Colombia as his main political opponents. He has centered on a US invasion to overthrow his government as his main hypothesis of conflict. Within this rational, he

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has begun since 2006 a large military modernization, transformation and re-equipment program.

The cornerstone of the actual transformation has been the creation of a People’s Militia and this has little to do with actual conventional forces. This force is meant to watch over the conventional armed forces as well as the National Guard. Besides this the armed forces have undergone a lengthy political radicalization that has seen most of the senior officer corps retire or passed over by a new generation of politically oriented officers and non-commissioned officers. This has led to a general detriment in the operational capabilities of the armed forces that has sought to correct by the introduction of new technology. It should be noted that technology is inadequate to replace leadership in any organization. Venezuela has thus embarked upon a major spending spree in order to modernize its outdated equipment, mainly from Russia, Spain and China. The US and other western countries\(^\text{25}\) have elected not to supply the Chavez regime with weapons of any kind since 2006.

Venezuela’s USD 4.4 billion buys from Russia since 2004 included 57 multi-role helicopters 100,000 assault rifles and 24 Sukhoi Su-30MK combat aircraft.\(^\text{26}\) All of these systems have been used to replace outdated ones and only specific cases to introduce new capabilities to the Venezuelan. Indeed the introduction of the Su-30MKV air superiority fighter armed with beyond visual range (BVR) munitions and the Mi-35M2 attack helicopters constitute new capabilities for the country, but not

\(^{25}\) Sweden, the Czech Republic and unofficially France

\(^{26}\) Bromley, Mark and Iñigo Guevara, Arms modernization in Latin America, The Global Arms Trade, Routledge, 2009 p.169
necessarily for the region. A second phase of equipment comprising 92 T-72 main battle tanks, up to 300 infantry fighting vehicles of several types, 12 Smerch multiple rocket launchers and Tor-M1 self-propelled anti-air systems is underway.\textsuperscript{27} But these are still not necessarily “balance breakers” as they are destined to replace a similar number of comparable systems. If instead they augment the existing equipment, this would translate into an increase in numbers and therefore capacity, not just capabilities. One such example is the Venezuelan Navy, which ordered eight new surface ships from Spain in 2006, comprising four “Ocean Patrol” and four “Littoral Surveillance” vessels.\textsuperscript{28} These are an addition to its current fleet, as the country’s existing frigates have recently received a refit. The fact that the ships are dubbed “Patrol and surveillance” vessels respectively, downplay their combat significance up to being misleading. The “Patrol Vessels” are 2,200-ton ships, equipped with state of the art electronics, fitted for surface-to-surface and surface-to-air missiles and capable of embarking a combat helicopter, indeed in the same class as a guided missile frigate. The Littoral Surveillance vessels displace 1,500 tons, embark a helicopter and may be fitted for anti-air warfare.\textsuperscript{29} If stated desires to increase its submarine fleet with a first batch of five Kilo-class boats, to be followed by four of the modern Amur class go through, this would mean a disruption in the Caribbean balance of power. With the current maritime balance of forces in the region, the only possible threat being addressed with such an expansion to its submarine fleet is

\textsuperscript{27} Johnson, Reuben, Venezuela is next arms export “Klondike” for Russia, JDW April 9, 2010
\textsuperscript{28} Venezuelan Naval Mission in Spain  http://www.mnve.mil.ve/web/
\textsuperscript{29} Navantia shipyard product specification found at www.navantia.es
that of the US Navy’s re-instated 4th fleet\textsuperscript{30}. If a Belarus-designed air defense network that includes S-300 long-range missile systems are fielded, Venezuela would be capable of shooting at aircraft over its neighbor’s airspace.\textsuperscript{31} All these “ifs” are relevant as they provide us for indicators on when the balance of forces is disrupted.

Colombia’s military procurements since the start of the Democratic Security Consolidation Policy in 2000\textsuperscript{2} have been considerable, although most have been geared towards addressing the internal security situation. It has concentrated on increasing manpower levels in all services, enhance air mobility, tactical ISR, and light strike capabilities. The only “conventional” acquisition comprised 15 155-mm howitzers bought from Spain in 2006 and deployed along the border with Venezuela. Colombia has also sought to standardize its combat aircraft fleet, which led the Air Force to acquire 11 second-hand Kfir fighter-bombers from Israel and upgrade its existing fleet to a new standard. The Kfirs were actually part of a much delayed plan initiated in 2005 which called on the selection of either second-hand and upgraded Kfir C.12 or brand new F-16C’s from the United States. The Colombian decision on the Israeli “bird” showed a sign of constraint, as the deal has been announced at US 160 million, while acquiring 24 Block 50+ F-16’s would had cost an estimated US 2.3 billion.\textsuperscript{32} The

\textsuperscript{30} The US Navy re-established its 4th fleet on April 24, 2008 in order to address “the increased role of maritime forces in the SOUTHCOM area of focus, and demonstrate U.S. commitment to regional partners.”

\textsuperscript{31} Guevara, Íñigo, Belarus offers missile systems to Venezuela, Jane’s Defence Weekly, March 25, 2010.

\textsuperscript{32} based on a 2006 sale of Block 50 F-16’s and associated systems to Turkey.
decision to join the “F-16 club” would also have had considerable regional political ramifications.

Colombia’s already tense relationship with Venezuela was strained after the March 1, 2008 strike against a FARC camp located inside Ecuadorian territory. Hugo Chavez denounced Colombia’s infringement of Ecuador’s sovereignty\(^{33}\) and announced that his country would mobilize ten tank battalions to the border. Colombia did not match this and the actual number of Venezuelan units that moved to the border was much lower.\(^{34}\) The Colombia-Venezuelan confrontation is driven by two opposing political-ideological views, with the right-wing Colombia being a strategic partner of the United States. Venezuela has since accused Colombian and US forces operating from Colombia of spying on its territory on several occasions. The agreement reached with Colombia over US access to seven Colombian bases in an effort to increase this further escalated Venezuela’s rhetoric, to the point that Chavez announced on November 8, 2009 during his Sunday TV Show *Alo Presidente*, that his country should prepare for war with Colombia.

Colombia’s political stance, which had avoided a direct confrontation eventually shifted. On December 29, 2009 Colombia’s Defense Minister announced that his country would invest USD 5.2 billion between 2011 and 2014 to “strengthen its deterrence capabilities as tensions with neighboring states over political differences has

\(^{33}\) Ecuadorian President Rafael Correa is Hugo Chavez’ political ally

\(^{34}\) The Venezuelan army had only six tank battalions on strength and operational levels were reported as low.
increased the threat of state-on-state conflict”. This is to include the acquisition of a satellite imagery monitoring capability, airborne early warning and combat aircraft, as well as “other systems”.

A broad range of conventional equipment is reported to be under consideration, including tanks, armored vehicle, artillery systems, submarines, and it has surfaced in local press reports that recently France offered to sell between 30 and 40 secondhand Leclerc main battle tanks (MBT) with a very short delivery period.\(^\text{35}\) This is indeed a classical action-reaction mechanism, as the Colombian Army has not operated tanks at any point in its history and signals the kick-start of an arms race between both countries. If Colombia indeed acquires tanks, this is another indicator that an arms race is on.

**Peru-Chile**

Chilean-Peruvian relations have been difficult since the 19\(^{\text{th}}\) Century. Chile fought Bolivian and Peruvian forces during the 1879-84 “Pacific War” that ended with the former’s taking over a large portion of these country’s territory, including Bolivia’s access to the Pacific. Tension during the 20\(^{\text{th}}\) Century was revived in the 1970’s when an ideological confrontation almost led both countries to another war.\(^\text{36}\) Both countries are now democracies but are currently engaged in a new cycle of tension regarding a maritime territorial dispute. Furthermore, Chile’s on-going military modernization

\(^{35}\) Guevara, Íñigo, Colombia to boost defence spending amid regional unease, Jane’s Defence Weekly, 8 January, 2010.

\(^{36}\) Peru was governed by a left wing military junta and Chile by the right-wing Pinochet.
process and Peru’s lack there of proportional funds, has triggered internal forces in Peru to pressure the government to match Chilean military acquisitions.

The Chilean armed forces are emerging as the best equipped and trained in South America. A compact and mobile force, the army is now centered on five armored brigades. The army took delivery from 2008 of 136 Leopard 2 tanks surplus to German Army requirements. They replaced a number of 1950’s-era Super Sherman and 1970’s AMX-30 tanks as well as partially replaced the fleet of 1960’s Leopard 1’s acquired second hand a decade earlier from Belgium. The qualitative advance is certainly considerable as the Leopard 2 is unarguably among the best tanks in the world, yet the overall numbers deployed remain similar or smaller to what it fielded in the past. Armored units have also received 139 YPR-765 infantry fighting vehicles and at least 150 Marder mechanized infantry combat vehicles (MICV) are being procured. The army has also signaled its intention to acquire 24 M109A5 155-mm self-propelled howitzers from the United States in order to replace its aging French Mk F3’s. 37

The Chilean Navy recently finished a major re-equipment program that included commissioning eight second-hand guided missile frigates acquired from the UK and The Netherlands plus two new Scorpene-class diesel submarines bought from a Franco-Spanish consortium. These all replaced an exact same number of older Destroyers, Frigates and submarines, so the program was clearly a modernization rather than an

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37 Higuera, Jose, Chile releases funds to boost procurement, Jane’s Defence Weekly, December 24, 2009
expansion. The Chilean air force has sought to standardize its entire combat fleet on the F-16, replacing a plethora of mainly 1960’s and 1970’s fighters with 10 brand new F-16C/D Fighting Falcons delivered from 2005 and 18 second-hand F-16’s acquired from the Netherlands. Range for the F-16’s has been extended thanks to the acquisition of three Boeing KC-135 tankers from the USAF.

On January 26, 2010 the Chilean Air Force’s commander announced that with its new assets in place, “Chile has the capacity to hit hard”, and announced the acquisition of another batch of 18 F-16’s from the Netherlands. In the same declarations, the Air Force’s commander stressed that Chile was not involved in an arms race with its neighbors. The Peruvian response came a day latter, with Peru’s Defense Minister announcing that his country would not be drawn into an arms race. But 48 hours later, at a press conference, Peru’s Air Force Commander announced “Peruvians hit twice harder”. Tension between both countries had escalated only a few months before, when in November 2009, a Peruvian Air Force officer was arrested by Peruvian authorities and accused of spying for Chile. According to the reports, Chile was seeking to obtain missile and radio frequency codes for Peru’s jet fighter assets and had paid the Peruvian officer an estimated USD 5,000 to 8,000 during his diplomatic service as defense attaché in the Peruvian embassy in Santiago.

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38 Reuters, La Estrella, Fuerza Aérea. Chile tiene capacidad de pegar fuerte http://www.cronica.cl/noticias/site/artic/20100126/pags/20100126171039.php
39 Jefe de la FAP a Chile: Los peruanos pegamos dos veces más, La República, http://www.larepublica.pe/politica/29/01/2010/jefe-de-la-fap-chile-los-peruanos-pegamos-dos-veces-mas
Since 2008 Peru had tried to match Chile’s Leopard 2 tank acquisition asymmetrically, through modern anti-tank weapons in the form of the Israeli Spike and the Russian Kornet missiles. On December 9, 2009, in what is a clear example of the action-reaction mechanism, the Peruvian Defense Minister Rafael Rey announced that the army would procure 80 MBT-2000 tanks from China in a deal worth USD 400 million. Following up on Chile’s announcement of the procurement for self-propelled howitzers, in January 2010, Peru announced it was also seeking multiple-rocket launchers and self-propelled artillery from Serbia.\(^{41}\) Surprisingly, in both cases, Minister Rey declared that this was not in contradiction with the country’s anti-arms race policy.\(^{42}\) Indeed both Peruvian requirements are driven by internal pressures from the Army to match Chilean capabilities, which is a clear indication of an action-reaction mechanism and indicative of an arms race. In early April, the Peruvian government announced that the Chinese tank deal was paused as the country was launching a diplomatic initiative to limit an arms race.

**Bolivia-Paraguay**

The Bolivia-Paraguay relationship differs substantially from the aforementioned but still holds an inflammatory potential. Tension between these two land locked South

\(^{41}\) Ejército evalúa comprar obuses autopropulsados y lanzacohetes, La Razón, 22 January 2010  
\(^{42}\) Rey: Compra de tanques chinos no desdice campaña antiarmamentista, El Comercio, 09 December 2009  
American countries also have a historic dimension. They fought a war against each other from 1932 to 1935 known as the Chaco War, with Paraguay emerging triumphant. The war cost 100,000 casualties on both parts.

Upon assuming the presidency of Bolivia in 2006, Evo Morales set about to re-equip and re-organize the country’s armed forces and align them with national development goals. This was re-affirmed upon his assumption to a second term in January 2010. 43 The armed forces were involved in a transformation that sought to bring new equipment as well as a new role. The new role includes a closer civil-military relationship, with the air force reactivating its regional air transport service and the army’s engineer battalions dedicated to national infrastructure (mainly communications) construction. At least 18 aircraft have been acquired from a variety of sources, mostly second hand to provide the air force with an adequate transport capability. In 2007 China stepped in and offered two new MA-60 medium transports attached to a USD 35 million credit that can be called extremely benign.44 This was important as it set the norm to how other countries will offer Bolivia equipment. In 2009 Russia announced a USD 100 million credit line for any weapons Bolivia deemed fit. This was taken up through the USD 35 million order for a new Presidential transport aircraft and the rest would be used to acquire medium transport helicopters and other weapons.45 All of these acquisitions have been geared towards strengthening the armed forces’ logistical capabilities with

44 The credit conditions included a 10-year moratorium on payments, and these then to be spread over 20 years.  
45 Guevara, Iñigo, Bolivia eyes Russian transport acquisitions, Jane’s Defence Weekly, August 12, 2009
very little devoted to combat capabilities. A USD 57.8 million plan to acquire six new light fighter aircraft from the Czech Republic suffered a set back in 2009 as the United States reportedly did not agree to the transfer of technology to Bolivia\textsuperscript{46} and this opened the door to another Chinese offer. CATIC offered six of its new K-8 Karakorum light attack and jet trainers for the exact same price through a three year payment plan.

These aircraft are arguably jet fighters, being more in the realm of jet trainers and they do not bring any additional capabilities or are hardly enough to replace the number of 1950’s era T-33’s still in use by the Bolivian air force as their main combat aircraft.

These acquisitions, especially the Russian credit announcement caused a reaction from the Paraguayan congress. After summoning the Minister of Defense, the head of Paraguay’s Senate Defense Commission announced on October 2009, that Paraguay would resort to a comparable arms build-up, as this would be the only means to guarantee Paraguay’s continued existence.\textsuperscript{47} This exaggeration of Bolivian capabilities or intentions can be defined as an overreaction mechanism and clearly serves an internal desire to modernize the country’s military as there are no immediate conventional threats.

In October 8, 2009, Paraguay, whose conventional forces were limited to three Brazilian-built turbo-prop armed trainers, a dozen WW2 era tanks and a river gunboat

\textsuperscript{46} the aircraft’s engines are built by a US company and therefore subject to US end user controls.
\textsuperscript{47} Carrera Armamentista: convocan al Ministro de Defensa, September 19, 2009
dating to 1908, announced it would acquire six new Super Tucano light turbo-prop fighters worth an estimated US 105 million.\footnote{Fuerza Aérea Paraguaya planteó la compra de seis aviones Súper Tucano, La Nación, October 8, 2009 http://www.lanacion.com.py/noticias-271689.htm} Of strategic importance, however, was Taiwan’s announcement in October 2009, that it would match all of Paraguay’s defense requirements (in a clear contraposition to China’s credits with Bolivia). Paraguay is one of the few countries that recognize Taiwan and this has led to a long history of military and financial aid coming from the island to the land locked country. Taiwan announced it would provide UH-1H Iroquois helicopters and assault rifles.

A significant escalation in this would be if Taiwan’s offer to donate a squadron of supersonic F-5 Tiger II tactical fighters to Paraguay were revived\footnote{A 1996 Taiwanese offer for 12 F-5 supersonic jet fighters was not taken up as it was deemed a overkill, both financially and operationally.}, which would almost certainly trigger a similar acquisition by Bolivia from China and so on, but as of early 2010, this had not materialized.

There is no evidence that Bolivia or Paraguay have engaged in an arms race, however the case is of interest to this study as the intention for one through the use of the overreaction mechanism is present. It also points to the region’s disparity if we take into account the effect that a line of credit for USD 100 million can have in a region where budgets generally do not exceed USD 200 million. Bolivia’s future however may be one to watch, as the country’s recent findings of lithium resources may amount
to approximately 35% of the world’s lithium reserves. The new source of income could potentially quadruple Bolivia’s GDP in the next decade and this would probably be translated into a large increase in defense funding. Bolivia ambitions the launch of its own communications satellite that will have a military IMINT application through a USD 300 million program with China.

**Brazil’s National Defense Strategy**

Brazil occupies 48% of South America’s land mass; it is the only Portuguese speaking country in the hemisphere and shares borders with 9 out of the 11 other South American nations, plus one territory. It vastly outranks its neighbors in both population and economy, with the nearest competitors (Colombia and Argentina) representing only a fifth of its population and 20-25% of its economy. Its major economic and political centers (Sao Paulo, Rio de Janeiro and the capital, Brasilia) are located well inside its territory. The Amazon jungle forms a natural border with most of its neighbors.

The Brazilian government is undertaking the monumental and so far successful task of elevating the country towards the “Upper-Middle Power” realm. Brazil’s political system is well established and less vulnerable to populist authoritarian ambitions and its middle class has grown impressively to more than 50 percent of the population. As an impressive sign of its economic health, Brazil suffered relatively little from the world

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52 French Guyana
53 CIA Factbook, accessed on March 13, 2010
financial crisis, and its GDP will probably grow at a rate of 5 percent this year.\textsuperscript{54} The
current circumstances, as well as the policies adopted to use them have conferred a
better international projection.\textsuperscript{55} The main driver for this ambitious modernization
process has been the centre-left President Lula da Silva. As his second term comes to
an end, he seems determined to consolidate the socio-economic and technological
transformation of the country with a long-term defense plan that will shape Brazil’s
armed forces for decades to come.

During most of the 20\textsuperscript{th} Century, Brazil’s main external threat perception came from its
neighbors, especially Argentina\textsuperscript{56}. This was a position crafted by the Military Junta
that ran the country from 1964 to 1985. As such, Brazil’s armed forces were trained
and equipped to fight a short defensive war with a relatively capable yet equal force that
could not overwhelm it. At one point it considered developing a nuclear weapons
program.

The lack of an external enemy in the mid to late 1980’s slowed down defense
acquisitions. As democratic rule gained strength in the 1990’s, the military forces
submerged in a state of near complete obsolescence. The emergence of new non-state
threats, as well as troubling hot spots on its periphery, particularly Venezuela and the
internal situation in Colombia brings about a reactivation of traditional and non-
traditional military concerns. In the late 1990’s the military finds in “resource
protection” a new role, and begins to craft new requirements through the Integrated

\textsuperscript{54} Blair, Dennis C., DNI, Annual threat assessment of the US Intelligence Community for the Senate
Select Committee on Intelligence; 02 February 2010
\textsuperscript{55} Jobim, Nelson, Defense in the National Agenda, Brazilian MoD 21 January 2010
\textsuperscript{56} A rivalry that cane be traced to the WWI period during the “Dreadnought” arms race
Amazonia Surveillance System (SIVAM). SIVAM dominated Brazilian defense procurement throughout the late 1990’s and early 2000’s. This was concentrated on intelligence, surveillance and reconnaissance (ISR) and air mobility assets.

In September 2007 Lula announced the establishment of a defense planning working group, headed by Nelson Jobim, the recently appointed defense minister 57, Roberto Mangabeira Unger, Minister for Strategic Affairs and the commanders of the Army, Navy and Air Force. This group was instructed to draft a new national defense policy within a year.58 Brazil had not previously engaged in such a debate due to a lack of vision from its leaders, but also, and understandably, due to a lack of motivation, as there was little to protect. The accelerated emergence of Brazil as a economic power in the 21st century has motivated these discussions and what emerged in December 2008, is the most comprehensive and long-term strategic plan designed so far for the Brazilian armed forces.

NDS is the guiding tool in order to re-design the country’s defense system by 2022. It will focus on three main axioms: (1) the re-organization of each of the armed forces in order to better cope with perceived threats; (2) the re-organization and development of the national defense industries in order to better address the armed force’s technological requirements and whenever possible, contribute to the national development plan and; (3) revision into the manpower composition of the armed forces, with a specific focus on studying the national military service. Procurement is currently concentrated around

57 Jobim, former Supreme Court President was appointed Defence Minister by Lula after Waldir Pires was dismissed on July 25, 2007 due to a commercial airplane crash over the Amazon.
58 Guevara, Íñigo, Brazil eyes new defence doctrine, Jane’s Defence Weekly 26 September 2007
four main programs: the Army’s VBTP-MR family of 6x6 armoured vehicles, of which 2,044 are on order; the Navy’s conventional and nuclear submarine program that will see the local production of four Scorpene-class conventional boats to augment its current fleet of five Type 209’s and development of at least 3 nuclear-powered submarines with French assistance; the Air Force has the controversial FX2 program that seeks to acquire 20 to 36 multi-role fighters but that may ultimately lead up to the local production of 120 to equip the air force. The fourth major program comprises the local production of medium lift helicopters by the Brazilian subsidiary of Franco-German Eurocopter. All of these programs are accompanied by additional, although smaller projects, designed to create a more robust military capability.

The first three programs translate into a considerable expansion of Brazil’s conventional capabilities: it triples the armoured vehicle fleet, more than doubles the submarine fleet and it increases the number of late generation fighters ten fold. If we add to these the much larger naval ambitions that include ten 6,000-ton “frigates”, a 20,000-ton landing platform helicopter (LPH) multi-purpose ship and up to two light aircraft carriers, we could see Brazil developing a new power projection capability that would be unmatched in the region. Exactly what are the threats that Brazil is preparing for are not clear, while the hypothesis of conflict with a larger power (i.e. United States) has been dissolved with the signing of a comprehensive defense agreement between both nations on April 13, 2010. The agreement is meant to strengthen their military-to-military

59 Cavas, Christopher, Brazil Building Fleet To Protect Resources, Defense News 4 May 2009
relationship as well as increase cooperation in research and development, training, joint exercises, and commercial projects.\textsuperscript{60}

\textsuperscript{60} AFP US, Brazil sign defense agreement, April 13, 2010
http://www.google.com/hostednews/afp/article/ALeqM5iFJiTfPLNYQPPpYGaziPQxLwklNMw
SECTION III

The following case studies explore two very different conventional arms control treaties that were implemented in the aftermath of the First World War and during the final stages of the Cold War. The first one took place in Washington and involved the then major naval powers, while the second one took place in Europe and involved NATO and the Warsaw Pact. They are relevant to this study as they were focused at limiting the size in numbers of conventional military forces. Each case is described and then followed by a section covering their respective lessons learned and its relevant applicability to the region.

The Washington Naval Treaty

The United States had announced that it would build a “Navy second to none” as early as 1915.\(^6\) The end of World War I saw the emergence of the United States as a major power and this led to a brief period of tension with the United Kingdom and Japan who at the time where the main naval powers. The United States sought to increase production of capital ships in order to address its build up, as its new role included protecting commerce as well as preventing an invasion.\(^6\)

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\(^6\) Idem
This caused an immediate reaction from the UK and Japan, both of which had very large shipbuilding capabilities and long naval traditions.

Building of large battleships was the main concern, as these sought to become ever more expensive and their firepower more destructive. The Treaty contemplated Capital ships and the then emerging Aircraft Carriers, defining them as vessels over 10,000 tons that were either armed with guns exceeding 8 inches (203 mm) or carried aircraft. In order to contain this, the five powers\(^63\) pushed forward a framework that would put a cap on the overall size of the participating navies as well as set a series of ground rules for the type of weapons being developed and deployed aboard these vessels. The stated goal of the Naval Conference that evolved into the Washington Naval Treaty was: “to contribute to the maintenance of the general peace, and to reduce the burdens of competition in armament.”\(^64\)

The treaty comprised four main sections; section 1 provided a list of each ship that could be retained by each navy, this it did by name; section 2 set the rules for the disposal of ships; section 3 provided a framework for replacing existing ships; section 4 laid out the definitions. The agreement spanned to include naval bases and it was

\(^{63}\) United States, United Kingdom, Italy, Japan and France

\(^{64}\) Conference on the limitation of Armament, Washington, November 12, 1921-February 6, 1922
determined that they could not build or improve new bases on specified territories.\textsuperscript{65} This was a Japanese prerogative as they saw US construction of naval bases west of Hawaii as a clear threat to Japan.\textsuperscript{66}

The Treaty not only limited each navy to a numeric tonnage, it also limited each individual ship to no more than 35,000 tons for capital ships and 33,000 tons for aircraft carriers.

The following table illustrates the signatory nation’s fleet allowances:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Aircraft Carriers</th>
<th>Capital Ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>135,000 tons</td>
<td>525,000 tons</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>135,000 tons</td>
<td>525,000 tons</td>
</tr>
<tr>
<td>Japan</td>
<td>81,000 tons</td>
<td>315,000 tons</td>
</tr>
<tr>
<td>France</td>
<td>60,000 tons</td>
<td>175,000 tons</td>
</tr>
<tr>
<td>Italy</td>
<td>60,000 tons</td>
<td>175,000 tons</td>
</tr>
</tbody>
</table>

Several signatory countries used their imagination through what has been described as “creative accounting” to circumvent the treaty, either by misleading about their actual

\textsuperscript{65} Washington Naval Treaty Terms

\textsuperscript{66} Naval diplomacy - The second period: 1890-1945; Encyclopedia of the new American Nation.
tonnage or designing add-ons that could equip or up armour them in a short period of time in case hostilities began. In December 1934 the Japan announced that it would terminate its participation in the treaty by 1936.

Lessons learned and Applicability to South America

The 1922 Washington Naval Treaty served to create limits for the three major naval powers and in fact prevented what promised to be a large arms race. It constrained construction of ever larger vessels and re-directed shipbuilding towards a light and more efficient class of ships. However, it also saw several of the signatory members develop countermeasures or straight out ignore some of the guidelines. The Treaty failed to include smaller vessels, such as cruisers, destroyers, frigates and submarines.

South American navies are mainly concerned with floating modern and efficient patrol fleets to enforce their exclusive economic zones and maritime law. Few have the capability to operate outside of their jurisdictional waters for long periods of time so they usually stay close to coastal areas. Only Brazil boasts an aircraft carrier, the 50-year old NAe Sao Paulo, which spent 2004 to 2009 undergoing repairs after an internal fire.

The region is not currently headed towards a naval race but that doesn’t mean that it is unconceivable. However, distracting them from obtaining an effective EEZ
enforcement and sea-lane protection capabilities with the acquisition of a disproportionate number of “modern capital ships”\textsuperscript{67}, such as destroyers and guided missile frigates or submarines would be detrimental in the region’s actual defense capabilities. In most cases countries in the region do not have the capability for large ship construction.\textsuperscript{68} The acquisition of ships above corvette-size\textsuperscript{69} are prohibitively expensive when new built, so countries find it attractive to acquire second hand ships from larger navies that are on the verge of retirement, becoming maintenance heavy or plainly unsafe. Smaller vessels can provide a very adequate defensive punch when properly fitted with anti-air, anti-submarine and anti-surface armament.

Its applicability towards the region would be in the form of providing a concept on capping “modern capital ship” and submarine fleets. This would anticipate any future naval arms race concerns. Another point to take from this arms control regime would be placing limits on the armament that is carried by all naval vessels. Calibre of guns are now an obsolete issue, as again, few navies in the region boast guns larger than 127-mm, but limiting the range of surface-to-surface missiles mounted on ships or on coastal defenses to make sure these are purely defensive and have little capability of becoming offensive weapons would be an item that draws from the Washington Naval Treaty.

\textsuperscript{67} I use the term “Modern” capital ships to address ships in the Destroyer and Cruiser class, as Battleships and Battle-cruisers are no longer in service anywhere in the world.
\textsuperscript{68} Only Argentina, Brazil and Chile are currently capable of building ships over 3,000 tons at their national shipyards.
\textsuperscript{69} From above 2,000 tons
The Conventional Forces in Europe context: analyzing a European solution

The Conventional Forces in Europe Treaty was the culmination of more than 15 years of talks and small steps between East and West aimed at limiting and reducing the number of conventional forces deployed in Europe by the members of the Warsaw Pact Treaty (WPT) and the North Atlantic Treaty Organization (NATO). Initial talks begun in 1973 and they progressed considerably, the first such major progress comprised the Helsinki Final Act of 1975 that sought to reduce the overall number of forces by 25,000 NATO troops and 68,000 Soviets. This also included the creation of confidence building mechanisms, such as the enactment of a notification procedure for military exercises that would include more than 25,000 troops and the invitation for other (rival) nation’s to send observers.  

During the latter part of the Cold War, arms control focused on limiting and then reducing the number of nuclear weapons and delivery systems in the stockpile of both Super Powers. Manpower levels were a cause for debate throughout the negotiations and although there were several, in some cases unilateral, draw downs, this remained a complex issue. The participating countries, under the Conference on Security and Cooperation in Europe (CSCE) decided to concentrate on what emerged as a classification for “conventional weapon systems”. Defining these was not problem-free as each side sought to gain some sort of advantage in the negotiations, but in the

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70 Federation of American Scientists website on CFE chronology.  
http://www.fas.org/nuke/control/cfe/chron.htm
end they settled on a common classification that included tanks, armored combat vehicles, artillery, Combat Aircraft and Combat Helicopters.

Improving East-West relations towards the end of the Cold War enabled negotiations to prosper into the establishment of the 1990 Treaty on Conventional Armed Forces in Europe (CFE). “This Treaty, which went into effect in 1992 set about limits on key categories of conventional military equipment in Europe and mandated the destruction of excess equipment.” The objective was to agree on a safe and secure balance of conventional land forces between NATO and WPT members.

Both sides agreed that the overall numbers should not exceed 40,000 tanks, 60,000 armored combat vehicles, 40,000 artillery pieces, 13,600 combat aircraft and 4,000 combat helicopters stationed by both forces from the Atlantic (up to the Azores) to the

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71 A self-propelled armored fighting vehicle, capable of heavy firepower, primarily of a high muzzle velocity direct fire main gun necessary to engage armored and other targets, with high cross-country mobility, with a high level of self-protection, and which is not designed and equipped primarily to transport combat troops.
72 A self-propelled vehicle with armored protection and cross-country capability. Armored combat vehicles include armored personnel carriers (APC), armored infantry fighting vehicles (AIFV)
73 Large caliber artillery systems are guns, howitzers, artillery pieces combining the characteristics of guns and howitzers, mortars and multiple launch rocket systems with a caliber of 100 mm and above.
74 a fixed-wing or variable-geometry wing aircraft armed and equipped to engage targets by employing guided missiles, unguided rockets, bombs, guns, cannons, or other weapons of destruction, as well as any model or version of such an aircraft which performs other military functions such as reconnaissance or electronic warfare.
75 a rotary wing aircraft armed and equipped to engage targets or equipped to perform other military functions.
Urals (Ural river and Caspian Sea).\textsuperscript{78} The Warsaw Pact also proposed that a sixth category comprising manpower be added, but this was not agreed to by NATO, as it was not clear how the WPT counted its troops. Each side (NATO and WPT) would not exceed, combined, half the number of its allowed ceiling. These numbers were then distributed among each nation, according to their inventories as well as their perceived threats. The idea was for a balanced reduction of conventional forces by both sides.

**CFE lessons learned and applicability in the region**

As Jeffrey Lewis commented: “The overall objective of the CFE began to be questioned, especially by Russia as most of the former Warsaw Pact nations joined NATO, creating an imbalance with Russian forces. Russia’s sense of military inferiority and political isolation deepened. The 1999 “Adapted CFE Treaty” made an effort to preserve the CFE edifice, most notably the transparency measures including data exchanges, notifications, and inspections, by replacing bloc-based limits with national territorial ceilings (which were considerably higher than actual holdings).”\textsuperscript{79} CFE is dead at this point. It did not survive the transition from a bi-polar world into a multi-polar scenario. However, this should not deter the fact that it helped create a framework for cooperation and balanced disengagement. It also provided for the destruction of thousands of conventional weapons that would otherwise continue to be stockpiled throughout Europe. Given the global arms trade dynamics of the 1990’s and

\textsuperscript{78} Treaty on Conventional Armed Forces in Europe, 1990, p.1
\textsuperscript{79} Lewis, Jeffrey , Conventional Arms Control in Europe After the CFE, June 10, 2009
early 2000’s, coupled with the number of internal conflicts in the world during this period, having a regime that promoted a region-wide disarmament was a positive tool.

The fact that CFE was able to survive during a decade of the post-Cold War years, while Europe was reorganizing from bi-polarity towards the complexities of multi-polarity should not be disregarded. But we must also remember that in multi-polarity it managed to create a cooperative network. This is a lesson to take into consideration when designing a conventional framework for South America, as the region is not under bi-polarity, but actually multi-polarity. Although some political-economic-ideological blocs do exist, as is the case of the ALBA countries, the Mercosur or the Andean Community, all of the countries in the region are still within the realm of democratic rule and therefore their particular ideological inclinations are dynamic. Political ideology therefore shifts from left to right, or center-left to center-right in some cases without necessarily providing ideological confrontation with its neighbors or within the region.

CFE was an effective tool when it was needed and specifically for the reason it was designed to: promote confidence, limit the number of specific systems and progressively reduce them. As security is dynamic since it is based on threats and risks that states face in a determined time and space, arms control treaties should not necessarily be considered permanent, but rather as temporary solutions intended for
specific objectives. Furthermore, the classification for “Conventional Weapons” it provides is partially\textsuperscript{80} adequate for the region’s requirements.

What could possibly best be used from the CFE lessons learned is the fact that it created a framework to build trust among several of the participating states, most notably countries that had been suspicious of each other over the past several decades. This could specifically be used to warm relations between Peru and Chile, Peru and Ecuador, Chile and Argentina, Bolivia and Chile, Bolivia and Paraguay, Brazil and Argentina and eventually, Colombia and Venezuela.

Within a framework of promoting stability and security in the region, lessons learned from CFE, especially during its implementation phase can be very valuable to a regional treaty that seeks to limit the amount of conventional weapons fielded by each South American country. Learning from the CFE experience, a discussion on manpower levels should be avoided.

\textsuperscript{80} As it lacks a naval component.
SECTION IV

Political feasibility of an arms control regime in the region

An arms control regime for this specific region needs to have several distinct characteristics. I will first outline what I consider to be the definitive issues to avoid, and sustain them with evidence-based arguments and then move on to what it should include, in very broad terms, but more importantly how they should be implemented. Implementation of CBM’s in the region has showed that they are successful but that they should be gradual.

A Conventional Forces for South America (CFSA) should not focus on manpower levels. The region’s armed forces are designed and organized for very distinct roles and missions. Their individual national security threats are derived from very distinct non-traditional sources and as such follow individual patterns. To make this case more evident, the armed forces of Colombia for example are tasked with both anti-narcotic and counter-insurgency operations, while the Argentine military is tasked with purely external defensive role. Uruguay’s armed forces have a large international peacekeeping role, with anywhere from 20 to 25% of its standing force deployed on UN missions abroad. Conscription is also not homogeneous, with some countries, such as Brazil, Colombia and Venezuela maintaining a compulsory national military service and others, such as Argentina, Peru and Uruguay opting for full voluntary organizations.
A CFSA should also not include defense expenditure or budgets in any sense as these are throughout the region, completely heterogeneous. Directly dependent on national economies, defense budgets are sensible to devaluations and central government decisions. Budgets are not just dissimilar, they are composed differently according to each national administrative practices. Linking an arms reduction or control agreement to spending is ineffective. It may likely have detrimental effects on operations and eventually on morale. GDP or rather defense spending as a percentage of GDP is a relatively coherent way to compare defense expenditures in order to have a general feeling of proportions. But it is a lousy way to plan defense budgets. Defense budgets cant be limited to proportions as they are dependent of each country’s need for defense and security.

It should also be pointed out that procurement funding is also not a homogeneous practice. It is performed differently by each country, with some of them allocating resources from nationally controlled revenue that depend on international market prices and/or demand. Furthermore, acquisitions are sometimes funded through multi-year budgets, national development loans or long-term credits.

CFSA should not include equipment that is considered dual use. This includes trucks, jeeps, crafts, vessels, aircraft and helicopters that are used for transport, training, SAR, logistics, C2 and miscellaneous duties. Sure, every single machine vehicle has the
potential of being used as a weapon in any type of conflict, but the fact that these are used by militaries does not mean they have other roles than power projection or combat support. The region’s militaries often use these vehicles on internal security or disaster relief missions. Roles that should not be constrained by international treaties.

Implementation of a CFSA should be done gradually in order to allow for full compliance of the participating countries. Its objectives and limits need to be present through a strategic communications campaign that includes frequently asked questions (FAQ’s) and that addresses the main counter arguments that individual internal political forces are likely to be concerned about.

Should focus on limiting “conventional weapons” as outlined by United Nations General Assembly’s resolution on categories of the equipment. That is, Battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft and combat helicopters. I would additionally propose to include a balanced tonnage cap on capital ships and submarines, as these are what countries use to project power at sea, and not necessarily provide for regional maritime security.

Concluding remarks

There is a clear possibility for regional institutions to adapt an arms control treaty that will prevent or contain an arms race. However, this may not look precisely like a CFE
or a Naval Treaty. It does not need to be such an extensively nominal treaty, a partial agreement based upon building trust and understanding would be applicable.

It would likely begin through a series of data exchanges on the particular equipment followed by either a freeze in current numbers or the creation of a mechanism to publish in advance national intentions to increase specific holdings. That would allow for debate as well as a transparent environment that would encourage trust.

This first phase has already been articulated in the Extraordinary meeting of the ministers of foreign relations and defence of the UNASUR. The resolution included an article and that states:

DESCRIPTION OF CONFIDENCE BUILDING MEASURES:
EXCHANGE OF INFORMATION AND TRANSPARENCY
A. Systems of Defense:
c. Information on military forces: troops, weapons and equipment

Ceilings on conventional weapons should be defined voluntarily and individually, but communicated in a common forum in order to make them public since the requirement stage. This would give its neighbours enough time to analyze its options and prepare a response that does not need to be comparable or a countermeasure. It could also lead to multi-national cooperation in procurement projects in order to obtain economies of scale or a better negotiating stance.

81 EXTRAORDINARY MEETING OF THE MINISTERS OF FOREIGN AFFAIRS AND DEFENSE OF THE UNASUR RESOLUTION, November 27, 2009
With this collective mechanism to be followed up by reciprocal visits. These reciprocal visits should be used to share information on the equipment as well as on operating procedures that could lead to the standardization of practices across South American forces. Following it up by CFE-type verification visits could provide the basis for enhanced cooperation and increased trust.

The key countries that would have to be on board are Brazil, Venezuela, Colombia, Peru and Chile. However, it would be very positive for a member outside of these to lead the initiative, probably Argentina or Uruguay, as they are identified as not engaged in any phase of an arms race, but be immediately supported by the nations outlined in the first paragraph. A collective will is possible. Canada, the United States, Mexico and Central America could participate as observers, since they share the continent but should not provide any type of incentives. Incentives need to be established by the South Americans and through the Security Council at the Union of South American Nations (UNASUR).

If a particular country identifies the necessity to increase its conventional weapons capabilities in light of a perceived security threat, it should be capable of taking a sovereign decision. A CFSA would provide a mechanism for communicating that decision and could lead to a collective solution, enhancing security and stability.
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