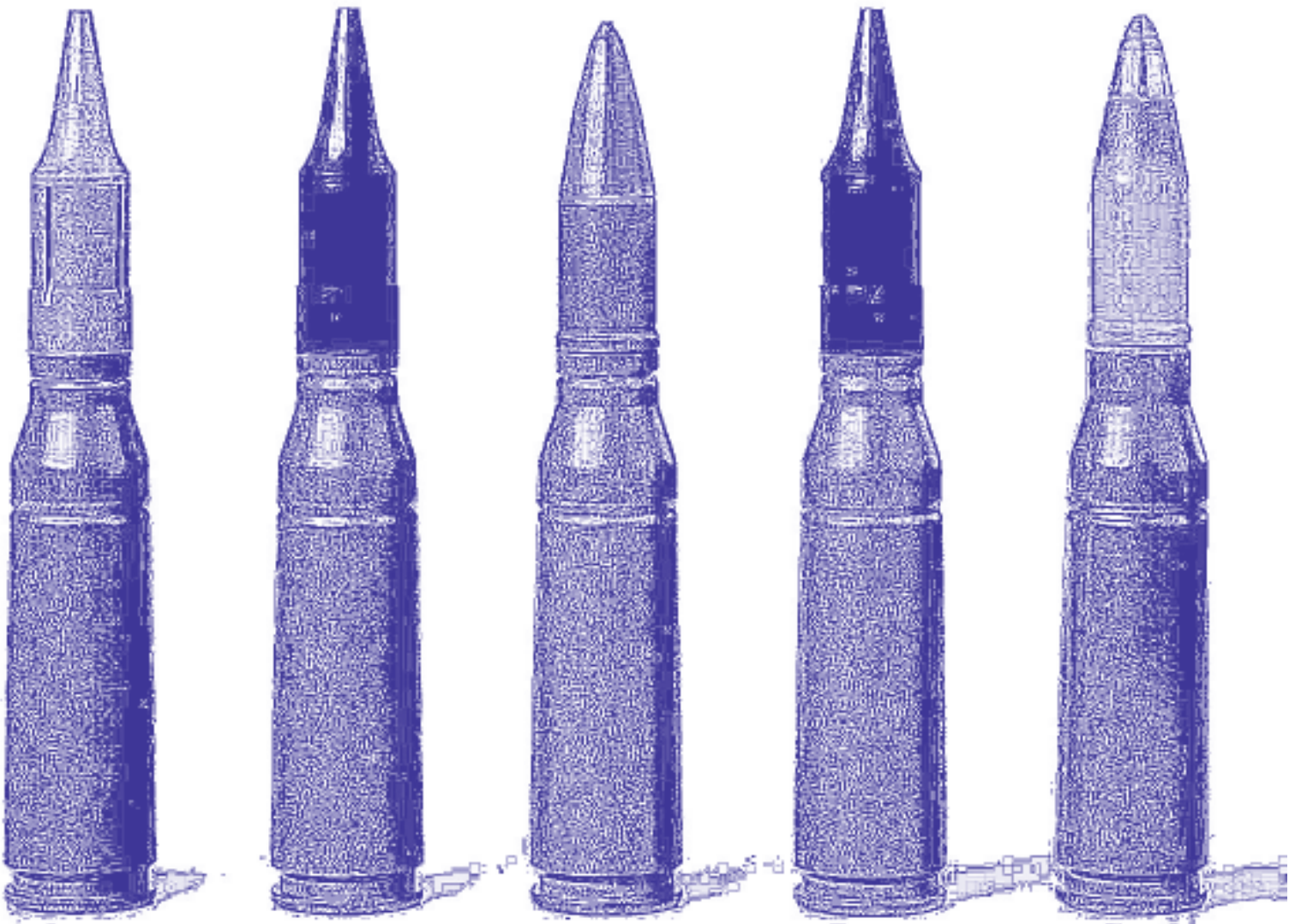


# *Living By The Sword*

A Call for the Closure of the Defence  
Export Services Organisation (DESO)



Fellowship of Reconciliation



# About FoR

The Fellowship of Reconciliation (FoR) is an international, ecumenical Christian peace organisation founded at the beginning of the First World War. For over ninety years it has committed itself to building a world order based on love and justice rather than force and violence. Today, the Fellowship of Reconciliation:

- Undertakes education work within the Christian & wider community on peace, war and nonviolence;
- Seeks to identify the causes of violent conflict and raise public awareness of them, encouraging supporters and the public to challenge the structures, policies and attitudes that lead to violent conflict;
- Supports and affirms all those with a commitment to peace and nonviolence;
- Is committed to developing a spirituality of peace, justice and nonviolence in witness to the Christian faith and gospel values.

## Fellowship of Reconciliation

St. James Church Centre, Beauchamp Lane Oxford OX4 3LF  
01865 748796 office@for.org.uk www.for.org.uk  
Registered Charity No: 207822



# Executive Summary

- As Christians, it could be argued that our Gospel calling to be peacemakers has become even more important since the events of '9/11' and the subsequent invasion of Afghanistan and Iraq. Whilst some commentators argue that it is religion itself that is a root cause of war and armed conflict, people of faith must commit themselves to tackling the real cause of war and violence. Countering the proliferation of weapons and the philosophy of armed might should be a central plank of any serious attempt to build genuine peace and security in our world.
- Here in the UK, the Defence Export Services Organisation (DESO), a small agency at the heart of government, has been identified as one of the main driving forces behind the arms trade, a source of much misery throughout the world. Established in the mid-1960s, DESO has been instrumental in Britain's massive arms push - currently estimated to be around £5 billion each year - with the agency itself boasting that "over 75% of this business would not have been achieved without the assistance of DESO".
- The UK has an excellent record in working to relieve poverty both officially through Department for International Development (DFID) and through aid agencies such as Christian Aid, CAFOD and Tearfund. However, this vital support for global peace and development is seriously undermined by the continued spread of arms and military equipment. Whilst official UK development aid through DFID was £3.8bn in 2004/5, in the same year, government spending on global conflict prevention was £134m – about 2.5% of the estimated £5bn annual arms sales figure.<sup>1</sup> Whilst its estimated that around 55 staff are employed by the Foreign Office on counter proliferation, DESO has almost ten times that number employed to promote arms exports.
- Although the Government argues that it has a "responsible" arms export policy and that it was instrumental in setting up the Consolidated EU and National Arms Export Licensing Criteria any serious examination of arms exports continues to show that the UK arms exports continue to fuel conflicts, arm human rights abusers and undermine sustainable development.
- In his January 1966 statement announcing the formation of DESO (then called the Defence Sales Organisation), Denis Healey stated: *"While the Government attaches the highest importance to making progress in the field of arms control and disarmament, we must also take what practical steps we can to ensure that this country does not fail to secure its rightful share of this valuable commercial market."* Forty years later, in our globalized and security conscious world, the financial arguments used to justify the formation of DESO can no longer excuse - if they ever did - the continued proliferation of arms which fuels so much conflict and causes so much misery.

# Introduction

*“As Indians, whose past have been linked with the British People, we urge the Government of the United Kingdom to take a firm stand against the sale and supply of arms to South Asia in particular and the rest of the third world in general. We appeal against the frequent arms exhibitions of UK companies in Delhi and other places in South Asia. 40% of India’s people are living in abject poverty! We urge Government of the UK to desist from being a pusher of arms and instead promote cooperation among nations as both means and strategy to fighting terrorism.”*

## Fellowship of Reconciliation, India

For billions of people in our world, poverty and insecurity are an everyday reality. One billion people live in extreme poverty on less than \$1 a day, whilst almost 20 million children are directly affected by armed conflict somewhere in the world. According to the World Health Organisation (WHO) around 35 people are killed each and every hour as a result of armed conflict. And it seems there is little progress - in fact the reverse. On an average yearly basis the number of war deaths in later half of the 20th century (i.e. post Second World War) was more than double the deaths of the 19th Century and seven times greater than 18th Century. By the end of the 1990’s nearly 90% of war-victims were noncombatants and at least half of these were children. UNICEF suggest that around 2000 children are killed or maimed in wars each and every day.

And it is not just distant lives in remote countries that are affected by war and armed conflict. The ‘7/7’ suicide bombings in London, television pictures of UK holidaymakers killed and injured in nightclubs abroad as well as the regular security warnings issued to commuters and travellers has brought home to many people the reality of living in a world broken by conflict and violence.

In some senses violence and war has taken root at the heart of our culture. Recognising this, the World Council of Churches has instituted a Decade to Overcome Violence, whilst the United Nations has also declared that 2001 - 2010 should be a decade devoted to creating a Culture of Peace. As individual Christians, as congregation and as churches we want to respond positively to these peacemaking initiatives, to work for an end to conflict and for international reconciliation. Whilst it is not up to us alone to bring peace to the world, our task is to proclaim Jesus’ message of peace, justice and nonviolence and to act here and now according to that message.

Many Christians support development agencies and other organisations undertaking crucial work to tackle poverty and injustice and to build a better world. Yet the reality is that we live in a world where much of this good work - from Sudan to Sri Lanka - is undermined by the culture of violence, and the almost unfettered availability of arms and ammunition through the arms trade. As one of the world’s leading arms suppliers the UK must take some responsibility for this. Indeed in many senses as a nation and a world we are ‘living by the sword’ and reaping the consequences.

The Fellowship of Reconciliation believes that local, national and international conflicts need to be solved through dialogue and by building lasting political solutions rather than through sabre-rattling or resorting to military means. As one of the world's largest arms exporters we seem to be promoting a culture of violence and armed response to political and security threats.

The Fellowship of Reconciliation in the UK works with grassroots peacemakers right around the globe through the International Fellowship of Reconciliation (IFOR) and our International Peacemakers Fund (IPF). One specific area that our partners overseas, many of them working in great difficulty and danger, continually worry about is the availability of arms in their countries. Indeed, our partners argue that the continued push of arms to their countries undermines the vital work of building peace, community and security. In response to their concerns we, along with a number of other organisations, are calling upon the government to end the promotion of arms from the UK and specifically, to close the Defence Exports Services Organisation (DESO).

## What is DESO?

The Defence Export Services Organisation (DESO) is a government agency which supports and encourages UK business to export arms and military equipment. In addition, DESO co-ordinates Government policy on UK arms exports. DESO identifies sales opportunities and then brings companies and government together to win these deals. DESO's position at the heart of government and its remit to be "pro-active" in winning arms contracts makes it an aggressive and insistent voice for the export of arms almost no matter the cost. Before examining its current role, its worth spending a little while looking at the origins of the organisation.

## Origins

The Defence Sales Organisation (as it was originally called) was set-up in January 1966, by the then Defence Secretary, Denis Healey. The new Government agency was the main recommendation of Sir Donald Stokes, salesman and Head of British Leyland, who had been brought in to look at the whole arms sales situation after pressure from industry for more government support.

From the very beginning it was suggested that the Foreign Office (who up until then had been in charge of arms exports promotion) was "oversensitive" about arms exports. Stokes was also scathing about the lack of a sales culture, saying incredulously that arms were only supplied when governments came and asked for them.<sup>2</sup> Stokes recommended a much more pro-active structure and argued that any means necessary should be used to win deals. According to a recently uncovered memo from the period

"Sir Donald noted that a great many arms sales were made not because anyone wanted the arms, but because of the commission involved en route".<sup>3</sup>

One of the main recommendations was that the body should be headed by a salesman, because they understood sales and also because it was inevitable that the organisation would "from time to time get involved in situations where a position of independence will be indispensable".<sup>4</sup>

Before the creation of DESO, the promotion of UK arms was primarily the job of UK Defence attaches overseas and it was suggested that they were not as aggressive as US and French counter parts. Attaches pointed out that they needed to protect their neutrality and independence but Stokes viewed their role less as involving

‘professional impartiality’ and more as one of support salesmen in uniform.<sup>5</sup>

No matter how efficient the sales organization however, they had to have the right product to sell and Stokes argued that export orders had to be taken into account right from the start - even from the design stage. Equipment also needed to go to overseas buyers before they went to UK forces to allow for early delivery. Offering easy credit terms and training was also important - particularly as the elite chosen for overseas training would probably in future be deciding whose arms to buy.

All Sir Donald Stokes’s recommendation were accepted in essence, however at a cabinet committee meeting about announcing the new policy in the House of Commons it was recommended that Healey’s draft statement be amended - spun - to “give fuller and more positive emphasis to our disarmament policy.”<sup>6</sup> Healey’s January 1966 statement in the House of Commons therefore read:

*“While the Government attaches the highest importance to making progress in the field of arms control and disarmament, we must also take what practical steps we can to ensure that this country does not fail to secure its rightful share of this valuable commercial market”.*<sup>7</sup>

A ‘delicate’ line which is maintained still.

## **DESO Today**

Forty years later the vision of the ‘super salesman’ Donald Stokes is remarkably similar to the reality of DESO today. DESO has a staff of around 500 most of whom are based in their new headquarters in central London. Other staff however work overseas in offices attached to British embassies.<sup>8</sup>

Just as Donald Stokes argued, the Head of DESO has always been a salesman from one of the main arms companies rather than a senior civil servant or military officer. As the appointee has to live on a ‘low’ government salary (at present the Head of DESO is paid £165,000 p.a.) the Defence Industries Council, a forum for senior executives from the Defence industry, “tops up” the salary to a more manageable level. The current head of DESO, Alan Garwood, was appointed in September 2002. He has worked for BAE Systems or one of its subsidiaries for the past 25 years.

The work of DESO staff is divided into 3 broad areas: Support Services, Business Development and Marketing.

**Business Development** undertakes market research and analysis of current and future military ‘needs’. It aims to identify opportunity for UK military sales. The department also provides information to UK military businesses on overseas competitors and their military equipment. Business Development also includes Advisory Services which includes the provision of finance and insurance advice to UK companies exporting military equipment. Finally this section also covers military training in support of export orders, which organises training in support of specific military sales, seen as “a UK strength area”.

**Marketing** is focused on undertaking the promotion and actual sales of UK arms and military equipment. The great myth of the arms trade is that it is merely responding to the need of countries to defend themselves appropriately. The reality is that the arms trade doesn’t just happen. On the contrary sales people from DESO and the various companies travel the globe persuading countries to buy bigger and better arms,

arguing for example that their neighbours’ or a regional superpowers’ recent upgrade of ‘X’ weapons system is a direct threat to them, the salesmen heavily promote weapon system ‘Y’ as a means to overcome that ‘threat’. In reality the arms trade is about fuelling mistrust between neighbouring states and regional groups, appealing to the pride and envy of military forces, and, of course, corruption. Indeed because of the vast sums of money and the secrecy which surrounds the arms trade corruption seems endemic.

DESO’s marketing department is divided into three regional directorates and offices are based in the major cities of target regions and connected with UK Embassies (see table below).

**Support Services**, as the title suggests, generally supports the work of the organisation and includes Administration, Communications, Licensing and Export Policy and the Disposal Services Agency (DSA) which sells off refurbished military equipment. Over

the past six years the DSA has sold-off 23,000 military vehicles including tanks and fighter aircraft.

**Exhibitions and Arms Fairs.** The Communications Directorate within the Support Services section is responsible for supporting UK military companies promoting their products and services at arms fairs and exhibitions. DESO has a major input into the Defence Systems & Equipment International (DSEI) Exhibition, one of the worlds largest arms fairs that takes place every two years in Docklands, East London. DESO also encourages and supports UK firms to exhibit at the major arms fairs that take place around the world each year.

## Targets

Each year DESO reviews its “priority target” list of around 20 countries to which it wants to sell. Priority targets are those countries “where DESO considers there is potential for [military] sales of over half a billion dollars over the next five years”. The actual list is kept

**The Big Push: How DESO Divides Up the World by Sales Team**

Regional Directorate	Area Covered	Offices and Representatives	Specialist Weapons Sales Teams Embedded in Directorate
The Middle East, Central and South West Asia and Africa	The Middle East (including the Gulf States but not Israel) and all of Africa,	Kuwait, Qatar, UAE (Abu Dhabi), Indian Sub-Continent and Oman.	Command, Control, Communications & Information Systems (CIS), Electronic Warfare/ Intelligence Surveillance Target Acquisition and Reconnaissance (ISTAR), Armour, and Navy Above Water Weapons Military Specialist Staff.
Far East & Australasia	the Asia Pacific region, including the ASEAN countries, North and East Asia including: Australia, Brunei, Cambodia, China, Hong Kong, Indonesia, Japan, Korea, Laos, Malaysia, Myanmar, New Zealand, Phillipines, Singapore, Taiwan, Thailand and Vietnam.	Brunei, Canberra, Kuala Lumpur, Seoul, Singapore and Tokyo	The Singapore Typhoon Integrated Campaign Team, as well as military Naval Support & Naval Air Specialists.
Europe & the Americas	Europe (including the Russian Federation) and the Americas	Ankara, Athens, Bucharest, Santiago and Washington D.C.	The EH101 Integrated Campaign Team and Military Specialists for Ships and Underwater Weapon Systems.

secret as it is thought that if published the list would affect the UK's international relations. However names on the list regularly leak and have included over the past few years : Brazil, India, Greece, Turkey, Indonesia, Brunei, Kuwait, Saudi Arabia and the UAE amongst others.

Recently it seems that Libya and Iraq have become targets for DESO. In July 2005 DESO held a seminar in conjunction with the Defence Manufacturers Association (DMA) focusing on the potential of these two countries. In the autumn of 2005, DESO staff visited Baghdad.

The Government argues that it has some of the strictest controls on arms exports in the world and that it does not export arms to countries engaged in conflict nor supply dictators. Unfortunately the reality does not match the rhetoric.

## Supplying Conflict

According to *Project Ploughshares*, the Canadian Council of Churches ecumenical peace agency, there are currently 26 serious conflicts taking place worldwide. In 2005 the UK government granted arms export licences to UK companies to export to 16 of the countries engaged in those 26 conflicts. In Africa the UK exported arms and military equipment to Nigeria, Angola and Kenya; in Asia to Afghanistan, India and Pakistan, Indonesia, Thailand, Nepal, the Philippines and Sri Lanka; to Colombia in the Americas and to Iraq and Israel in the Middle Eastern all of who are experiencing serious conflict. The UK also supplied military equipment and arms to Russia and the United States both of whom are also involved in serious conflicts.

## Arming Abusers

The 2005 Foreign and Commonwealth Annual Human Rights Report named twenty countries of major concern in relation to their

respect for human rights. In the same year (2005) the UK granted arms export licenses to UK companies to export arms to eleven of those twenty countries: Afghanistan, China, Colombia, Democratic Republic of Congo, Indonesia, Iraq, Israel, Nepal, Russia, Saudi Arabia and Turkmenistan.

## Undermining Development

In 2002 almost three quarters of the worlds arms exports went to Asia, the Middle East, Latin America and Africa, valued at almost US\$17bn. 90% of those sales came from the five permanent members of the UN Security Council. Whilst the reasons for poverty are complex, spending huge amounts on arms and other military equipment simply means there are less resources available for education and social welfare programmes to reduce poverty. In 2005 the UK exported arms and military equipment to 10 countries in the bottom third of the UN's Human Development Index.

## Conclusion

The Fellowship of Reconciliation (FoR) supports grassroots peace work with partners in over forty countries around the world. The push of weapons supported by agencies like Defence Export Services Organisation (DESO), undermines much of the excellent work that is being undertaken, often in dangerous circumstance, by many groups and individuals.

Some people argue that it is not the place of Western governments - or NGO's - to decide how governments of developing or other nations should choose to spend their resources. However there does seem to be little choice involved when Western governments - including the UK - spend hundreds of millions of pounds promoting and pushing arms sales through agencies like DESO. It is this 'push' of weaponry, coupled with the endemic corruption that surrounds the arms trade that seems to give developing

**UK arms exports to selected countries with FoR Branches or Groups (2004 & 2005)**

Country	Examples of UK arms exports in 2004 & 2005 <sup>a</sup>	UK arms exports 2004 <sup>b</sup> (£ million)	UK arms exports 2005 <sup>b</sup> (£ million)	DESO office in country	Invited to UK arms exhibition <sup>c</sup>
<b>Bangladesh</b>	Semi-automatic pistols; small arms ammunition; small calibre artillery ammunition; aerial target equipment	0.5*	1.45*		Yes
<b>India</b>	Combat helicopters components; components for military aero-engines; military training aircraft; components for submachine guns; air-to-surface rocket launching equipment	351	63.5	Yes	Yes
<b>Israel</b>	Bomb components; military aero-engines; small arms ammunition; weapons control systems; components for large calibre artillery ammunition; anti-aircraft guns	11.5	23		Yes
<b>Nigeria</b>	Anti-aircraft guns; large calibre artillery, components for armoured fighting vehicles; tank transporters; military aero-engines	53	32.5		Yes
<b>Philippines</b>	Components for large calibre artillery; naval light guns; weapon sights; tank components, electronic warfare equipment	9.5	0.4*		Yes
<b>South Africa</b>	Combat aircraft components; Components for air-to-air missiles; gun silencers; surface-to-air missile components; semi-automatic pistols; components for combat helicopters	114.5	15.5	Yes	Yes
<b>South Korea</b>	Aircraft canon; components for mine laying equip; components for surface to surface missiles; sniper rifles; submachine guns; combat aircraft components; pistols	30.5	30.5	Yes	Yes

a) Only a fraction of the type of arms exports are shown. b) Figures are taken from the FCO's Quarterly Strategic Export Controls report and refer only to Standard Individual Export Licences (SIELS) granted. Figures marked with \* include figures which have been rounded up to nearest £100,000 in the report. Note that values are not given for Open Individual Export Licenses (OIELS) which cover multiple shipments from one exporter so the figures are actually likely to be somewhat higher. c) The Defence Systems and Equipment International (DSEI) Exhibition, Europe's largest arms fair, takes place in London every two years. Invitation issued by DESO or the organisers, PGI Spearhead Ltd, in 2003 or 2005.

nations little choice about how they spend their resources.

Our calling as Christians commits us to being peacemakers in a broken world. However, we often feel there is little that we can do to challenge the many armed conflicts around the world and to build real peace and security. Yet if we could end the proliferation of weaponry around the globe - particularly the push of weapons from the UK - it could go a long way to reducing the amount of armed conflict in the world and the misery that it generates.

The Fellowship of Reconciliation is urging the UK government to end its support for the arms trade. As a major supplier of arms it has a unique responsibility to take the lead in ending the push of arms, especially to poor

countries and counties involved in conflict. On behalf of the victims of armed conflict and our partners working for peace and international reconciliation, FoR is calling upon the government to close DESO. Won't you join us?

**Footnotes**

1. For more on Global Conflict Prevention pools, see [www.fco.gov.uk](http://www.fco.gov.uk)
2. Mark Pythian, *The Politics of British Arms Sales since 1964*, Manchester UP, 2000, p65
3. 'Web of state corruption dates back 40 years', *The Guardian*, 13 June 2003
4. Pythian, p65
5. Pythian, p66
6. Pythian, p71
7. Hansard, 25 January 1966, Col. 64
8. For more details see [www.deso.mod.uk](http://www.deso.mod.uk)

# FAQ

## Frequently Asked Questions about DESO and the Arms Trade

### ■ Aren't thousands of UK jobs dependent on arms sales?

The employment argument is one frequently put forward by advocates of the arms trade, but it simply doesn't add up. According to the MoD's own figures, there are about 65,000 people employed, directly and indirectly, by the UK arms trade. Given that the public subsidy for arms exports is around £760m to £1bn per year, this works out at about £9,000 - £11,000 per job! This is an enormous amount of money which would in fact create far more jobs in other, less capital intensive (and risky) sectors such as health, education, environmental technology or transport. A recent report jointly published by the MoD and York University stated that if subsidies were cut by half, 49,000 job losses would be offset by 67,000 jobs created in the civil sector.

### ■ Don't countries need to defend themselves from aggressors?

Those who support the arms trade argue that they are enabling countries to defend themselves and helping to create global security. Often a picture is painted of 'poor widows and orphans' who could be overrun by warlords unless the UK continued to supply arms and military equipment around the world. The reality is that the proliferation of weapons *creates* insecurity and fuels conflict and, as we have seen, in some circumstances we are the ones supplying the warlord and the dictator. The modern UK arms export industry came into being as a way of helping to defray the spiralling costs of the UK's expensive weaponry rather than as a means to protect the poor and vulnerable.

### ■ If DESO don't sell arms, someone else will!

The argument that we should continue to sell arms as someone else would do it anyway is morally bankrupt - after all we wouldn't say the same about pornography or drugs. Whilst it is true that we should of course take steps to ensure that arms proliferation is tackled an international level, it is surely right that as one of the main arms export nations the UK should take responsibility for its actions and show leadership on this issue by taking the first step of closing DESO.

### ■ Don't we have control over other nations if they rely on us for their weaponry?

A relatively recent example again shows that the reality is a little different. The UK has been one of the most outspoken critics of Robert Mugabe's government in Zimbabwe. When Zimbabwe wanted to buy spare parts for its aircraft from the UK - which have been used in the DRC conflict - it seemed a perfect opportunity to show our displeasure and refuse to export the spares. However, in the teeth of opposition from human rights campaigners and even some members of the Cabinet, the licences were granted in 2000 in order to protect the reputation of the arms companies as reliable suppliers.

# PETITION



The Defence Export Services Organisation is the unit of the UK Ministry of Defence which helps UK companies sell their military equipment and services overseas. Through DESO, the UK taxpayer subsidises the export of arms into areas of conflict and to governments that abuse human rights. The trade in military equipment also damages economic development at each of global, regional and local economic levels.

The undersigned call on the UK government to close the Defence Export Services Organisation and not to transfer its functions elsewhere in the public sector or to allocate public funds to enable them to be undertaken in the private sector.

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**Please return to: Fellowship of Reconciliation (FoR), St. James Church Centre,  
Beauchamp Lane, Oxford, OX4 3LF 01865 748 796 office@for.org.uk www.for.org.uk**

## **Living By The Sword: A Call for the Closure of DESO**

As Christians, our gospel calling to be peacemakers has become even more important since the events of '9/11' and the subsequent invasion of Afghanistan and Iraq. Whilst some commentators argue that it is religion itself that is a root cause of war and armed conflict, people of faith must commit themselves to tackling the real cause of war and violence. Countering the proliferation of weapons and the philosophy of armed might should be a central plank of any serious attempt to build genuine peace and security in our world.

This Briefing examines the role played by the UK's Defence Export Services Organisation (DESO) in the international arms trade and argues strongly for its closure.

### **Fellowship of Reconciliation**

St. James Church Centre, Beauchamp Lane Oxford OX4 3LF  
01865 748796 office@for.org.uk www.for.org.uk

