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Fix the Arms Transfer Enterprise

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TOPLINE

President Trump is inheriting the largest arms transfer enterprise in the world. Amounting to billions of dollars in arms sales and military aid packages each year, these programs represent powerful instruments of U.S. foreign policy. Wielded prudently, they can make important contributions to international security, deterrence, and stability. But when exercised irresponsibly, U.S. arms transfers can fuel conflict, enable abuses of predatory governments, and undermine U.S. national interests. Accordingly, as a matter of national and international security, U.S. security cooperation and assistance demands consistent, evidence-based, and accountable stewardship centered on U.S. foreign policy priorities and interests.

THE PROBLEM

U.S. security cooperation and assistance suffers from two seemingly contradictory but practically linked problems. A failure to confront deep-seated and misleading assumptions underpinning U.S. approaches to arms transfers has dovetailed with the policy whiplash that has characterized the dramatically differing approaches recent administrations have brought to the enterprise. Extraordinary swings in the policy frameworks that define why and how the U.S. conducts arms transfers have removed the strategic ballast required to address more deeply ingrained flaws in security cooperation approaches. These dramatic swings have also prevented the U.S. from implementing even well-meaning political commitments, and all the while, transparency into the enterprise has diminished. The result is an arms transfer enterprise that consistently fails to see returns on U.S. investments while frequently contributing to conflict or human rights abuses in an increasingly opaque manner.

ESSENTIAL CONTEXT

A Conventional Arms Transfer (CAT) policy outlines how the whole of government will review and evaluate arms transfer decisions. Though not legally binding, these presidential memoranda are intended to orient U.S. security cooperation and assistance toward key strategic objectives and ensure that these objectives reflect broader policies and interests. But while the governing laws of U.S. Security Assistance have existed for more than five decades and the regulatory frameworks that operationalize those laws have seen relatively regular updates to reflect changes in technology and geopolitics, CAT policies have turned into political posturing documents, rather than frameworks for thoughtful U.S. security assistance administration.

Though revisions to the CAT policy have been historically infrequent, between 2014 and 2022 Presidents Obama, Trump, and Biden each issued their own policies, equaling in just six years the numbers issued since 1977. The differences between the three most recent CAT policies have been striking. Following a 2014 update from the Obama administration to reflect post-9/11 imperatives around alliance management and burden sharing, President Trump's 2018 CAT policy revisions placed significant emphasis on the importance of preserving U.S. dominance in the global arms market, highlighting the benefits for the economy and defense industrial base. While President Trump's policy was the first to make explicit reference to reducing the risk of civilian harm, it also encouraged government-directed advocacy in support of defense commercial and industrial interests, departing from the historical conception of arms transfers as tools focused on meeting key foreign policy and national security objectives.

President Biden's CAT policy, released in 2023, placed a far greater emphasis on human rights, international humanitarian law, and restraint. Of particular note was a lowered threshold for assessing risks from U.S. arms transfers. Whereas past administrations had required "actual knowledge" that U.S. arms would be used to commit certain atrocities, the new CAT policy stated that arms transfers would be prohibited if the United States assessed U.S. arms were "more likely than not" to contribute to certain atrocities.

The differences between the most recent two policies manifested in the application of vastly different processes and considerations for arms transfer decisions. President Biden's policy, for example, underwrote the development of the Civilian Harm Incident Response Guidance (CHIRG), a mechanism designed to evaluate reports of U.S.-origin items being used in ways that result in civilian harm. President Trump, on the other hand emphasized in his first term the economic benefits of arms deals to countries like Saudi Arabia, in the midst of a military campaign that resulted in significant civilian casualties in Yemen.

But while the structures and measures developed to service these different approaches to arms transfers differed, security cooperation outcomes remained (at least in the public domain) remarkably consistent, including in terms of risks, challenges, and pitfalls. In particular, both the first Trump and the Biden administrations defied significant political opposition to funnel arms into environments where the arms transfers made clear and acute contributions to civilian harm, violations of international law, and potential atrocities. Moreover, neither administration confronted why U.S. security partners so frequently engaged in behaviors or activities that were contrary to U.S. interests.

Despite swings in policy approaches, the consistently troubling outcomes of security cooperation point to the entrenched institutional attitudes that define the U.S. arms trade. Among the most pernicious is the familiar arms trade refrain, “If we don’t sell them arms, someone else will.” The well-worn phrase implies that partners subject to constraints or conditions on their arms will quickly seek alternative defense relationships, including with U.S. adversaries. The argument has been frequently cited as justification for continuing arms transfers to partners engaged in human rights abuses and behaviors that are contrary to U.S. interests despite evidence that a partner’s calculus hinges on a far wider range of political and practical factors.

Similarly, the U.S. government has consistently assumed that arms transfer transparency presents a wide range of risks to the security assistance and cooperation enterprise. From the lack of public reporting on direct commercial arms transfers to the absence of publicly available data on Defense Department-led military aid programs, to the deteriorating quality and quantity of arms transfer reports, key aspects of the U.S. defense trade remain dangerously opaque. But without transparency, meaningful oversight, accountability, and analysis become impossible. Under the current paradigm, lawmakers and civil society are deprived of their ability to act as guardrails against short sighted or irresponsible transfers. And specialists from academia, think tanks, and the private sector are prevented from lending the full weight of their expertise towards the development of more rigorous, evidence-based approaches to defense partnerships that might better maximize benefits and mitigate risks. In resisting demands for transparency, the U.S. government is missing critical opportunities to subject U.S. arms transfer to the sort of scrutiny and study that could raise standards and address persistent flaws in current practices.

POLICY RECOMMENDATIONS

Align security assistance with national security and foreign policy goals. In his second term, President Trump has an important, and powerful opportunity to rethink the U.S. approach to arms transfers and create a lasting impact that ensures security

cooperation delivers returns for U.S. interests. Rather than creating yet another CAT policy, President Trump should focus on aligning U.S. security assistance to support larger national security and foreign policy objectives.

Make existing policy fit for purpose. On paper, the most recent CAT policy could support U.S. national security interests and foreign policy objectives. But a failure to live up to its promises and the lack of political will to implement its core tenants have diminished much of its practical impact. President Trump should consider capitalizing on the 2023 CAT policy – including its concentration on foreign policy imperatives, its ethos of restraint, and its elevation of human rights and civilian protection priorities – by making the political investments to implement and operationalize its promises and commitments in practice. President Trump can also look to the 2023 CAT policy’s specific mention of the role arms transfers can play in supporting the defense industrial base and maintaining the United States’ technological edge, within the context of strategic national interests. In more faithfully implementing the 2023 CAT policy, President Trump has the opportunity to distinguish himself from his predecessor, and to address the political shortcomings that characterized the Biden administration’s approach to arms transfers.

Refraining from developing a new policy would also provide important strategic and technical stability, ensuring both efficiency and a firmer foundation for addressing more deep-seated challenges in the US arms trade practice. This includes the “if we don’t sell” paradigm, which has frequently led the United States to ignore the actions of partners that are contrary to U.S. interests or to sustain defense partnerships that have long outlived their strategic value.

Reform government decisionmaking for a more transparent arms transfer enterprise. Similarly, rather than focusing on a new policy framework, an incoming Trump administration could commit to a more transparent arms transfer enterprise. As a candidate, President Trump often criticized the opaque nature of government decision making. In the case of arms transfers, that opacity has undermined safeguards and oversight that could improve the efficacy and responsibility of security cooperation and assistance. The U.S. defense trade offers ample opportunity for the President to improve efficiency, diminish waste, and strengthen practice through improved transparency. Among various possible reforms, over the short term, the President Trump could make direct commercial sales notifications to Congress public; report annually to the American people on the value of security assistance and cooperation by individual programs and country; and address gaps and methodological problems in existing reporting on U.S. arms transfers.