Liberalising U.S. Arms Sales

What is the issue?

\n\n

\n
- Trump is attempting to rework the commercial-strategic equation of the US.
\n
- This presents an opportunity for India to capitalise.
\n

\n\n

What is the current scenario?

\n\n

\n
- Arms transfers by the U.S. happen primarily through “Foreign Military Sales (FMS), Direct Commercial Sales (DCS), & Foreign Military Financing (FMF)”.
\n
- The three domain headers aggregate “$40, $110 and $6 billion” respectively.
\n
- While FMS is a government to government sale, DCS is directly negotiated by the seller and the foreign buyer.
\n
- The 3rd domain “FMF” is done through American grants to allies, of which more than 50% goes to Israel.
\n
- Egypt, Jordan and Pakistan have been other significant FMF recipients in recent years, followed by 50 other countries that receive smaller amounts.
\n
- All these segments are controlled by stringent laws, the most important of them being the Arms Export Control Act.
\n

\n\n

What are significant aspects in the sector?

\n\n

\n
- Arms supplies to foreign countries are critical to the U.S. for three main reasons:
\n

\n\n

\n
1. To leverage of a global influence
\n
2. To reduces the cost of procurement for the U.S. military due to economics of scale
\n
3. Due its significance in to the economy as the U.S. defence manufacturing sector is an employer of 1.7 million people
\n

\n\n

\n
- But the sale of weaponry, traditionally, is guided less by commercial considerations and more by strategic calculations.
\n
- The “Bureau of Political-Military Affairs, Department of Defence, the White House and the Congress”, are all involved in vetting process for arms deals.
\n
- Each proposed sale is considered on a case-by-case basis and approved “only if found to further U.S. foreign policy and national security interests”.
\n
- The actual process of a sale could be long-winded, and could take months even after it is approved in principle.
\n
- The aspects that go into the assessment of the deals are the capability of the buyer government to afford, operate and protect the technology sought.
\n
- Notably, protections are also ingrained to ensure that systems sold to one country do not end up with a third party.
\n

\n\n

How is Trump’s view radically different?

\n\n

\n
- While arms sales and supply has been a major arena for displaying U.S. strategic prowess, Trump sees arms purely through the commercial angle.
\n

- His push in favour of liberalising U.S. arms sales to undermines any humanist consideration or visionary strategic thinking.
  \n
- He has been an aggressive salesman for American defence manufacturers during his bilateral engagements with foreign leaders.
  \n
- More significantly, he has been vocal in his disapproval of this established defence trade norms in the US as he considers them a big failure.
  \n
- He rather wants to reduce the aids through FMF component (except to Israel), and seeks that American partners buy more weapons from it.
  \n
- This is also seen as a move towards stifling US's NATO contributions and also reducing trade deficits with key partners such as South Korea and Japan.
  \n
- While the US state machinery might not easily accede to most of these aspects, Trump's voice is bound to resonate considerably in any U.S. arms policy.
  \n

\n\n

What is in store for India?

\n\n

\n

- India is one of the largest defence buyers and has imported over $15 billion worth of defence equipment over the last decade from the U.S. alone.
  \n
- As many Indian arms bids have get entangled in the U.S. bureaucracy for multiple reasons in the past, Mr. Trump's approach might ease these issues.
  \n
- Trump's business centric approach is also a positive as it tends to address India's scepticism to get entangled in operational military partnerships.
  \n
- Also, while India's robust defence partnership with Russia was a major irritant for US's strategic viewpoint, a commercialist approach overlook this.
  \n
- Hence, India could emerge as a reliable, big arms market for the US, which would also help in reducing the overall trade deficit that US has with India.
  \n

\n\n

\n\n

Source: The Hindu

\n

