DIIS Brief

Missile Proliferation
New Challenges and New Threats
Conclusions and Policy Recommendations
from the DIIS Conference on Missile Proliferation, 2 May 2007

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Introduction

The risk of rogue states and terrorist groups acquiring weapons of mass destruction (WMD) is an imminent threat to international peace and security. To counter this threat it is important to maintain vigilance over the transfer of missile equipment, material and related technologies usable for systems capable of delivering WMDs. As relevant technology becomes available commercially, efforts to control the sophistication of missiles and their spread are becoming increasingly more difficult. At the same time the development of ballistic missile defences and the fact that space programmes of some countries may inadvertently lead to proliferation of technologies, which can be used in missile programmes, spurs international concern.

There is no formal international prohibition against developing, acquiring, testing, or selling ballistic missiles. The Missile Technology Control Regime (MTCR) is an informal arrangement, in which countries that share the goal of non-proliferation of unmanned delivery systems for NBC weapons cooperate to exchange information and coordinate their national export licensing processes. MTCR seeks to restrict the proliferation of missiles, but is limited in range and means, as it only functions through export controls and only has 33 members. The Hague Code of Conduct has a much wider scope due to larger membership, but is not legally binding. The international community criticizes specific activities by individual countries, but lacks a comprehensive multilateral instrument or agreement that draws a clean line between acceptable and unacceptable activities.

In order to address these issues and to mark the 20th anniversary of the Missile Technology Control Regime (MTCR), the Danish Institute for International Studies (DIIS) hosted a conference on 2 May 2007 by the title: *Missile Proliferation: New Challenges and New Responses*. The overall purpose of the conference was to discuss approaches to managing the consequences of current tendencies in missile proliferation in the wake of the significant number of ballistic missile tests carried out by India, Iran, Pakistan and North Korea in 2006-2007. For this purpose DIIS brought together leading researchers, politicians, officials and opinion leaders from Europe, Asia, Australia and the United States to shed light on geographical, technical and political challenges and responses. This publication will treat the main focal points of the conference and sum up key conclusions and recommendations emerging from the conference.

Geographical Challenges

In recent years several states have developed a new generation of missile systems capable of delivering weapons of mass destruction and have threatened to sell to interested parties. At the same time missile technology has developed into big business and several states are defending their right to export their missile systems. In order to target missile programmes around the world, different approaches has been tried, but with limited success. Currently there are a number of challenges of missile proliferation regarding rogue states, non-state actors and states claiming their right to missile technology and export income. The threat is geographically clustered in a small number of states mainly in the Middle East, South Asia and North East Asia.

The geographical challenges of missile proliferation was addressed by Dr. Wahelguru Pal Singh Sidhu, Director at the Geneva Centre for Security Policy, Dr. Victor Zaborskiy, Founder of the Special Trade Operations Consulting in Atlanta, Georgia, and Dr. Dinshaw Mistry, Associate Professor at the University of Cincinnati and author of "Containing Missile Proliferation".

Civilian and military uses of missile technology

In the case of missile technology, deliberate or unauthorized diversion can occur easily, as space launch vehicles (SLV) and ballistic missiles stand close in scientific-technological terms. The SLV efforts are closely intertwined with the ballistic missile efforts and have latent convertibility to a ballistic missile programme. Furthermore, there is a risk of SLV programmes serving as camouflage for ballistic missile programmes. Therefore a differentiation between civilian and military use is inapplicable in regard to non-proliferation, as states developing SLV programmes poses a potential threat.

Geographical hotspots

The Middle East has witnessed the most extensive use of ballistic and cruise missiles, and more than a third of missile-possessing states are located in the Middle East. Iran has space exploration programmes, even though their successfulness is not contested. The region has no regional regime to discuss missiles. Attempts at forming regional regimes have failed, mainly because they did not represent all actors across divides or because they proved to be too ambitious. There is a need for a step by step approach starting by confidence-building measures.

South Asia represents a modest success concerning cooperation on non-proliferation. Long-ranging missiles have not yet been used in conflicts in South Asia and only China, India and Pakistan possess ballistic and cruise missiles with ranges in excess of 150 km. The agreement between India and Pakistan on pre-notification and restraint from testing along the border is a first step. Also China and India have made some agreements that contain potential concerning the spread of missile technology. Though these agreements do not represent a formal non-proliferation contract, provisions do exist. China has applied for MTCR membership, but the US shows reluctance to cooperation that potentially could involve technology transfer to China.

In North East Asia no regional mechanism exists and the region is ill-equipped to counter the threat. Though the region has not witnessed significant use of missiles, there have been regular tests. Both South and North Korea have space programmes with civilian and military applications. A few disappointing attempts have been made to create a regional mechanism, but they may have been too intrusive, and it seems that a less ambitious agenda will be more likely to succeed.

Europe and the EU have formerly been in front in missile non-proliferation. The INF treaty in principal removed INF systems from Europe in 1988, and EU members took the lead in finalising what was later named the Hague Code of Conduct and in involving non-MTCR members. But now it can be said that Europe has changed its course. By supporting missile systems that might lead to escalation of conflicts, Europe is according to Dr. Sidhu undermining the norms they helped to form. Two trends: political/diplomatic initiatives versus military solutions such as missile defence. The two trends are contradictive trends which are weakening each other.

The threat from non-state actors
The problem is that non-adhering states are not the only threat. The major focus of non-proliferation has been on governments, because only they have capabilities to develop non-proliferations measure. But non-state actors such as rebel groups could gain control of short-range missiles, and thereby also non-state actors constitute a problem that the MTCR must be prepared to deal with. The failure of non-proliferation lies not with members, but with non-members and non-state actors who will seek to obtain material from non-members.

Technical Challenges

At the heart of the effort to prevent missile proliferation, is the need to control sensitive know-how and technologies. As relevant technology becomes increasingly available commercially, efforts to control the sophistication of missiles and the proliferation of related technology become more difficult. The use of front companies, dual use technology and access to illicit markets via proliferation networks have provided state and non-state actors with missile capabilities. The main technical challenges are: how to control sensitive know-how and technology effectively without hampering the free movement of goods and services, how to detect and stop proliferation networks as well as how to apply effective verification and control to suspected proliferators.

The challenges regarding Proliferation Networks, Verification and Export were addressed and discussed by Mr Nikita Smidovich, Inspector and Head of the Training Unit at the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC), Bruno Gruselle, Senior Policy Analyst at the French think tank Fondation pour la recherche stratégique and Dr. Ian Anthony, Project Director at the Stockholm International Peace Research Institute.

Export
The panel argued that the MTCR is likely to be degraded over the medium term and that there is little, if any, prospect that current alternative approaches can stem missile proliferation. A number of features of the contemporary market are posing serious challenges to the export control approach that the MTCR has followed. The MTCR has developed and adapted to changing circumstances in the past, and it will be necessary for the participating states to find new ways to cooperate in the future, in particular by adopting a new model of interaction with industry. There are several observable tendencies linked to globalization within the relevant parts of industry and commerce that interact with one another in ways that place growing strain on the existing export control system.

The traditional business model of a company that develops and produces items in one country and sells them in another is being replaced by one in which multinational teams take joint responsibility for development, production and distribution. These teams can be made up by units and individuals that live in different countries and therefore are subject to different jurisdictions for export control purposes. These widely dispersed teams are linked electronically through secure communications network within which information can circulate internationally without scrutiny by customs authorities. The senior management of companies may not correlate to the physical location of production facilities or the legal jurisdiction of company registration. The panel predicted that the existing control system will become increasingly ineffective, because the two central aspects on which the system is based, the capacity to block shipment of the items to be controlled and the knowledge of which end-users will have access to those items, will no longer be available to the national authorities before a transaction is completed.

In light of the growing importance of intangible technology transfers, it will be of increased importance in the future that the industry understands and is fully committed to respect export controls, if objectives of export control shall be reached. Business and government will increasingly have to work together as partners in building security. The model of partnership will gradually have to replace the previous tendency for regulators to see business as the target for controls. Export control needs to be reformed partly through a wider and deeper cooperation between states, but also through a new approach to cooperation between regulators and business. This new approach should take the form of a development of voluntary security standards for industry as a part of systems for quality management within companies. Regulators and companies need to work together to create this set of standards.

Proliferation networks
The panel argued that proliferation of missile technology today depends on proliferation networks such as the infamous Pakistani AQ Khan network, uncovered in 2003, selling nuclear technology through a complex organization of industrial providers, brokers and front companies' logistical and

financial institutions. The main issue is therefore how to adapt and strengthen counter-proliferation efforts in order to neutralize these networks.

One of the strengths of such proliferation networks is their ability to exploit the worldwide dissemination of technologies and the vulnerabilities of national export control systems. Notwithstanding interaction with the worldwide market, a concerning trend in proliferation is the development of contacts between networks. This so-called south-south proliferation has contributed to create a new ring of missile-capable states willing and able to supply technologies or goods.

Verification

The panel highlighted that the United Nations Special Commission (UNSCOM) and UNMOVIC created and operated a unique international monitoring mechanism in the missile area supported by an elaborate global export control regime under Charter VII of the UN Charter. UNMOVIC has initiated a specific training programme for its roster of inspectors to achieve these objectives. Since 2000, UNMOVIC has conducted 38 various training courses with 10 courses specifically focused on missile experts.

Monitoring was a success, since Iraq was able to manufacture proscribed missiles only during a period of absence of UN inspectors. As compared to MTCR, the UN monitoring mechanism offers a unique experience. MTCR is a coordinating mechanism for national legislative and implementation measures. In most cases MTCR members have to either allow export of an item or not, and post-export in-country activities with items exported are beyond their control. The UN mechanism in Iraq was different, since it operated inside a country under the Security Council mandate monitoring day-by-day how dual-use capabilities and items were actually being used.

One of the most important lessons learned is the indispensable value of the human factor: the technical expertise and knowledge of the inspectors and their skills to conduct inspection, monitoring and verification activities as a team under internationally accepted rules.

Political Challenges

The international community criticizes specific activities by individual countries, but lacks a comprehensive multilateral instrument or agreement which may separate acceptable activities from unacceptable activities. The recent efforts to establish a multilateral framework for dialogue on missile proliferation have not produced significant achievements. The Hague Code of Conduct (HCOC) has not been able to secure participation from the states that were its main target group, the governmental expert groups created by the United Nations to examine missile-related issues have not produced any substantial operational results, and the UN Security Council Resolution 1540 of April 2004 may have had some indirect benefits for missile non-proliferation but it probably cannot evolve into a more general system to address missile proliferation.

With the current geographical and technical challenges in mind, Dr. Richard Speier, Independent Consultant and US negotiator of the original MTCR, Dr. Marianne Hanson, Director of the Rotary Centre for International Studies in Peace and Conflict Resolution at the University of Queensland and Mr. Scott Ritter, former U.S. Marine Corps Intelligence Officer and former UN Weapons Inspector, discussed the scope for political responses to control missile proliferation and how multilateral cooperation on the issue be enhanced.

National Missile Defence
The panel expressed different views on the consequences of the development of national missile defences (NMD) to missile proliferation. On the one hand, the need to refocus attention to political and diplomatic approach from denial-based military and technological approaches, such as NMDs, that have taken up so much of the discussions on missile proliferation and lead to complications and tension amongst the P-5, was stressed. It was argued that NMD remains essentially a counter-proliferation measure, but paradoxically a missile shield might damage the efforts to curb proliferation and act as a stimulant for the future spread of missiles. The use of missiles – even if these are couched in terms of 'good' missiles aimed at bringing down 'bad' ones – reinforces a view that the US continues to retain, modernize and use its missile arsenal. On the other hand, a minority argued that NMD and MTCR with their focus on export control are complimenting each other and that they are merely shooting down missiles on different steps of a missile's journey to its end goal.

Multilateral approaches and regional confidence-building measures
The panel questioned how multilateral cooperation can be enhanced in a security environment dominated by the US and US self-sufficiency in issues such as NMD. It was argued that it is next to impossible to stop countries from seeking to proliferate, as long as the USA talks about regime change in missile-possessing states, e.g. North Korea.

The MTCR has helped promote a norm of non-proliferation of missile technology, but further progress is a matter of emphasis and balanced disarmament. Cooperation in the form of MTCR contains a number of problems in regard to membership. On the one hand, some kind of cooperation should be extended to include as many actors as possible, but on the other hand, access to know how must be limited. Some countries forgo their missile programmes in order to join the MTCR, hoping for assistance to their SLV programmes, but it is not possible to avoid the diversion of skills and technologies acquired through international cooperation on SLV programmes to ballistic missile programmes. The case of China illustrates the complexness. On the one hand, MTCR members are reluctant to allow China membership, but on the other hand anxious that denial of membership will push China in the wrong direction. The prospect of unequal rules for members was raised as a means to overcome the problems that impede the Nuclear Non-Proliferation Treaty (NPT).

The panel also discussed the usefulness of a universal treaty of non-proliferation of missile technology – a pendant to the NPT. It was voiced that negotiations and the process of reaching agreement upon treaties draws away resources and attention from essential means such as export control. Instead of

exclusively narrowing the question of missile proliferation down to multilateral cooperation, it might be fruitful to focus more on regional perspectives. The case of India and Pakistan, where confidence-building measures (CBM) have been a very important incremental step to political dialogue that has reduced missile-related tension in South East Asia, could serve as a learning example of a regional approach.

The cooperation between MTCR compliers and the UN has not been as engaged as it should have been. UN has a normative role apart from its operational role and it is therefore important to get recognition from the UN. MTCR on their side should be more proactive and help strengthen UN capabilities. None the less, informal cooperation does exist between the UN and the MTCR, as the UN has adopted export lists from the MTCR annex.

Policy Recommendations

- As some regions have multiple actors, regional measures to counter the threat of missile proliferation should be considered, and the prospects of a regional approach evaluated. A bilateral agreement might be a valuable starting point that can serve as a basis for a regional arrangement.

- In a regional approach confidence-building measures are of an utmost importance. Measures such as launch pre-notification will help reduce insecurity and thereby the motivations of states to acquire missiles.

- Export control needs to be reformed partly through a wider and deeper cooperation between states, but also through a new approach to cooperation between regulators and business. This new approach should take the form of development of voluntary security standards for industry as one part of the system for total quality management within companies. Regulators and companies need to work together to create this set of standards.

- The possibility of producing final destination black lists should be considered, despite the political difficulties this may bring. Such lists have a genuine advantage against proliferation networks, provided that sufficient intelligence has already mapped their structure.

- Setting up a global policy to deliberately interdict the dissemination of dual use technology deserves further exploration.

- The world community needs to secure and increase the funding of UNMOVIC, since this organization has built up a unique corps of inspectors with the necessary technical expertise and knowledge to effectively monitoring and verifying missile activities and thereby preventing proliferation.

- Military and technological solutions should not be pursued over political and democratic solutions. Large powers, and especially the United States, should be urged to move away from an emphasis on counter-proliferation measures regarding missiles, and towards existing and potential non-proliferation initiatives. This will mean that for the time being at least, military approaches, such as missile defence, will need to be eschewed, while more attention, energy and resources are put into political and diplomatic approaches.

- A shift away from a discriminatory system of missile non-proliferation and towards one that employs equal rules for all is imperative. As with the nuclear non-proliferation regime, the current two-tiered system, which allows one group of states to continue their possession of missiles while denying any such capability to other groups of states, cannot be sustained indefinitely.

- Extending the Intermediate Nuclear Forces (INF) Treaty to a global level, to dissuade manufacture and testing of medium and intermediate range missiles. This assumes of course that Russia can be persuaded to re-commit to this important process.

- A step-by-step approach is more likely to succeed than very ambitious non-proliferation programmes. A modest start with the least intrusive confidence-building measures are more likely to be accepted, and even a very low level of cooperation can pave the way for a more ambitious programme later. This will lead to a tailor-made regional programme that fits the history and politics of the region.

Defence and Security Studies at DIIS

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The Defence and Security Studies focuses on six areas: Global security and the UN, the transatlantic relationship and NATO, European security and the EU, Danish defence and security policy, Crisis management and the use of force and New threats, terrorism and the spread of weapons of mass destruction.

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