

Small Arms and Natural Resources

The illegal sale of natural resources facilitates arms trafficking because:

- **Small arms are traded directly for commodities or purchased with the profits generated by commodity sales**
- **The same networks used to smuggle commodities are used to carry out illegal arms deals**
- **Profits from the sale of natural resources have been used to arm rebel groups, terrorist organizations, and government forces**

Small arms trafficking, wars fought over natural resources, and the illegal trade in commodities, such as diamonds and timber, are interconnected. Small arms are the weapons of choice for both government and rebel forces involved in resource wars because they are inexpensive, easy to conceal, widely available, and can be traded directly for commodities or paid for with the profits generated by commodity sales.

With the end of the Cold War, the superpowers cut off arms and aid to many of their Cold War allies, forcing them to find sources of revenue and weapons elsewhere. The income generated by exploiting natural resources such as petroleum, timber, drugs, diamonds and other minerals including Coltan (used in cellular phones and other electronic equipment), provides many of these governments and armed groups with the revenue needed to purchase weapons, fight wars, and prop-up illegitimate regimes. During the 1990s, resource wars—which are often fought primarily with small arms and light weapons—killed more than 5 million people globally, and left as many as 20 million displaced from their homes.

Arms are smuggled through complex networks that coincide with the illicit trade in commodities. Diamond trafficking is a particularly intricate system of trade that extends from the government palaces in Liberia and Burkina Faso to private arms smugglers in the former Soviet Union and to the diamond dealers

operating in cities like Antwerp and Tel Aviv. Diamonds, which are often traded for weapons, are an especially popular black market commodity because they are very easy to hide, difficult to trace, and highly profitable.

Many rebel groups and terrorist organizations use profits from the trafficking in natural resources to fund their operations. Such transactions are especially common in locations where the state has little control (as in Colombia), or where governments or populations in neighboring states are friendly to their cause (as in Sierra Leone). The Revolutionary Armed Forces of Colombia (FARC) generate an estimated \$500 million a year from the drug trade by taxing drug growers and traffickers. These groups also swap drugs and other commodities for weapons. Throughout the 1990s, for example, the Revolutionary United Front (RUF) in Sierra Leone mined between \$25 million and \$125 million worth of diamonds each year, and used the profits to purchase weapons to fight their brutal civil war. Many of these diamonds were traded to former Liberian leader Charles Taylor in exchange for weapons and military training. The RUF is also alleged to have sold diamonds to al-Qaida operatives in Sierra Leone at below-market prices. The terrorist organization then re-sold the diamonds in Europe, reaping millions of dollars in profits.