



CONTROVERSIAL ACTIVITIES

ARMAMENT

0. Background

A variety of viewpoints exist among those wishing to avoid armament-related investments: From a traditional pacifist stance, killing human life is wrong and thus war is wrong too; the use of military forces is considered unacceptable.

Some consider the use of armaments only acceptable for defensive purposes, for 'homeland security' or for civilian security forces. Frequently however, what one side in a conflict defines as defensive is often considered as offensive by the other side. And firearms used by police forces are also often illegally sold and used for criminal activities. Moreover, those companies involved in defensive armaments or civilian weapons will almost inevitably supply equipment or services that are used in offensive military activities.

Some consider that certain types of weapons are acceptable (for example, conventional) but see others, such as nuclear or other weapons of mass destruction, as unacceptable. Other distinction may be made between 'smart' weapons, which have a relatively discriminate destructive power, and others like anti-personnel landmines, which have indiscriminate effect on civilians. But in many cases, the distinction is not so evident.

Many see the armament industry as a diversion of scarce government resources away from economic activities and social or development expenditure, which may significantly reduce the cause of conflicts both in the developed and developing countries. And last but not least, the proliferation of weapons in poor countries and areas of political instability is another area of concern, especially arms export to oppressive regimes.



1. Armament - Definitions

Distinguishing between armament products is not always easy. We will apply the following definitions:

1.1 Offensive products

Weapons that are directly design to kill, wound or destroy (and that are ready to use for those purposes) or essential parts of these weapons. This includes: firearms (including hunting guns), bombs, missiles, torpedoes, combat vehicles, grenades, mines, ammunition, IT systems for weapon control, ...

1.2 Defensive products and auxiliary products:

Protection devices and non-essential parts of weapons or parts of military systems (designed for military purpose but that are not usable as weapons by themselves). This includes: spy satellites, landmine detection appliances, rocket or aircraft engines, uniforms, bullet proof jackets, helmets, gas masks, flight simulators...

1.3 Dual use products:

Which are available to non-military users but which when sold for military use increase military capability. This includes: communication networks for armed forces, radar detectors, computer networks for other purposes than weapon control, parts of vehicles, construction works, maintenance services for vehicles, specialty steel, tents,...

1.4 Civilian products:

Which may not have a military application (although they might be useful in a military organisation). This category of products is often named 'off the shelf products', indicating that they remain the same regardless of the military or civil status of the client or user. This includes: fuels, computers, printers, food supplies, maintenance of buildings,...

2. Degree of involvement

Manufacturing or sales of the first category of products can clearly be considered as major involvement in armament.

Involvement in production or sales of the second and third category of products is in principle not considered as 'major involvement in armament'. However, if a company derives a high percentage of its revenue from those products, it can be assumed that this company has a substantial interest in the defence industry, and therefore it will probably lobby for an increase in military government expenses, liberalisation of arms trade, etc. Based on this reasoning, the level of involvement will depend on the percentage of the revenue that a company derives from sales of those products.

2.1 Major involvement:

Companies are regarded as majorly involved in armament if they:

- 2.1.1 Derive any revenues from production or sale of offensive products, as defined above. For non-consolidated participation, the threshold is set to 1% of revenues.
- 2.1.2 Derive 5% or more of revenues from production or sale of defensive products and auxiliary products.

2.2 Minor involvement:

Companies are regarded as minorly involved in armament if they:

- 2.2.1 Derive between 1 and 5% of revenues from production or sale of defensive products and auxiliary products.
- 2.2.2 Derive 5% or more of their turnover from the sales of dual use products to armies or defence industry.



2.3 No involvement:

Companies are regarded as not being involved in armament if they:

- 2.3.1 Derive less than 1% of revenues from production or sale of defensive products and auxiliary products.
- 2.3.2 Derive less than 5% of their turnover from the sales of dual use products to armies or defence industry.
- 2.3.3 Derive any revenue from the sale of civilian products to armies or defence industry.

NB. The listing of a company in a defence directory is not sufficient to consider this company as involved in armaments. It is just an element that can help researchers in their job.

Summary

	Offensive products	Defensive products and auxiliary products	Dual use products	Civilian products
Major involvement	- Always ($\geq 1\%$ for non-consolidated participation)	5% or more of revenue	Never	Never
Minor involvement	- Never	Between 1 and 5% of revenue	5% or more of revenue	Never
No involvement	- Never	Less than 1% of revenue	Less than 5% of revenue	Always