

FIREARMS: REAL "WEAPONS OF MASS DESTRUCTION" - INDUSTRY COMPETITION, PROLIFERATION, AND PERFORMANCE

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Abstract: Small arms have been described as the “real weapons of mass destruction” in a world that has tended to view nuclear arms and biological warfare as the principal agents of large-scale threat to life. Together with light weapons, small arms account for an estimated 100,000 deaths each year in armed conflicts (Small Arms Survey, 2003) and more still if criminal violence outside war zones is included. In recent years, the widespread use of small arms has attracted increasing attention among researchers in a variety of disciplines. We approach the area from a particular direction, asking about when small arms production is likely to be profitable with a view to understanding more about the economic forces driving proliferation and performance enhancement.

We recognise that small arms are not always made in profit-oriented organizations but our claim is that large parts of the industry would not survive unless they at least covered their costs. We do not argue, however, that small arms firms are or perceive themselves to be in business to maximize profit. To give focus to our analysis, we concentrate on the US small arms industry, possibly the largest national industry in the world and certainly one in which profit plays a central role in business behaviour and performance. Since the profit of firms in an industry reflects the competitive structure in which they operate, we devote two sections to discussing determinants of that structure, the nature of the small arm itself and demand for the product, in each case reflecting on implications for proliferation, performance and performance enhancement. We then draw on that material to apply the well-known Five Forces analysis of competitive environments (Porter, 1980) to the industry.