

Panel: Non-State Stakeholders in Preventing WMD Proliferations (Grand Ballroom I)

Date/Time: Wednesday, February 20, 2013 / 15:30-16:45

Talking Points for: Togzhan Kassenova, Associate, Nuclear Policy Program, Carnegie Endowment for International Peace

- *A Changing Landscape:* High-tech trade has moved from purely military/state-controlled industries to include a wide array of sectors
- *Barriers to Communication:* Governments do not always communicate to key industry stakeholders broader nonproliferation concerns. At the same time, the expert and policy communities are only marginally exposed to industry perspectives on how policy decisions on WMD proliferation controls impact day-to-day company operations

Why does industry matter?

- Industry is the first line of defense against WMD proliferation
 - Companies know their products and technology best and are in the best position to recognize suspicious orders;
 - Industry expertise and participation during the development of laws and regulations is critical to designing more feasible policies in terms of implementation, and to encouraging industry cooperation
- Better industry practices means government will spend fewer resources on prevention and prosecution of violations by companies

What can governments do?

- Open communication channels with industry actors
- Provide incentives for compliance (e.g. facilitated export licensing)

Industry's vantage point:

- Concerns about commercial reputation motivate compliance with nonproliferation norms [intangible motivators]
- External pressure to comply with nonproliferation norms (e.g. domestic regulation in supplier states on its companies to only trade with companies meeting a certain standard) [tangible motivators]

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Industry's challenges:

- Implementing proliferation controls, which cost resources and time
- Untangling the complicated web of various export control laws around the world (not all countries have standardized control lists)
- Preventing diversion of products and technologies to sanctioned countries or end-users – (preventing sophisticated ‘bad’ actors from attempting to divert licitly procured items to third parties)

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