Part 3

Conclusion

8 Militarized Bargaining in Latin America: Prospects for Diminishing Its Use

This book proposed that thinking about international politics as a bargaining situation and the use of military force as a policy option available to decisionmakers gives insight into the dynamics of militarized conflict. As one of numerous options, the decision to use force was hypothesized to respond to a cost-benefit analysis. The factors considered in the analysis were identified as the political-military strategy for using force (S), the strategic balance (SB), the characteristics of force to be used (CF), the willingness of constituencies to accept costs (CC), and the level of accountability of the decisionmaker to her constituency (A). The relationship among these five variables was postulated as

$S + SB + CF \leq CC - A$: force might be used
$S + SB + CF < CC - A$: force will not be used

Chapters 2, 6, and 7 provided the evidence for the plausibility of this approach to understanding the use of military force. The historical data in chapter 2 indicated that militarized interstate conflict in Latin America was prevalent enough for the region to serve as a data set for analyzing the use of force. The historical record includes not only Latin American countries using force against each other, but also great powers, especially the U.S., adopting militarized bargaining tactics in their relations with Latin American nations.

I first illustrated the need for a model like militarized bargaining by demonstrating that the three major arguments purporting to explain the use of military force in this security complex failed to stand up to empirical evaluation. Chapter 3 presented a strong case that the U.S. could not provide hegemonic management of conflict in this security complex. Though the U.S. was paramount in the region, conflict among individual states had a security dynamic that escaped U.S. control, for good or ill. There was evidence that during the Cold War the U.S. aggravated the tendency to engage in militarized bargaining, but even during this period the U.S. was not the sole reason for states utilizing military force.

Chapter 4 examined evidence for the democratic peace argument, and established that the conflict behavior of democratic governments does not differ from that of nondemocratic regimes. Democracy was a weak variable even when the distribution of power was taken into consideration, as in chapter 5. Chapter 7 confirmed that democratic politics could keep an interstate dispute alive between two democracies, even to the point of war.

The third argument, that the distribution of power explains the use of force, fared no better in explaining militarized interstate disputes in Latin America. Chapter 5 demonstrated that neither parity nor preponderance correlated strongly with the decision to use force. In the particular case of war, an interesting finding was that the weaker power was likely to initiate it.

In this concluding chapter I move beyond Latin America's historical experience to think about how the occurrence of militarized disputes can be reduced in the future. First I review the negotiating situation and performance of the five factors of militarized bargaining in the case studies. Then we turn to some speculation about how one might affect the calculus of militarized bargaining and decrease its frequency.

Evaluating the Contribution of the Militarized Bargaining Model

Militarized bargaining proved to be a powerful analytical framework for examining the conflict dynamics within the Latin American security complex. Each of the disputes examined in detail evolved over time. Negotiations were proposed by at least one party, but either the other did not respond (Peru between 1950–1995) or had a bargaining range which pro-

duced a stalemate (Peru and Ecuador from 1995–1998; Chile and Argentina from 1977–1984; and Argentina and Britain from the 1960s to 1982). In each of the cases the initiating state sought to affect the negotiations by engaging in some military activity.

Statements of the actors, interviews and an analysis of actual behavior allow us to reconstruct the situation for each of the variables in the case studies. The structured and focused analyses in Chapters 6 and 7 demonstrated the utility of examining the five variables for understanding the decision to militarize a dispute. The following sections review the performance of the variables of the model in the cases under discussion.

Political-Military Strategy

I argued that the utility of force as a policy instrument has to be evaluated in the first instance in terms of its contribution to the policymaker's ability to advance her constituencies' interests. Advancing those interests can occur in different ways, depending upon the state of the relationship between the contending parties. These alternatives were summarized in five political-military strategies.

- keep the issue alive
- affect bilateral negotiations
- defend the status quo
- attract the support of third parties
- impose a solution

The case studies provided evidence of each of these strategies. After 1950 Ecuador had no diplomatic possibility of persuading Peru to reconsider its battlefield victories or of inducing the guarantor countries of the Rio Protocol to demand a rewrite of the treaty. Neither could it militarily force Peru to broaden its bargaining range to even discuss the issue. Multiple third parties were interested in promoting a peaceful final settlement, but they would not intervene without the acquiescence of Peru. Yet Peru had no incentive to bring third parties into the dispute outside of the Rio Protocol framework. The decision by Ecuadorian presidents to first declare the Protocol inapplicable and later null, and to provoke incidents on the border were reminders by policymakers to Peru,

the international community, and their domestic constituencies that the issue was still alive.

The use of force by the Argentine military governments in the two cases examined was designed to affect bilateral negotiations. Argentine leaders responded to the Arbitral Award in 1977 proposing new negotiations with Chile. When Chile was amenable to discussing all matters not covered in the Award, Argentina used force to first communicate its commitment to the bi-oceanic principle and subsequently to attempt to bully Chile into broadening its bargaining range. In the Malvinas case, Argentina and Britain had been negotiating the issue of the islands for almost twenty years. To the Argentines' chagrin, the British government refused to discuss the issue of sovereignty. The Argentine leaders expected the British to be isolated in their efforts to regain the islands once Argentina controlled them. Under these conditions, British leaders were expected to negotiate a settlement recognizing Argentine sovereignty.

Peru and Chile both confronted adversaries who wished to change a status quo that was favorable to Peru vis-à-vis Ecuador (1950–1998) and Chile vis-à-vis Argentina (1977–1984). Their use of force was clearly defensive, which worked to their international advantage. The British response to the Argentine seizure of the Malvinas Islands was also couched in terms of defending the status quo from aggression.

In 1941 Peru sought to impose a solution on its rival. Peru's political-military strategy was to drive deep into undisputed Ecuadorian territory and hold it until Ecuador agreed to Peruvian terms. In the Malvinas case it was the British who refused to negotiate before a return to the *status quo ante* and insisted on militarily imposing those conditions.

Strategic Balance

The strategic balance referred to the factors outside the battlefield which influence the likely costs produced by the strategies that each actor can use in particular disputes. It was hypothesized that the appropriateness of a means of assessing the strategic balance depended upon the particular political-military strategy one was utilizing and the political-military strategy one was confronting. The strategic balance was defined by the resources that are relevant to those strategies; it thus helps us understand the bargaining situation between the actors.

Three broad categories of resources were hypothesized as useful in considering the strategic balance: diplomatic, economic, and military. Diplomatic resources were clearly important in the Ecuadorian militarized bargaining. Although Peru would likely win any all out war, inter-American diplomatic pressure *combined with* Ecuador's newly augmented defensive capabilities to convince President Fujimori that he should permit the Guarantors of the Rio Protocol to oversee bilateral negotiations. When negotiations stalled, Ecuador's diplomatic advantages enabled it to persuade the Guarantors to compensate it with the unique monument in Tiwintza. Peru received the minimum from the Guarantors (a border demarcation in accordance with generally accepted interpretations of the Protocol) and had to accept a monument to soldiers who died defending an outpost against Peruvian soldiers, as well as financing most of the joint economic development projects.

In the Beagle dispute, the overall military balance was fundamental. The rough military equivalence between the two countries, once we consider quality of soldier and defensive advantages, limited militarized bargaining between the two countries. Argentine military planners could not expect a short war with Chile if they seized the islands. In the Amazon dispute, the overall military balance always favored Peru and the local military balance long favored Peru. But when the local military balance shifted away from Peru, the dispute dynamics changed dramatically.

Economic resources were not a particularly useful negotiating tool in the two case studies examined. The parties certainly wanted economic benefits, but not at the expense of the particular issue in question. Examples include the Ecuadorian responses to Fujimori's offers in 1991–93. In addition, Argentina had initially accepted arbitration of the Beagle dispute precisely because it wanted better economic relations with Chile. Trade between the two did increase through the mid-1970s. But the decline in trade after 1977 did not deter Argentine dictators or democrats from insisting on the bioceanic principle as part of any settlement.

When decisionmakers determined that the costs of continued militarized bargaining were too high and looked for a way out of the dispute, economic side payments seemed to make a difference. Ecuador lost on the border demarcation, but gained in the economic realm with sovereign port facilities on the Peruvian Amazon, physical infrastructure linking those facilities to Ecuadorian ports in the Pacific, and the promise of international aid for joint economic development programs. The Treaty of Peace and Friendship,

in which Chileans gave up the windfall of projection into the Atlantic, contains a section on economic development projects.

Characteristics of Force to be Used

The countries involved in the case studies all used different levels of force in their militarized bargaining. In the Beagle dispute, reserves were called up, airspace was violated, forces engaged in provocative maneuvers, and the Argentines even shelled uninhabited islands. Both states were engaged in signaling and sought to avoid physical contact right up to the day the order for seizing the islands was given. Victory, although expected, would likely have been costly to the Argentines because it would have entailed the use of all of its military assets.

Argentina began its MID with Britain expecting to avoid an actual military clash. The seizure of the Malvinas Islands was carried out with extreme care and with such overwhelming force as to ensure that British casualties would be nonexistent or minimal. In a clear indication that they expected the costs of the war to be high, the Argentine Junta refused to commit its full forces even after the war began. The Army left its best troops on the troubled border with Chile, while the Navy bottled up its ships after the sinking of the *Belgrano* by a British nuclear submarine. Only the Air Force committed its major resources. The Argentine Army and Naval leadership preferred to face the domestic political costs of defeat with their organization's resources largely intact.

Peruvian perceptions of Ecuadorian capabilities led them to believe that they could use limited but superior land, air, and sea forces to quickly defeat Ecuador. Before 1981 Ecuadorian decisionmakers recognized this power disparity, but believed that Peru would not overreact to minor incursions with escalation to war and that the international community would intervene to avoid future incidents, however small. By 1981 the international community had repeatedly demonstrated an unwillingness to become involved over Peru's objection and Peru had responded with a major use of force. As a result, the Ecuadorians altered their equipment and tactics in the late 1980s. By 1995 they could defend their outposts with a small land force. Peru was denied a quick victory in 1995, even after escalating its response at the local level. President Fujimori backed down from dramatically increasing the level and quantity of force used.

Constituency Costs Acceptability

The willingness of constituencies to accept the costs of militarization was expected to play an important role in leaders' decisions to use force. In the cases examined, acceptance of these costs did not break down by political regime type. Constituencies of authoritarian governments showed no greater willingness to pay costs than the constituencies of democratic governments. Nor did democrats demonstrate an unwillingness to use force against other democrats, at either low MID levels or even in war. Although it was difficult to calculate with any precision the level of costs constituencies were willing to accept, their general attitudes, and even eagerness, were expressed in a variety of ways and influenced decisionmakers.

During the Beagle crisis Pinochet's constituencies in the military and Chilean society were in accord with the decision to defend Chilean territory if the Argentines attempted to seize the islands. There were even indications that the opposition in exile believed that Chile was correct in defending the Arbitral Award. From 1977–1984 Pinochet was willing to negotiate on issues other than the islands, and this was a stance supported by his constituency. The option of defending the Award militarily rather than capitulating to Argentine military threats was clearly popular. When Pinochet finally accepted the bi-oceanic principle, among his constituency only the Air Force Commander in Chief continued to prefer the possibility of war with Argentina.

The Argentine constituencies of the Videla, Viola, Galtieri, and Alfonsín governments were distinct, yet all supported the bi-oceanic principle. Videla and Viola had clear demonstrations from the military branches that they preferred to keep the option of war open as long as Chile did not cede on the bi-oceanic principle. By December 1978 the Army officer corps, led by their Commander in Chief Galtieri, was willing to pay the costs of war rather than drag the status quo of disagreement on longer; the other services followed their lead. But the military did grab at the straw handed them by the Pope's intercession once Chile agreed not to limit the scope of the negotiations. This was a clear demonstration that even these military officers preferred to continue talking if there were a possibility of success rather than to pay the high cost of a war which they believed they could win.

It was difficult to find evidence for the Argentine electorate's views on the bi-oceanic principle after the ignominious defeat in the Malvinas. Al-

fonsín and the opposition Peronists believed that the public favored no deal over concessions to Chile. Alfonsín's government campaigned for an agreement with an explicit promise that the bi-oceanic principle would be included. The Peronist opposition was willing to keep the dispute alive rather than recognize Chilean sovereignty over the islands and voted against the treaty. But even the Peronists did not call for outright seizure rather than negotiations. In the wake of Malvinas, militarized conflict with Chile was unlikely to be popular.

In the Malvinas case the Argentine public expressed its pleasure in massive demonstrations when the islands were seized. The political parties themselves made regaining sovereignty in 1982 a component of their own platform calling for a return to democracy. Despite reports that the British were preparing a task force to regain the islands, there were neither public demonstrations nor political parties calling for peacefully returning the islands to the British. Civil society turned against the war only after it became clear that they were losing. The Argentine public appeared willing to pay the cost of 1,000 dead soldiers if the British had not recovered the islands.[1] Once the war was lost, however, massive demonstrations did occur against Galtieri's government.

Prime Minister Thatcher's constituencies all clamored for using military force if necessary to regain the islands. The Labour opposition believed it could gain support among the British electorate by attacking the Thatcher government for its inability to dissuade the Argentines from acting. The military build-up took weeks and was well reported in the press. Yet few voices were raised against the potential use of force. After the sinking of the *Belgrano* public opposition to the war increased, but still remained insignificant among the Conservative government's constituency.[2]

The Peruvian and Ecuadorian publics indicated a willingness to pay unspecified costs. The Ecuadorian polls after the 1981 debacle and the 1995 war were particularly revealing of both nationalist fervor and support for Ecuador's use of force. War on the scale of 1995 was certainly acceptable to the constituencies of both Durán Ballén and Fujimori. There is not enough evidence to know why Fujimori refused to escalate to all-out war. One could speculate that he feared the public would rebel once the costs became clear, though his constituency in the military seemed willing to escalate. Alternatively, he may have feared that his own political-economic program for modernizing Peru could not absorb the cost. The important factor for our purposes is that his decision to initially respond

with force was made after his electoral opponents criticized him for weakness and that the decision to escalate was supported in the polls taken at the time.

Leadership Accountability

The accountability of leaders, as indicated by the ability of constituencies to affect whether or not the leader remains in office, ranged across the full spectrum, from highly accountable to very weakly so (table 8.1). Curiously, the most accountable from our cases included a military dictatorship as well as a parliamentary democracy. As the militarized bargaining model postulates, and the prior section underscores, the key factor is not accountability *per se*, but the junction of accountability with constituencies' willingness to bear costs. Thus we have the seemingly paradoxical scenario of a military junta first pushing its leader into declaring war, then pulling him back at the last minute (Argentina in the Beagle crisis), and a parliamentary democracy eager to support its leader's decision to wage war (Britain in the Malvinas).

Generals Videla and Viola and Prime Minister Thatcher were the most accountable to their constituencies because they could be removed at a moment's notice by the Junta and Parliament, respectively. Videla was so constrained that he lost decisionmaking power at the most critical point of the Beagle crisis. He chose to go along with the decision to seize the islands, fully expecting it to lead to a war that he did not want, because to oppose it would mean falling from office and failure of his political project. Viola fell from office in less than a year. Thatcher scapegoated a Cabinet Minister and would likely have fallen from office herself if the task force had not regained the Malvinas islands.

Velasco Ibarra was the most accountable of the democratic Presidents, but nevertheless was less so than the Junta leaders or prime ministers. During his time Ecuador allowed unlimited reelection, and he was in fact elected President five times and overthrown by the military four times. I am assuming that a military coup against an elected leader is more difficult for the military to undertake than to replace the head of a military junta. Velasco Ibarra took a dramatic step that significantly complicated future interactions between Ecuador and Peru when he declared the Rio Protocol null and void.

TABLE 8.1 Leadership Accountability in Chapters Six and Seven

Degree of Accountability	Reason	Leaders	Type of Government
Severe	Could fall at a moment's notice	Videla, Viola, Thatcher	Military junta—parliamentary democracy
Great	Future terms at risk (Leader himself or party)	Velasco Ibarra, Fujimori, Alfonsín, Galtieri	Presidential democracy military government seeking transition to electoral regime
Moderately accountable	One term reelection and weak party	Ecuadorian presidents after reelection	Presidential democracy
Not very	No reelection and weak party/one term non-consecutive reelection with decree powers	Ecuadorian presidents 1979–96, Alan García	Presidential democracy
Slight	Military leader controls junta/ octogenarian leader of a weak party with decree powers	Pinochet, Belaúnde	Military government—presidential democracy

Within this same degree of accountability are Fujimori and Alfonsín. Fujimori was expecting to compete for reelection after 1992, and the 1995 war occurred during the presidential campaign. Since the 1993 Constitution allows unlimited reelection following a pattern of two consecutive terms in, one term out, Fujimori would feel his vulnerability to both the electorate and the military should he seek to carry out another coup. During the last stages of the Beagle negotiations, Alfonsín, even after the Malvinas defeat, did not believe he could accept Chilean projection into the Atlantic and still retain popular support for his government. Although under the constitutional rules of 1984 he could not be re-elected, as leader of the Radical Party Alfonsín feared electoral punishment for his party, especially since the Peronists had been the majority party since World War II. Galtieri was also

quite vulnerable to the constituency he was attempting to create in order to achieve an electoral victory in the transition from a military government to a minimally democratic one.

The leaders who were at best moderately accountable were those from weak parties with reelection possibilities after sitting out a term. Ecuador's presidents after the 1996 reform of the 1979 Constitution fit this description. With weak and personalist parties, they could not expect, nor did they particularly care, if someone from their party succeeded them in office. The possibility of reelection is the main mechanism holding these leaders accountable. The successful impeachment of President Bucaram of Ecuador in 1998 on questionable legal grounds will most likely haunt his successors for a few years, but repeated use of this process would undoubtedly produce a transition to a different type of government. Consequently, it is unlikely to be used again.

The weakest accountability of democratically elected leaders occurred in situations when reelection was prohibited and weak party structure minimized the chances of succession by a party member. Such was the case in Ecuador between 1979–1996. In Peru, Alan García's term represented the anomalous case of a president who could not succeed himself, but could be re-elected, and whose strong APRA party controlled Congress. In this situation García assumed a lack of accountability which was not borne out by history: he made extensive use of decree power to govern, leaving office with an approval rating barely over 10 percent. Partly in response to this maverick behavior, the party system collapsed in Peru and García seems unlikely to ever be re-elected.

At the opposite end of the regime spectrum from democracy, Pinochet was very unaccountable to his constituencies because of the peculiarities of the 1973 coup. Chile's right wing forces and military feared a return of the radical left to a degree unknown in Argentina, where the Dirty War had eliminated the radical left. Pinochet played this card extremely well in the years of the Beagle dispute as he consolidated personal control over the government and marginalized the Junta. Belaúnde enjoyed a great degree of autonomy from his constituencies because he was too old to run for reelection (he died shortly after leaving office), he made frequent use of decree powers to govern, and his party was a personalist organization unlikely to win without his candidacy.

In summary, available data confirm that the five factors in the militarized bargaining model play significant roles in the cases examined.

Although constituency cost was difficult to ascertain with great precision in both Latin American democracies and military governments, we have sufficient indications that leaders considered some general parameters and avoided making decisions against their constituencies' wishes. These cases should provide sufficient plausibility for the model of militarized bargaining to stimulate further case study work on these and other cases.

Minimizing the Incentives to Militarize Disputes

In the wake of the recent experience of militarized disputes in Latin America, discussion of new schemes for "managing" regional security is widespread within diplomatic and academic circles.[3] Many policymakers and analysts believe that redemocratization, economic restructuring, and the end of the Cold War represent a watershed in the security environment of Latin America and will be sufficient to produce peace. This book clearly demonstrates, however, that the use of force in Latin America's interstate relations will not be banished so easily.

The militarized bargaining model suggests that the costs of initiating force need to be increased on either side of the inequality. Thus S + SB + CF must be greater than CC − A. This can be accomplished either by increasing the costs of the use of force, or diminishing the acceptable level of costs for the leader. The following section will evaluate current proposals to limit the use of force in terms of the militarized bargaining model to discover their strengths and weaknesses.

Strengthening Democratic Institutions

Much of the focus of inter-American security policy has been to increase the accountability of leaders by strengthening democratic institutions.[4] These discussions at the level of governments assume that all Latin American countries except Cuba are democratic. Chapters 4 and 7 addressed some problems with the democratic peace approach. Here our focus is on how strengthening democratic accountability can operate in conjunction with the four other factors in the militarized bargaining model in order to minimize the probability of the use of force.

A number of problems arise with this approach to a less violent peace in the region. The first is definitional. Mexico certainly does not meet the criteria for democracy that democratic peace advocates have in mind. Second, merely having democratic institutions, even those ranking high on the Polity scale, does not guarantee tight accountability. Third, if the willingness of democratic constituencies to accept the costs of militarized bargaining is not diminished, increasing the leadership's accountability might still yield an equation favoring the use of force in a dispute. Fourth, the characteristics of force to be used in a particular situation might produce few economic, diplomatic, or personnel costs, and therefore fall within the range of cost acceptance of the democratic public. Finally, the model indicates that addressing one variable in isolation from the others may not produce the desired outcome since it is the interaction among the five that matters.

Strengthening democratic institutions not only affects leadership accountability, but may also serve to increase the size and breadth of the leader's constituency. Democratic peace advocates expect that having a larger and more diverse electorate will make it more difficult to gain support for utilizing force. Yet this book has demonstrated that democratic publics are willing to pay the costs associated with military force in order to achieve what they believe is a just settlement, even against another democracy. And Pinochet's ability to negotiate away Chile's projection into the Atlantic demonstrates that it is not always bad for policy outcomes when a leader is less constrained.

Economic Integration of the Americas

The idea that trade brings peace is an old one, in both Europe and the Americas.[5] Its contemporary manifestation adds the circulation of capital to the movement of goods. The basic point is the same: if people stand to lose economically from conflict, they will be more likely to resolve or peacefully manage their disagreements.

Many analysts and policymakers perceive the historically rapid rates of economic integration among various groups of Latin American nations as indicative of a decreased security threat environment.[6] New economic relationships are springing up even among states that in the past saw each other as rivals. These relationships are becoming institutionalized into or-

ganizations that perceive positive security payoffs as well: Mercosur, the Andean Group, and the Central American Integration System.[7]

Yet some governments, democratic as well as authoritarian, have demonstrated a willingness to forego the advantages of economic integration in order to pursue other national goals. Democratic El Salvador attacked Honduras in 1969 even though the war helped to destroy the Central American Common Market that had brought it significant economic benefits.[8] Ecuador and Peru in the late 1970s and early 1990s were willing to forego current and future economic benefits rather than accept its adversary's solution to the dispute. Despite a free trade agreement, Colombia and Venezuela tried to isolate economic integration from territorial issues in the 1990s rather than use the former to solve the latter. And Cuba to date has preferred national independence to participation in the U.S. schemes for economic development in the Caribbean Basin.

Clearly, the material benefits of economic integration by themselves have not been sufficient to ameliorate the region's violent peace. Once again, the model of militarized bargaining helps us understand why. Economic costs per se do not matter; rather one needs to assess their impact on political-military strategies, the strategic balance, the characteristics of force used, the willingness of constitutencies to pay costs and the accountability of the leader to her constituencies. It is these factors which determine whether militarizing a disagreement is beneficial or not.

Arms Control and Other Confidence Building Measures

The purpose of arms control is twofold: to mitigate the security dilemma and to limit damage if an armed confrontation should occur. The underlying assumptions of this approach to conflict management are that disarmament is not feasible, at least in the short term, and that there is a possibility that states will utilize their military force against each other, either purposefully or inadvertently.[9] If rival states work together to control armaments, they build confidence in each other's willingness to avoid the use of force; consequently, the security dilemma is mitigated. And if force should be used, prior arms control can mean that the more destructive types of weapons are not available for use.

As Chapters 2 and 5 indicate, arms control is not a new subject in Latin America. Arms control and CBMs are not simple issues, dependent solely

upon political will and an unmitigated good. Rather they are complex, with potential spillovers that are not often considered. The model of militarized bargaining provides a way to think about the conditions under which arms control and CBMs may be stabilizing or destabilizing factors in a rivalry.

OAS resolutions frequently refer to "legitimate defense requirements" when discussing curbing arms proliferation, but what does the phrase mean in practice? Arms registries in principle contribute to confidence building, but are less meaningful in the absence of agreement on what constitutes stable force levels. The strategic balance and characteristics of force to be used will affect the costs that constituencies are asked to pay in the different political-military strategies. The lower the costs associated with the use of force, the more likely that its use will be accepted by the constituencies.

Arms control and CBM efforts may be directed toward diminishing capabilities to attack another country. Nonoffensive defense appears ideal in that if everyone had strictly defensive capabilities, offense would be impossible. But geography (as in the case of the long narrow terrain of Chile) and technology can facilitate turning a defensive capability into an offensive one with a shift in military doctrine.[10] For example, Ecuador's increased defensive capabilities gave it an ability to militarily contest its border with Peru, resulting in the 1995 border war.

The two most conflictual democratic dyads, Colombia-Venezuela and Ecuador-Peru, were characterized in the 1980s-1990s by asymmetrical force behavior. Colombia and Ecuador both increased the size of their armed forces while rivals Venezuela increased slightly and ended with roughly the same size, and Peru decreased its armed forces significantly. Differences in internal threats are not sufficient to explain this contrasting behavior. Peru faced dramatically increased guerrilla activity from Sendero Luminoso in this period, but still steadily decreased its armed forces by almost 50 percent (from 8.9 per 1,000 inhabitants to 4.8). Ecuador had no internal guerrilla threat yet increased its military personnel. Colombia faced an internal threat but also began its military build-up in 1987, when the Caldas incident with Venezuela precipitated putting its military forces on alert.[11]

Many Latin American civilian leaders do not feel secure with a unilaterally and significantly diminished military presence, even in the absence of immediate security threats. Contemporary Argentina, democratic for 10 years and with clear civilian control of a dramatically downsized and politically weakened military, argues that the level of air power attained by the military government before the Malvinas fiasco is the norm to which it must

rebuild to be secure.[12] In fact, Argentina has significantly increased its radar capabilities in the most recent purchases, even threatening to buy the radar from Israel if the U.S. continues to respect British desires for a weakened Argentine air force.[13] Although Chile does not perceive an immediate threat from Peru, it is also upgrading its Air Force with purchases of Mirages that will be renovated to be, as the Air Force commander in chief said, on a par with the Peruvian air fleet.[14] The performance of Ecuador's SAMs against Peruvian fighter bombers and helicopters will also fuel the perception across Latin America that future defense tasks will require more sophisticated equipment on both the ground and in the air.

The need for a deterrent military force is not simply a perception of the military and political leadership in Latin America. After the 1995 war more than 70 percent of the respondents in Ecuador believed that Peru would attack again. In Chile 46 percent of respondents in a 1992 survey believed that an attack by Argentina was possible and an equal percentage believed that an outlet to the Pacific for Bolivia constituted a threat for Chile.[15] The nationalist rhetoric in both Ecuador and Peru during the recent border war was very high and acrimonious, again despite the fact that both countries are democracies.

In short, arms control and CBMs, even in conjunction with democratization and economic integration, do not provide sufficient reason to expect a violent peace to become less violent. They are merely policies and structures; what matters is their impact on the factors which make the decision to use force rational.

The Importance of Mutually Reinforcing Incentives for Peace

The contemporary challenge for a more peaceful means of managing conflict in Latin America's security complex is to push the military threshold farther back, rather than to search for its elimination. The militarized bargaining model ultimately suggests that we may be best off with a combination of policies that affect power and values. Decreasing the military costs of confrontation without changing the values of the constituencies in each rival state can merely make violent clashes more likely as those who wish to bargain militarily find it cheap to do so. And even if society's values change and the good in question is devalued, if the military costs associated with using force are not altered the strong can still find it rational to intimidate,

coerce and even invade the weak. The weak, in turn, can continue to irritate the strong in hopes of attracting third party attention.

Rather than blame strategic balancing and military weapons for undermining peace in the region, we should instead recognize their contribution to keeping the violent peace from escalating to reproduce the European experience until its occupation by the U.S. and Soviet Union after 1945. We should also note that economic growth and democratization in the absence of a stable and credible balance of power are more likely to be recipes for increased conflict, rather than the first steps toward integration or a pluralist security community. Prudence and cautious optimism promise to deliver more security to Latin America than euphoric idealism.