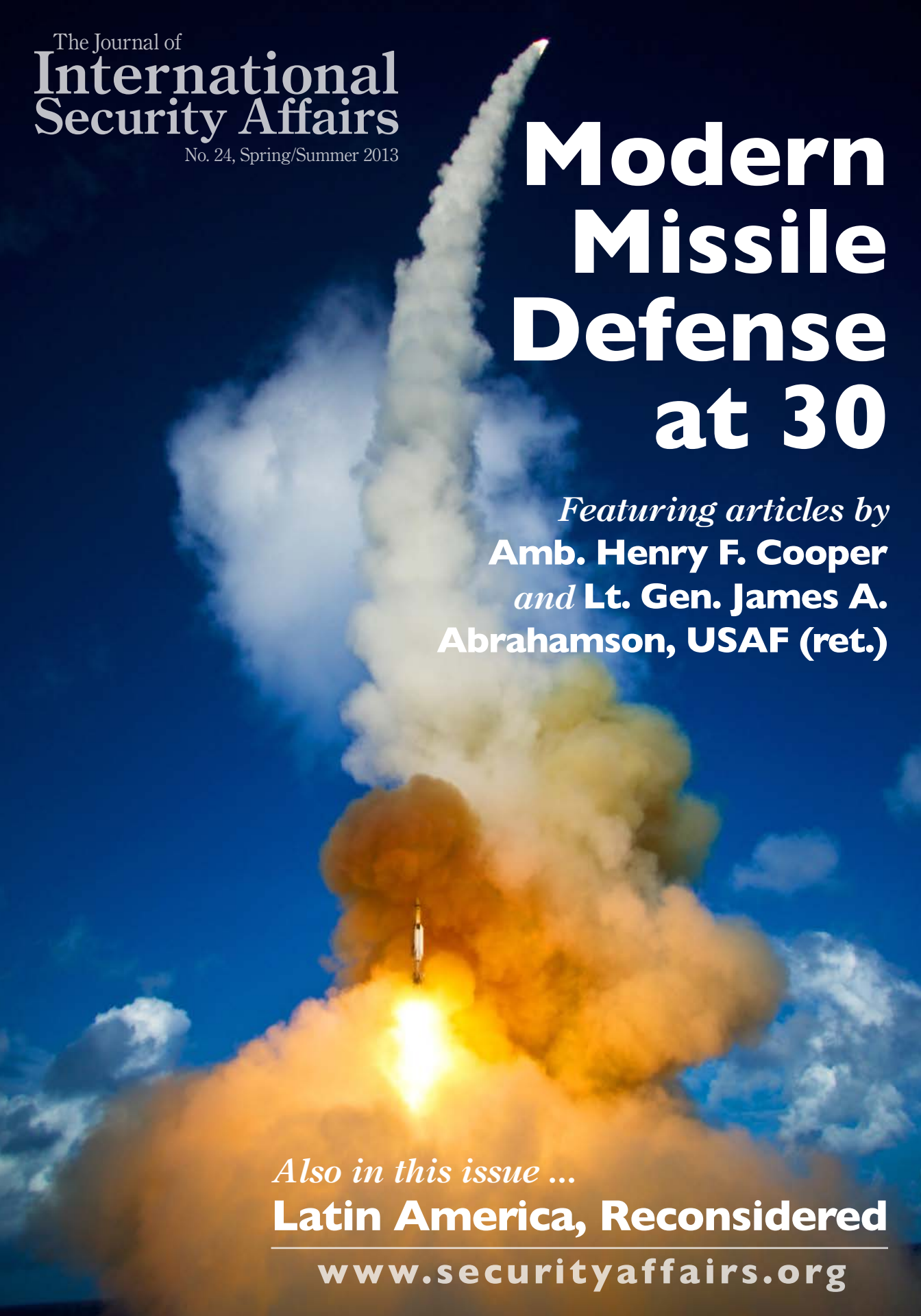
The Journal of
International
Security Affairs
No. 24, Spring/Summer 2013



Modern Missile Defense at 30

Featuring articles by
Amb. Henry F. Cooper
and **Lt. Gen. James A. Abrahamson, USAF (ret.)**

Also in this issue ...
Latin America, Reconsidered

www.securityaffairs.org

INNOVATION
IN ALL DOMAINS

AIR
LAND
SEA
SPACE
CYBER

Every day, Raytheon customers undertake vital missions across air, land, sea, space and cyberspace. Our mission is to provide innovative, integrated technologies across these domains to ensure customer success and deliver a true operational advantage, mission after mission.

Raytheon.com

Connect with us:

Raytheon

Customer Success Is Our Mission

The Journal of
International Security Affairs

Manuscripts should be sent to: 1307 New York Ave., NW, Suite 200, Washington, DC 20005. The Editor will consider all manuscripts received, but will assume no responsibility regarding them and will return only materials accompanied by appropriate postage. Facsimile submissions will not be accepted.

Advertising: Please contact the Marketing Manager, Erica Nurnberg (enurnberg@jinsa.org) for information on availability and ad rates.
Reprints and Permissions: Write: *The Journal of International Security Affairs*, Reader Services, 1307 New York Ave., NW, Suite 200, Washington, DC 20005. Fax: (202) 667-0601.

Printed in the United States of America.

Editor's Note: The opinions expressed in *The Journal of International Security Affairs* (ISSN 1532-4060) are those of the author(s) alone and do not necessarily represent the opinions of the Jewish Institute for National Security Affairs.

The Jewish Institute for National Security Affairs (JINSA), Inc., is an independent, non-profit, non-partisan, non-sectarian educational organization established in 1976 to fulfill a two-fold mandate: To educate the American public about the threats and dangers facing our country and our global allies; to explain why a mobile, technologically superior military is vital to America's security; to provide leadership on issues affecting American national security and foreign policy; to explain to Americans and others the importance of U.S. security cooperation with like-minded democratic partners around the world and to explain the key role Israel plays in the Mediterranean and Middle East as an outpost of liberty, a linchpin of stability and a friend and ally of the United States.

The Jewish Institute for National Security Affairs, Inc., incorporated in the District of Columbia, is a tax-exempt organization under section 501(c)(3) of the U.S. Internal Revenue Code.

No matter the mission,
UPS is there by land, air and sea.

WE ♡ LOGISTICS®

The Journal of
International Security Affairs
No. 24, Spring/Summer 2013

Symposium: Modern Missile Defense at 30

Looking South

Perspective

Dispatches

Book Reviews

Editor's Note

Thirty years ago this spring, President Ronald Reagan broke with Cold War era thinking about deterrence to articulate a bold new vision of security for the American people: one built around defense against catastrophic ballistic missile attack. In this issue of *The Journal*, we take stock of where we are in this effort with contributions from nine of the country's leading experts on ballistic missile threats and responses.

From there, we segue to a region that historically has received far too little attention in U.S. policy planning: Latin America. We start off with a comprehensive overview of the security threats and challenges emanating from the region, provided by SOUTHCOM's Renee Novakoff. Jaime Daremblum of the Hudson Institute follows up with some fresh thinking about regional realities—and opportunities for the United States. The Heritage Foundation's Ray Walser outlines the six areas of the region that are likely to receive attention during President Obama's second term. Then, Joseph Humire of the Center for a Secure Free Society outlines the organic connection that exists between economic freedom and citizen security for the peoples of the Americas. The Washington Institute's Matthew Levitt details the inroads that have been made by Lebanese terrorist powerhouse Hezbollah south of our border. Last, but most definitely not least, *The Journal*'s own James Colbert, along with researcher William Smearcheck, chronicles the remarkable success story, in both security and economic terms, that has taken place in Colombia over the past decade.

This issue, we are honored to have as our "Perspective" interviewee the Honorable Newt Gingrich, former Speaker of the House of Representatives and one of the leading conservative thinkers of our day. We also have "dispatches" from Bolivia, England and India. This time out, our book reviews address a quartet of pressing topics: the dangers of unfettered government, how computer science is reshaping counterterrorism, U.S. human rights policy, and what went right—and very wrong—in the U.S. war effort in Afghanistan.

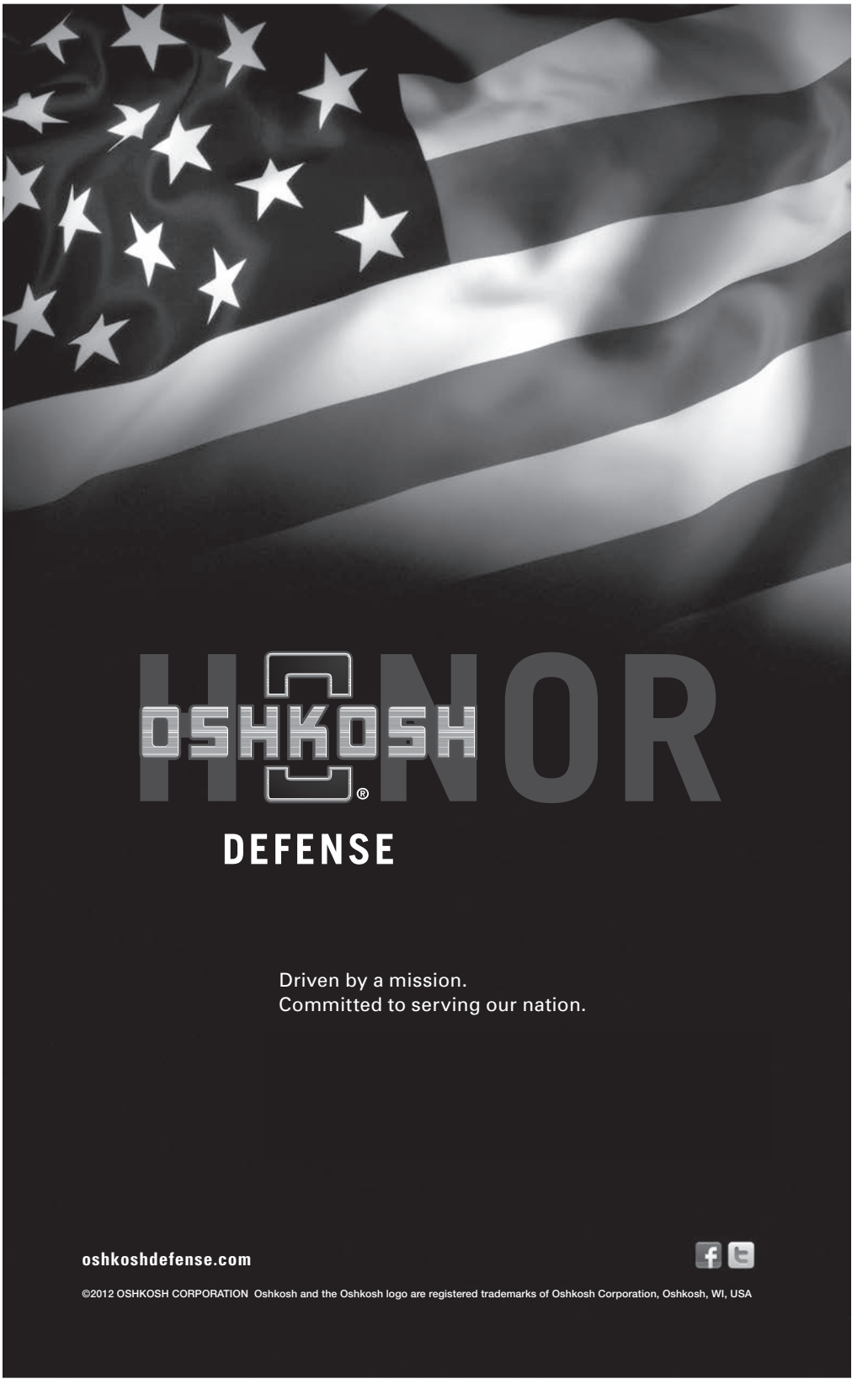
As in the past, we present to you an issue full of fresh insights into today's complex and rapidly changing global security environment. We hope that you enjoy them.

Ilan Berman
Editor

Symposium: Modern Missile Defense at 30

On March 23, 1983, President Ronald Reagan gave a landmark address to the American people laying out a dramatically different vision of U.S. security than the one that had prevailed up until that point. "What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack; that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?" the president asked. In that fashion, the intellectual seeds for modern missile defense were laid.

This spring marks the 30th anniversary of that address, and it provides an opportune moment to take stock of America's progress on missile defense so far—and the road still left to be traveled. To that end, The Journal *recently asked nine of the country's leading experts about the current state of U.S. defenses against ballistic missile attack, as well as about the evolving nature of the ballistic missile threat. What follows are their responses.*



The Dividends of SDI

Amb. Henry F. Cooper & Lt. Gen. James A. Abrahamson, USAF (ret.)

In September of 1993, the National Institute for Public Policy published our report with the title "What Did We Get for Our $30-Billion Investment in SDI/BMD?" In it, we reviewed what had been achieved during the first decade of President Ronald Reagan's Strategic Defense Initiative (SDI).

At the time, a volatile debate—with "Star Wars" caricatures and many false public accusations in the media—continued in spite of the Clinton administration's effort to depoliticize the debate by renaming the Strategic Defense Initiative Organization (SDIO) as the Ballistic Missile Defense Organization (BMDO) and giving priority to ground-based systems—particularly Theater Missile Defense (TMD) systems. Charges of wasted resources abounded, prompting the question in the title.

It deserved a direct answer, and we, as two former SDI Directors, sought to account for our stewardship.[1] One of us directed the original SDI program to respond to the President's vision, and the other advocated that vision to the Soviets in Geneva and refocused SDI to account for post-Cold War realities—as directed by President George H.W. Bush in January 1991 and largely endorsed by Congress in the *Missile Defense Act of 1991*.

We argued that SDI was productive by many standards, and from at least three perspectives:

From a geopolitical/geostrategic point of view, SDI induced the leadership of the former Soviet Union to return to the negotiating table after their 1983 walkout from all arms control talks, and thereafter to negotiate seriously toward deep reductions in nuclear arms. A number of authoritative sources, including former senior Soviet officials, had by then stated that Ronald Reagan's highly visible commitment to SDI was a significant factor in persuading Soviet General Secretary Mikhail Gorbachev to give up the arms competition and change the course of the former Soviet Union, hastening the end of the Cold War. What were these achievements worth? Certainly many times the $30 billion invested over the first SDI decade. On January 29, 1990, then-Defense Secretary Dick Cheney announced a $167-billion reduction in the FY1990-94 DoD plan for the next 5-years alone.

From an acquisition management perspective, we observed that SDIO had created a very effective management team that had for a decade continuously integrated evolving advances of key cutting-edge technologies into field demonstrations and architectural options—and that this, in turn, had rapidly moved the technology out of the laboratory and into innovative acquisition programs. In our judgment, SDIO's innovation translated into substantial savings—and, more importantly, provided substantially more capable active defenses to our operational forces years sooner than would have otherwise been the case.

From a technical perspective, remarkable hardware advances—in electronics, sensors and detectors, computers, propulsion, communications, and power—resulted

Ambassador Henry F. Cooper was President Reagan's Chief U.S. Negotiator at the Geneva Defense and Space Talks with the Soviet Union and SDI Director under President George H.W. Bush. Lieutenant General James A. Abrahamson, USAF (ret.), was President Reagan's NASA Associate Administrator and SDI Director.

from SDIO's emphasis on maximizing overall system performance. Unit size, weight and costs were reduced, in many cases by orders of magnitude, while operational performance characteristics also increased dramatically, in many cases also by orders of magnitude. These advances, which had numerous spin-off applications, were integrated into field demonstration experiments that improved the engineering state of the art sufficiently to move into serious acquisition programs for our military forces.

In our opinion, these geopolitical, management, and technical innovations would never have happened in a program with a "business as usual" approach. Without the status that came from a clear Presidential mandate and supportive Secretaries of Defense, efforts to provide effective defenses to protect the American people, our forces overseas, and our allies and friends would have surely been short-lived; they would have sunk under the weight of ideological opposition and a risk-adverse defense acquisition bureaucracy.

In particular, the inhibitions of the Antiballistic Missile (ABM) Treaty had for over a decade blocked progress at every turn, except for research on limited, fallback systems to help assure the survivability of our land-based intercontinental ballistic missiles to help underwrite the Mutual Assured Destruction (MAD) Cold War policy that President Reagan abhorred. On March 23, 1983, he challenged the scientific community to build defenses "to save lives rather than avenge them," and we were honored to help him pursue that objective.

We had little doubt of his serious intention to pursue research and development toward that objective within the broadest possible interpretation of the Treaty—at least until we could demonstrate effective defenses were feasible. He would not accept any additional limitation and was delighted with early successful demonstrations of space defense technologies, such as the 1987-88 Delta series that won wide acclaim while proving space-based interceptors could work.

The Soviets and international arms control elite had already gotten this message early, loud and clear, and sought in every way possible to block further development—including a broad public diplomacy/propaganda campaign beginning immediately after the President's 1983 speech. Perhaps the most famous evidence of this effort was Soviet General Secretary Gorbachev's famous last-ditch attempt at the October 11-12, 1986, Reykjavik Summit to block further advances by limiting all testing of space based defense technology to the laboratory. Even though President Reagan was very interested in Gorbachev's proposed reductions in offensive nuclear forces, he refused this constraint and walked out. Actually, we pocketed the Soviet concessions at Reykjavik, which led to the 1987 Intermediate Nuclear Forces (INF) and the 1991 Strategic Arms Reduction Talks (START) treaties that for the first time actually reduced nuclear arms—without any further limitation on strategic defenses.

President Reagan's commitment to SDI was inseparable from the breakup of the Soviet Union. To be sure, his modernization program to repair our atrophying strategic forces, and his investments to repair our hollowed-out conventional forces, were key in blocking the Soviets. And his leadership within NATO was critical to sustaining the West against the aforementioned diplomacy/propaganda, especially during the pivotally important 1984 elections when all our key allies held firm. But SDI was a centerpiece. Britain's Prime Minister, Margaret Thatcher, perhaps put it best:

> I firmly believe that it was the determination to embark upon the SDI program and continue it that eventually convinced the Soviet Union that they could never, never, never achieve their aim by military might because they would never, never succeed.[2]

We briefed Mrs. Thatcher regularly because she was one of our greatest supporters, not just the President's friend. Her technical training informed probing questions of all aspects of our programs and her political astuteness was always helpful.

With the breakup of the Soviet Union and rapidly evolving strategic scene, President Bush directed the SDI program away from seeking to deter/defend against a massive ICBM attack from the Soviet Union to protecting Americans at home and our overseas troops, friends and allies against limited attack with ballistic missiles of all ranges launched from anywhere on earth. This Global Protection Against Limited Strikes (GPALS) concept gained significant political support—even with the Russians.

In his January 31, 1992, speech at the United Nations, then-Russian President Boris Yeltsin proposed that SDI be redirected to take advantage of Russian technology and to jointly build a global defense against ballistic missiles. It was an echo of Reagan's own position. Regrettably, however, that possible outcome was lost, for at least two decades, in the 1993 Bush-to-Clinton transition.

As we look back to the transition away from the SDI era to later BMD efforts, the most notable loss was the continuation of any serious program to consider space-based interceptors—which we both identified in our end-of-tour reports as an, if not the most, important product of the SDI investments on our watch. We believed then, and continue to believe now, that if the political impediments can be overcome, an effective space-based interceptor system could be deployed within five years.

Today, we don't have the inhibitions forced upon defense development in the past. To his great credit, President George W. Bush withdrew from the ABM Treaty in 2002. As a result, we can now test directly what we wish to build. It is critically important that no new arms control or executive agreements undermine this freedom.

As we look at missile defense advances made since our watch, we are gratified to see the success of programs we led in their pioneering stages. While we don't have the space defense systems that we believe will ultimately be most cost-effective in providing a global defense, we do have an evolving global architecture involving a complex of maturing ground, sea, air and space-based assets integrated within a global command and control architecture. Perhaps most important, we no longer seriously debate *whether* ballistic missile defense is needed; rather, we argue about the most effective missile defense that is needed. That is money well spent indeed.

1. Lt. Gen. George L. Monahan, the second SDI Director, surely would have joined us had he not recently died.
2. Prime Minister Margaret Thatcher, remarks at the SDI National Test Facility in Colorado Springs, Colorado, August 3, 1990.

What the ABM Treaty Taught Us

Hon. Robert G. Joseph

June of 2012 marked a decade since the United States formally withdrew from the 1972 Anti-Ballistic Missile Treaty, and ushered in a new era for American strategic capabilities. While the treaty was in force, the U.S. had been legally prohibited from protecting the nation against ballistic missile attack. Article I of the ABM Treaty was explicit, committing its two parties—the U.S. and the then-Soviet Union—"not to deploy ABM systems for the defense of the territory and not to provide a base for such a defense." This obligation both reflected and reinforced the doctrine of mutual assured destruction, which remained the bedrock of our national strategic posture for the next three decades.

However, despite the dire predictions at the time, when we did withdraw from the treaty, the sky did not fall, and few today would openly suggest a return to the condition of a legally mandated vulnerability. Yet while we now have the right to develop and deploy a robust missile defense system, the policies and programs of the Obama administration have undermined progress in protecting our nation against the emerging missile threats from countries like Iran and North Korea. For the Obama administration, vulnerability is a policy choice; it is also an element of the feckless pursuit of the Nuclear Zero agenda and its failed promotion of a "reset" with Russia.

Staying power of agreements

The first lesson from our withdrawal from the ABM Treaty is an obvious one, but one which often escapes those who work in the arms control arena. It is that it is extremely difficult to extricate ourselves from treaties we have ratified, even if those treaties contain supreme national interest clauses that permit such an action. Today, in discussions about the Comprehensive Test Ban Treaty, which is often touted as an important step toward a nuclear-free world, we hear from arms control advocates that we can simply abrogate the agreement if in the future we determine there is a need to test.

Of course, all the evidence is to the contrary. The ABM Treaty was in force from 1972 until 2002, and during the last 15 years—the last half of those three decades—three of four presidents emphasized the treaty's negative effects on our national security and expressed the desire to seek relief from its constraints. President Reagan criticized the treaty on both moral as well as strategic grounds. His Strategic Defense Initiative was severely hampered by the basic prohibitions of the treaty on testing of mobile, maritime and space-based capabilities, including interceptors and sensors. While the interagency would at the time debate points of broad versus narrow interpretation in an attempt to expand what could and could not be done in the area of research and development, we stayed with the treaty at the expense of building effective defenses.

The Honorable Robert G. Joseph served as Under Secretary of State for Arms Control and International Security and Special Assistant to the President in the George W. Bush administration. He is currently Senior Scholar at the National Institute for Public Policy and Professor in the Department of Defense and Strategic Studies, Missouri State University.

The first President Bush also sought relief from the treaty, and again without success. In his case, the most fundamental conditions had changed: the end of the Cold War, the dissolution of the Soviet Union, our treaty partner, and most important, the emergence of third country missile threats. Yet the lawyers at the State Department and elsewhere were quick to assert that Russia was the successor to the ABM Treaty and that the treaty remained in effect. Never mind that Russia was not the Soviet Union or that Moscow was no longer the enemy. Even when President Yeltsin proposed at the United Nations a global initiative calling for protection against all missile attacks and President Bush offered the space-based Brilliant Pebbles program as the U.S. contribution, the treaty persisted, precluding the achievement of the common objective of both the American and the Russian presidents at the time.

Why did both Reagan and Bush 41 fail? The answer is clear: because there were always arguments to the contrary and those arguments prevailed. Withdrawal would mean that we would threaten progress in arms control; the allies would never accept it; Congressional supporters would respond negatively; and on and on. There never seemed to be a good time to withdraw from the treaty. It was only under the leadership of President George W. Bush that we did withdraw. In his first year, he worked effectively to achieve this goal, which he saw as essential to protect our country. To deny regimes such as those in Pyongyang and Tehran the ability to blackmail and intimidate us in the future by holding our cities hostage, we needed to deploy defenses, and to do so we needed to withdraw from the ABM Treaty.

For the second President Bush, the national security imperative of deploying missile defenses against rogue state proliferators prevailed over the arguments that had been made by every Secretary of State from George Shultz forward. As late as November 2001, only weeks before President Bush announced his intention to withdraw, Secretary of State Colin Powell publicly advocated that we simply inform Moscow of the tests that we intended to perform and stay within the treaty.

Demolishing myths

This leads to the second lesson: to succeed, we needed to win the intellectual debate, and for the ABM Treaty this meant de-mythologizing the articles of faith that surrounded it. The ABM Treaty, after all, was based on the counterintuitive proposition that protecting the United States from missile attack was actually detrimental to our security. The belief was, if the U.S. and the Soviet Union did not deploy defenses, both would feel secure in their ability to destroy the other and therefore would not feel the need to build up their offensive nuclear forces.

Secretary of State Henry Kissinger, at the time of the ratification debate, actually praised the treaty by noting that it would give Soviet missiles what he called a "free ride" to U.S. targets. Following ratification, the corollary was also frequently heard, and that was if the U.S. would dare to withdraw from the treaty, there would certainly and automatically be an arms race. In fact, and to the contrary, the signing of the ABM Treaty ushered in the Soviet Union's most ambitious expansion of nuclear forces. As for withdrawal, Russian President Vladimir Putin announced large force reductions on the day President Bush announced the intention to withdraw, putting a stake through the heart of the arms race myth. In both cases, the demonstrated truth was the exact reverse of what treaty proponents had asserted.

Other now-discredited myths that surrounded the ABM Treaty were that defenses were too expensive and would never work. As long as we stayed in the treaty, these were self-fulfilling propositions because the treaty's provisions, and the U.S. compliance

process, ensured that we could not develop effective defenses or even maximize the theater defense capacities out of concern that they might pose what was called a theoretical capability against long-range missiles.

Looking back, it was far easier to get acceptance from Russia of our withdrawal than it was from the diehard treaty adherents at home and in allied countries who in at least one case described the ABM Treaty as a "sacred document." Perhaps this was because Moscow never bought into the myths, and certainly did not buy into the sanctity of the treaty itself. Once it concluded that the United States was serious about withdrawing from the treaty, Russia accepted the state of affairs. President Putin went so far as to state, on the very day that we announced our intention to withdraw, that our doing so was not a threat to Russia.

As for the true believers in Congress, academia and elsewhere, the theological adherence to the treaty prevailed until the bitter end. It was only when the treaty went away—almost unnoticed—that these individuals and institutions went quiet; perhaps less because they were convinced by the facts than because they were concerned about the potential embarrassment of continuing their arguments.

Not surprisingly, many of the same myths that accompanied the ABM Treaty have now reemerged in the debate over the use of space in the U.S. missile defense architecture. Advocates, both foreign and domestic, of an arms control agreement banning the militarization of space most often seek only to prohibit the United States from deploying interceptors in space on the grounds that such a capability would be "destabilizing," unaffordable, and unachievable technically—all familiar assertions from the past. They seem much less concerned about the buildup of anti-space capabilities by Russia, China, and others that constitute the real threat to our ability to operate in space.

Bucking the Beltway

The third lesson from the ABM Treaty experience is the need to overcome the bureaucracy, which under every administration exerts a powerful influence over national security policy and is generally resistant to fundamental change. For the ABM Treaty, this included the State Department and our embassies abroad, which continued to favor adherence to the Treaty even after the decision had been made by President Bush to withdraw. This was not due to disloyalty to the new administration, but rather a reflection of the prism through which they saw and evaluated the world. And State was not alone; after fighting for missile defenses in the 1960s, the uniformed military, up through the hierarchy to the Joint Chiefs of Staff, adopted the civilian-led commitment to vulnerability, always encouraged by the prospective budget impact of missile defenses.

The key was to exert control over the process and to do so immediately. If the new Administration were to succeed in achieving its goal before the bureaucratic antibodies asserted themselves, it was imperative to move quickly. That's exactly what we did: by mid-February 2001, President Bush had signed a presidential guidance entitled "Transforming Deterrence" that provided the new security framework in which the defense of the homeland against small-scale missile attack was central. At the more operational level and within days of assuming office, new talking points were sent out by the White House to all departments and to all of our embassies: no longer would the ABM Treaty be the cornerstone of strategic stability. Instead, it was branded a relic of the Cold War.

Persistence of bad ideas

The fourth and final lesson from the ABM Treaty experience is that bad ideas in Washington rarely go away. If ever there were an example of the power of a bad idea, it is the ABM Treaty, which was based more on intellectual arrogance and ideology than on sound strategic sense and the realities of the threats that face our nation. Today, while there are no vocal advocates of reinstituting the ABM Treaty, there is an unmistakable creep backwards. The Obama administration is taking us back to the era of vulnerability, to the defenseless posture of the past. This is reflected in positions taken by supporters of the administration as well as by the president himself. For example, there are growing indications of a willingness to negotiate a demarcation agreement with Russia, an agreement that would define the technical boundaries between strategic and theater defenses.

This proposal, which was tried and failed during the Clinton administration, would serve only to impede the development of all U.S. missile defense programs, which can only perform effectively when there is an integrated layered defense to protect the U.S. and our friends and allies. Moreover, the Obama administration has spoken against homeland defense—not in its policy pronouncements, but in its funding of programs. Here the administration continues to underfund the defense of the homeland while favoring capabilities seen as less provocative or offensive to Moscow.

The imbalance between theater and strategic defenses is pronounced, without about four out of every five dollars going to theater defenses, and with the cancellation of most programs intended to provide capabilities against future longer-range threats. Funding for the currently deployed ground-based system in Alaska and California has been dramatically reduced, and the test program artificially constrained. While we're digging new silos, there is simply no money for more interceptors. The growing likelihood that the AEGIS SM3 IIB interceptor will be cancelled, purportedly on budget and technical grounds but more accurately for policy purposes, is the most recent indicator of this bias.

Finally, the president's off-mike comments to then Russian President Medvedev in March 2012 that he would be more "flexible" on missile defense following the U.S. presidential election provides yet another indication of the administration's intent to trade away the defense of the U.S. homeland in pursuit of its quixotic quest for "nuclear zero." Not surprisingly, Russian leaders have dusted off the old ABM Treaty line that we, the United States, must remain vulnerable to their missiles for the sake of stability. What is surprising—and disappointing—is that we have apparently acceded. Missile defenses, especially strategic defenses, are clearly a lesser priority than arms control for the Obama administration.

The Continued Relevance of Reagan's Vision

Jack David

The moral core of Ronald Reagan's Strategic Defense Initiative (SDI) was expressed in a question the president posed in his historic speech of March 23, 1983. He asked the nation: "Wouldn't it be better to save lives than avenge them?" In reply to his own question, Reagan proposed a new policy for protecting the U.S. from nuclear attack.

Under SDI, he said, the U.S. would develop defensive systems to intercept attacking missiles. No longer would the U.S. depend only on "mutually assured destruction," or MAD. MAD was the policy by which we had until then deterred our then sole nuclear-armed adversary, the Soviet Union, We did so with the credible threat of an overwhelming, annihilating U.S. counterattack with our own nuclear-tipped missiles.

When the Soviet Union collapsed more than 20 years ago, Russia inherited its nuclear arsenal. With Russia then being regarded as a country whose course would be peace-loving and democratic, many hoped that the last threat of nuclear-tipped missiles attacking the U.S. homeland would also disappear. But those hopes have not been vindicated.

Since the end of the Second World War, the U.S. has developed, manufactured and maintained nuclear weapons principally for their deterrent value. The efficacy of this "deterrent" function depends on whether the adversary believes that the U.S. has sufficient nuclear capabilities to enable it to launch a counterattack that would hold at risk assets valuable to the adversary, thereby delivering an intolerable crippling blow. It also depends on whether the adversary contemplating a nuclear attack on the U.S. believes that American leaders would have the will to use those nuclear capabilities to counterattack.

Today, it is important to ask three questions:

- First, what nuclear capabilities does the U.S. need to maintain deterrence?
- Second, is deterrence alone sufficient to protect Americans?
- Third, can missile defense systems otherwise contribute to our safety and security by augmenting deterrence?

The answer to the first question is that the U.S. must maintain nuclear weapons in sufficient numbers and in sufficiently dispersed deliverable locations that they can serve as a counterattack threat to any potential adversary while being immune from annihilation in a surprise first strike by any well-armed nuclear adversary. Additionally, U.S. leaders must convey an unmistakable message that the U.S. is fully prepared to use its military capabilities, including its nuclear weapons, to respond to any attack on U.S. interests. Such interests include those of friends and allies under the U.S. nuclear umbrella; that is, countries that the U.S. convinced to rely on the U.S. nuclear deterrent and to forgo their own.

Today, there are several countries that are or might well slip into adversary or even enemy status and which have the means, or soon will, to launch an attack on the U.S. with missiles delivering nuclear warheads. In different ways and for different reasons, Russia, China, Iran and North Korea all fall into that category. Terrorists, too, may be

Jack David, a senior fellow at the Hudson Institute, was deputy assistant secretary of defense for combating weapons of mass destruction and negotiations policy from 2004-06.

the source of a missile-launched nuclear attack, with capabilities they acquire by theft or by procurement.

Twenty years ago, the U.S. forswore further development, testing and manufacture of nuclear weapons. Since then, it has dramatically reduced the number of its operationally deployed nuclear weapons and delivery systems. At least in part, these steps were taken in the hope that other countries would follow suit.

That did not happen, however. Russia and China both continue to develop, test and manufacture nuclear weapons. While Russia has reduced the number of its strategic nuclear weapons, it has dramatically increased the number of its tactical nuclear weapons. It has accompanied that increase with a military doctrine that asserts that Moscow will use its nuclear arsenal for tactical advantage. Meanwhile, there is good evidence, in part supplied last year by a former head of Russia's strategic forces (a person in a position to know) that China has increased its nuclear arsenal, including its strategic nuclear weapons capability, well beyond the estimates of U.S. intelligence agencies and the arms control community.

In recent years, a military leader of Russia and another of China each made a not-so-veiled threat that his country would consider targeting a U.S. city with a nuclear-tipped missile should the U.S. do this or that. Should Russia or China get into a dispute in which the U.S. opposes their respective interests—whether in the context of a dispute between Russia and a European ally, like Poland, or in the context of a dispute between China and an East Asian ally, like Japan—it is important to consider what factors they would consider in deciding whether to take the risk of using strategic or tactical nuclear weapons against the U.S.

Russian or Chinese leaders in the posited situations surely would be mindful of the steps the U.S. already has taken to reduce and weaken its nuclear weapons capabilities. They would certainly evaluate whether they could preclude a nuclear counterattack by locating and eliminating the remaining U.S. nuclear forces through a nuclear first strike. Whether their own missiles would be intercepted before reaching their targets would be a factor in this calculus.

The U.S. today deploys approximately 30 ground-based interceptors in Alaska and California. When coordinated with other detection and tracking missile defense systems, these interceptors can shoot down incoming nuclear-armed missiles. However, according to a September 2012 report of the National Academy of Sciences' National Research Council, the capabilities of this system are limited. The same report recommends that the system be improved, but also notes that the resources to do so have not been provided.

Going forward, the U.S. is likely to confront adversaries with nuclear-armed missile capabilities that are less likely to be deterred by the threat of a U.S. nuclear counterattack than Russia or China may be. Iran is on the precipice of having long-range ballistic missiles (it has already launched a satellite into orbit) and nuclear weapons as well. It has been working assiduously on marrying the two, all the while threatening to use the nuclear weapons it acquires to "annihilate" at least one of its perceived enemies, Israel. Some Iranian leaders appear to entertain religious beliefs supporting the use of nuclear weapons without regard to the cost in human life.

North Korea has tested nuclear devices at least three times. This past December, it successfully placed a satellite into orbit, thereby showing that it has a long-range missile capability. The regime that runs North Korea is unpredictable—and rogue. And just this February it acknowledged that it is developing nuclear weapons and long-range missiles to deliver them to "settle accounts" with the U.S., in the words of an official report of North Korea's top military body.

Protecting Americans from nuclear missile attack by North Korea or Iran may require more than deterrence. It should go without saying that deterrence will not afford protection from rogue or negligent Russians or Chinese or from terrorists using ships offshore to launch nuclear weapons and missile resources they acquired by theft or otherwise. Apart from further deterring nuclear powers like Russia and China by reducing the chance that a first strike against U.S. counterattack assets will eliminate them, missile defense could provide protection in these instances.

Critics of President Reagan's SDI program argued that missile defense couldn't be made to work, that it would be too expensive to develop, and that offensive nuclear strategic missiles could inexpensively be equipped with penetration aids, decoys and other devices to defeat interception. Despite these arguments, U.S. missile defense tests have been increasingly successful and capabilities have dramatically improved in the intervening years, although not as rapidly as would have occurred had they received more substantial political and financial support.

In his SDI speech, Reagan acknowledged that it might take "decades" to develop the necessary technology. Three decades later, notwithstanding continuing arguments of naysayers, the considerable capabilities of our missile defense systems are evident, as are the even greater capabilities that could be developed, if they are properly supported.

Today's threat is different from the threat in 1983, but it is just as great. The danger now comes not from one potential adversary but from several as well as from terrorists. Reagan's vision of a missile-defense system to protect the U.S. from intimidation or attack is as pertinent as it was in 1983.

Deterrence by Denial

Dr. Robert L. Pfaltzgraff, Jr.

President Reagan's March 23, 1983, speech represented a seminal yet highly controversial departure from the Cold War nuclear strategy based on offensive retaliation, or Mutual Assured Destruction (MAD), that prevailed at the time. As Reagan succinctly put it: "Wouldn't it be better to save lives than to avenge them?" Reagan envisaged a strategy backed by defensive systems that might eventually be able to protect the American people from a Soviet nuclear strike.

Thirty years later, the issue is not whether missile defense is possible and feasible, but which future technical options and priorities can best build upon existing ground- and sea-based systems that were begun or accelerated as part of the Reagan era Strategic Defense Initiative (SDI). The future challenge also includes the role of space-based missile defenses, which were crucially important to Reagan's vision.

A reshuffled deck

In putting in place science and technology research programs for missile defense, Reagan demonstrated a strategic foresight that transcended the Cold War—and one which is relevant today. Our greatest twenty-first-century challenges cannot be addressed adequately by strategies that are based only on retaliation, in light of the fact that we face a broad range of sharply differing enemies. Many, such as terrorists, may not operate from known locations and therefore cannot be easily targeted. And if we cannot easily determine the origin of the attack, we obviously cannot punish the aggressor.

Just as Reagan foresaw the need for a greater emphasis on a strategy of denial in lieu of exclusive reliance on retaliation against the Soviet Union, today's threats will continue to make deterrence by denial a strategic imperative. We must be prepared to protect ourselves against a spectrum of threats—including states or other actors with a level of religious or ideological fanaticism that makes the threat of retaliation simply an invitation to martyrdom. They will require measures that defend or protect the intended target by denying an opponent the opportunity to inflict damage or destruction.

Unlike during the Cold War, we live today in a world with many more players and decision-making centers, empowered by an unprecedented diversity of capabilities. The limitations for those wishing to strike deeply and widely at minimal cost or risk to themselves have dropped dramatically. It is a basic strategic axiom that an enemy should attack the opponent at its point of maximum vulnerability. As a technologically advanced society, our vulnerabilities are numerous. They include our vast electronic infrastructure, such as the electric power grid, as well as transportation, financial, communications, water, and food distribution systems. Without these capabilities, the United States could be placed back in the pre-industrial era without the agricultural economy that then sustained us to fall back on.

Dr. Robert L. Pfaltzgraff, Jr. is President of the Institute for Foreign Policy Analysis; Shelby Cullom Davis Professor of International Security Studies, The Fletcher School, Tufts University; and Co-Chairman of the Independent Working Group on Missile Defense.

New requirements

This new global setting presents three major challenges for which Reagan's vision of deterrence by denial holds an answer. These challenges include: 1) an expanding number of nuclear weapons possessors, 2) the potential for an electromagnetic pulse (EMP) attack,[1] and 3) the use of cyber weapons against our society, forward deployed U.S. forces, allies and partners.

The proliferation of nuclear warheads and missiles has made the need for defenses capable of providing denial-based deterrence—i.e., missile defenses—more vital than ever. In many cases, our allies and partners already see missile defense as increasingly important or indispensable to their security; Israel, the Gulf states, Japan and NATO/Europe come to mind. Their missile defense systems will be coordinated with, and in some cases linked to, those of the U.S. In other words, the United States is not alone in recognizing the strategic importance of missile defense, and therefore of deterrence by denial.

In the twenty-first century, we are living in a multinuclear world. How rapidly the number of nuclear weapons states will grow is uncertain. Some may be allies of the United States; others may be enemies. Some of them may be states, while others may be non-state armed groups. Additional nuclear weapons possessors may include those for whom such capabilities become weapons of first resort which enable them to gain a decisive advantage over the opponent.

Among the options increasingly available in a multi-nuclear world is EMP, perhaps the ultimate asymmetrical weapon. An EMP attack requires only one nuclear weapon detonated some 300 miles above the United States, for example launched from a ship in the Gulf of Mexico, to have catastrophic and cascading effects, first on our electrical power grid and then throughout our society. To apply Reagan's strategic logic of deterrence by denial, a strategy of reliance only on avenging such an attack after the fact would be unacceptable even if the perpetrator could be easily identified and targeted. In addition to hardening our electronic infrastructure, other measures, notably a robust missile defense capability, could reduce dramatically the likelihood that an EMP attack could be successfully executed, whether by another state or other actor in possession of a nuclear warhead deployed on a crude delivery system.

Closely related are the growing threats emanating from cyberspace. In the cyber domain, initially unknown actors operating at great distance or in close proximity can launch cyber attacks simultaneously against few or many targets. Such attacks can be mounted to further disable a country already beset by natural disaster or terrorist attack. They also could be launched by groups acting in concert with, but operating independent of, states. They could be launched as the opening salvo in a war, or as an alternative to traditional armed conflict.

Cyberspace presents several challenges because of its many potential actors, including states, terrorists, criminal groups, and individuals, and because the cost of entry to employ capabilities in it is extremely low (e.g., a laptop computer) compared to what it takes to establish conventional or nuclear forces. Widespread—and growing—access to the Internet, creating unprecedented global connectivity, together with the relative ease of creating or obtaining malicious software (malware), makes cyberspace an especially attractive arena for twenty-first-century warfare. The nature of cyberspace, moreover, allows for attacks in which the identities and locations of perpetrators can be concealed. Furthermore, tailoring a retaliatory response with cyber weapons may be difficult because the Internet is utilized by individuals, businesses, and governments in ways that may make isolating one of these groups from another a formidable

task. The interconnectivity of the Internet and the consequent blurring of the traditional civil-military divide make it difficult to foresee the potential consequences of responding to an attack.

Then and now

In each of these cases, the appropriate deterrence strategy must include the denial of opportunity to our enemies. This requires layered defense, or barriers to successful attack as a basis for deterrence. When Reagan envisaged missile defense, he initiated research programs designed to yield technological advances sufficient to eventually deploy a layered missile defense encompassing ground-, sea- and space-based capabilities. And by the early 1990s technological advances, including space-based interceptors in the form of *Brilliant Pebbles*,[2] had advanced sufficiently to offer the option for a deployable first line of missile defense. The issue for the twenty-first century is how, in keeping with Reagan's vision, best to incorporate deterrence by denial into the broad spectrum of national security threats.

It is a challenge as relevant today as it was thirty years ago.

1. EMP is a burst of electromagnetic radiation (gamma rays) from certain types of high-energy explosions, particularly a nuclear detonation. It creates rapidly changing electric and magnetic fields which when they come in contact with electronic systems such as power generators, computers, communication grids, etc., produce massive current and voltage surges that destroy those systems. The sun can also produce such bursts with the potential to disrupt/destroy electronic systems.
2. *Brilliant Pebbles* was a fully approved program with realistic budget estimates to develop and deploy a 1,000-satellite constellation capable of firing high-velocity projectiles at ballistic missiles launched from anywhere in the world. The *Brilliant Pebbles* architecture was designed to engage and destroy as many as 200 nuclear warheads. See the *Independent Working Group Report on Missile Defense, the Space Relationship, & the Twenty-First Century*, 2009, http://www.ifpa.org/pdf/IWG2009.pdf, especially 27-31.

Stumbling Toward Security

Baker Spring

President Ronald Reagan announced his plan to establish the Strategic Defense Initiative missile defense program on March 23, 1983, for the purpose of countering the threat to the U.S. and its allies posed by the Soviet Union's missile arsenal. As he stated in his televised address to the nation that day, "Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive."

This was the appropriate focus for missile defense at the time. Deterring the Soviet Union was job one for national security during the Cold War. The main problem for missile defense at this juncture was that it ran counter to arms control orthodoxy, and more specifically the 1972 Anti-Ballistic Missile (ABM) Treaty with the Soviet Union. The ABM Treaty prohibited even the development and testing of an effective missile defense system, let alone its deployment.

Plus ça change

Of course, times have changed since 1983. The Soviet Union no longer exists, and while Russia retains major portions of Soviet missile capabilities and is moving to modernize the arsenal it inherited from the Soviet Union, it does not pose the overarching ideological and political challenge to the West that the USSR did during the Cold War. At the same time, other countries and entities have undertaken missile acquisition and modernization programs that are currently making significant progress. They include China, rogue states like Iran and North Korea, and even terrorist organizations like Hamas and Hezbollah.

Much to its credit, the administration of President George H.W. Bush understood the grave implications of proliferating missile threats for national security. Under the leadership of Ambassador Henry F. Cooper at the Strategic Defense Initiative Organization (SDIO), the Bush administration announced a new and adaptive approach to missile defense. The approach was called Global Protection Against Limited Strikes, or GPALS. GPALS sought to counter missile threats that were more limited than that posed by the Soviet Union: those arising from instability within Russia, the expanding Chinese missile arsenal, and the initiation of missile acquisition programs by select rogue states. The last problem was exemplified by the launching of variants of shorter-range Scud missiles at Israel and Saudi Arabia by Saddam Hussein's regime during the first Iraq war.

GPALS was designed to counter missile strikes with up to 200 warheads launched from anywhere in the world toward any target in the world. While the approach used a variety of different sensors and interceptors, the most important of these was the deployment of inceptors in space called *Brilliant Pebbles*.

Baker Spring is the F.M. Kirby Research Fellow in National Security Policy at The Heritage Foundation.

Retrenchment

The Clinton administration, however, retreated from GPALS, and *Brilliant Pebbles* technology in particular, because it continued to accept the arms control orthodoxy that U.S. missile defense capabilities were destabilizing and would promote a new nuclear arms race. Specifically, it sought to preserve and strengthen the ABM Treaty despite the collapse of the Soviet Union. The Senate effectively ended the Clinton administration's attempt to preserve the ABM Treaty by blocking its agreements to designate four independent states that emerged from the Soviet Union as replacements for the Soviet Union under the Treaty.

In the end, however, even President Clinton could no longer ignore the negative implications for U.S. and allied security resulting from the proliferation of missile capabilities. In July 1999, President Clinton signed the National Missile Defense Act, which made it the policy of the United States to field a missile defense system for countering limited missile attacks as soon as development of the technology would permit.

President George W. Bush took office with the intention of moving rapidly to field U.S. missile defense systems. In December 2001, he eliminated the ABM Treaty as an obstacle to progress by announcing America's withdrawal from the Treaty. Actual withdrawal, in accordance with the Treaty's terms, took place six months later.

Unfortunately for our missile defense program, the underlying view of some that U.S. missile defense capabilities are destabilizing and incompatible with arms control did not die with the Treaty. By the time President Bush left office, the missile defense system put in place to protect U.S. territory against long-range missile attack could counter only a handful of warheads, as opposed to the 200 envisioned under GPALS.

Back to the USSR

President Obama came into office with at least as hostile a view of missile defense as that held by President Clinton. During his 2008 campaign, he dismissed missile defense technology as unproven and vowed to curtail the program. After assuming office, he took several steps to weaken the overall program, including funding reductions, the outright cancellation of specific technology programs, the withdrawal of the U.S. from agreements with the Czech Republic and Poland to field missile defense systems on their soil, and reducing the planned number of missile defense interceptors for protecting U.S. territory against long-range missile attack from 54 to 30. Most important, President Obama agreed to the inclusion of language in the preamble of the 2010 New START arms control treaty concluded with Russia that in substantive terms commits the U.S. to establishing a new ABM Treaty, thereby re-linking limits on missile defense capabilities with nuclear arms control initiatives.

While it is unquestionably the case that President Obama opposes missile defense, circumstances have forced him to hide his agenda for killing the missile defense program. He has felt compelled to establish a new agreement with Poland and Romania to replace the one he cancelled with the Czech Republic and Poland. His Administration has buckled to congressional and other demands that he expand rocket and missile defense cooperation with Israel. It has also felt compelled to field missile defense systems in the greater Middle East because of the concerns of regional allies and friends about Iran's expanding missile capabilities. Most important, President Obama has found himself, at least temporarily, hemmed in regarding his desire to accommodate further Russian demands, made in the course of the arms control process, that the U.S. cancel its missile defense program.

What this history shows is that President Reagan's vision regarding missile defense transcends the circumstances that existed in 1983, when he proposed to move forward. If anything, the proliferation of ballistic missile capabilities has presented even more compelling political arguments for advancing missile defense than the one presented by the Soviet missile threat during the Cold War.

Indeed, President Reagan's logic has proven so sturdy that missile defense's most vociferous critics (including President Obama) have found it, at least so far, impossible to kill the program. Barring a substantial reversal, the U.S. body politic is on the cusp of accepting a consensus that U.S. missile defense capabilities must be preserved, if not advanced, in the years and decades ahead. Reagan's core principles of advancing American security and prosperity remain as durable as ever.

The Internationalization of Ballistic Missile Defenses

Jeff Kueter

Ballistic missiles are instruments of national power whose appeal is growing. Capable of delivering enormous firepower over distances large and small, armed either with conventional warheads or weapons of mass destruction (WMD), the missile offers a relatively cheap yet enormously effective weapon. Not surprisingly, the pace of the proliferation of ballistic missile technology is quickening, resulting in expanding missile arsenals and their growing technical sophistication. The response to this challenge confounds traditional thinking about deterrence and provides significant opportunities for the United States to strengthen its networks of alliances around the world. Increasingly, nations are turning to defenses as a principal means of blunting the ballistic missile threat.

The growing missile threat

Missile arsenals are expanding throughout the world. Today, more than 20 nations possess ballistic missiles. Most are short-range ballistic missiles (SRBMs) capable of traveling distances of less than 1,000 kilometers. Intermediate-range missiles (IRBMs) are sought by some as a means to threaten larger regions. A smaller group of nations have arsenals with the ability to apply missiles against targets at distances greater than 1,000 kilometers. Traditional powers like the U.S., Russia, France and the United Kingdom fall into this category and they are joined by China, India, Pakistan, Iran, and North Korea.

Missiles of any range afford the attacker the key ability to project power over distance. The concerns of a particular nation and the character of its security environment determine the ranges required of its missile arsenal. For example, during the Cold War, the United States, the Soviet Union, France, and the United Kingdom each invested in missiles of varying ranges because their objectives ranged from the tactical to the strategic and from the regional to the global. For most countries, however, global power projection is not a high priority. Instead, their focus is on the regional security environment and their missile arsenals reflect that emphasis. In the Middle East, SRBMs are plentiful and their ranges of several hundred kilometers enable their possessors to hold most of the region at risk. Iran and North Korea are clear exceptions; both have ample short-range arsenals and are investing heavily in longer-range systems, ostensibly to hold U.S. or European targets at risk.

Traditionally, the missile was seen as a delivery vehicle for nuclear weapons or chemical and biological weapons. This remains a principal function and one for which the missile is particularly well-suited. But the missile also is a surrogate or replacement for air power. Armed with conventional munitions, the missile can perform roles typically assigned to aircraft. For instance, coordinated missile attacks on airbases could render them unusable. The ability to achieve that outcome without having to invest in

Jeff Kueter is president of the George C. Marshall Institute, a public policy institute focused on scientific issues with an impact on public policy. An authority on space security and missile defense, he has testified on both before the U.S. Congress, serves as a contributor on strategic issues for the print and television media, and is the author of analytical pieces exploring aspects of the space security and missile defense debates.

aircraft, pilots, and the training, maintenance, and sustainment of those systems offers significant benefits to the attacker.

China is pushing this use of missiles as part of its "anti-access" and "area denial" strategies. Defense analysts suggest that China could effectively destroy the U.S. air base at Kadena on Okinawa with six to forty CSS-6 missiles. In an attack on Kadena, the closest U.S. airbase to Taiwan, former Naval War College professor Marshall Hoyler has argued: "China's best approach would appear to be a combination attack. First, it could fire missiles to crater runways and prevent aircraft from taking off. Next it could fire missiles with cluster munitions to destroy unsheltered aircraft."[1]

China's development of the anti-ship ballistic missile (ASBM) complements this strategy. The ASBM holds U.S. naval assets, principally aircraft carriers, at risk and would curtail the forward projection of U.S. airpower. Estimates suggest China may have eighty and perhaps many more ASBMs in the coming years.[2]

Mark Stokes of Project 2049, a think tank focused on Chinese security issues, summarizes China's motives for these investments:

> A primary driver for producing an anti-ship ballistic missile (ASBM) capability is to create the conditions necessary for resolution of differences with Taiwan on terms favorable to the PRC. An effective ASBM and persistent maritime surveillance capability could complicate the capacity of the United States to resist PRC use of force against Taiwan, thus undermining the letter and spirit of the Taiwan Relations Act (Public Law 96-8). Regional conventional precision strike assets also would be intended to enforce other regional sovereignty claims and ensure the security of sea lines of communication. Over the longer term, successful development and deployment of intermediate- and intercontinental-range conventional ballistic missiles and other precision strike assets would offer the PRC political leadership a flexible deterrent that could achieve strategic and operational effects against an enemy in a crisis.[3]

While Hoyler and Stokes are writing specifically about China, the intentions and objectives can hold true for other nations. Iran, for example, has just as much incentive to hold regional airbases and naval assets at risk. The same can be said for North Korea. Dr. Jerry Stocker, an Associate Fellow at the Royal United Services Institute (RUSI), notes the broader rationale driving missile arsenal growth. He argues:

> Ballistic missiles are attractive to many states because their range, speed and high trajectories give them a unique reach and a much more challenging interception task for defenses than do other delivery systems, such as manned aircraft or cruise missiles. This is so whether they are employed tactically on the battlefield, or over longer ranges for direct strategic effect. For states (and some non-state actors) that cannot successfully challenge established military powers in 'conventional' terms, ballistic missiles are one (but only one) means of posing an 'asymmetric' threat to opponents: 'if you are an antagonist of the United States, what's not to like about these weapons?'[4]

The answer, of course, is that missiles are exceedingly useful and likely to remain so, requiring that nations formulate strategies to address the challenges they present.

Expanding missile defenses

How can nations respond to the growing ballistic missile threat? Several options exist. None is sufficient by itself, and a comprehensive approach that relies on several of the options, or all of them, is most common.

The non-proliferation and technology control regime is a principal response, but one which has known limitations. While the regime is useful at slowing the rate of

development or the speed with which technologies are acquired, experience shows that a dedicated and focused effort can circumvent its strictures and that it cannot impede the indigenous development programs already under way.

Passive defenses are another means of responding to the threat of attack. Strategic facilities and locations can be hardened to survive a missile strike and civil defense systems can offer shelter to the civilian population, but these defenses by their nature require the defender to accept that a missile will strike its territory as well as accept the destruction that accompanies it.

Pre-emption using conventional forces against missile launch sites, command and control centers, or other targets is another approach to confronting the missile threat. But pre-emption requires a willingness to escalate a conflict and, in most instances, puts the would-be defender into the role of the aggressor.

Retaliation is another response. Either through aircraft or via missiles of its own, the defender may deter an attack from occurring if it has sufficient means to respond to an enemy attack. This approach dominated Cold War strategic thinking.

Missile defenses are a final option for addressing missile threats—and an increasingly popular one. Throughout Asia and the Middle East, countries threatened by ballistic missiles are investing in defenses, either purchased from the United States or developed indigenously. In the latter camp are Russia, Iran, India, and China, each of which is investing in missile defenses. Israel is as well, with support from the U.S. Japan and the United States have a cooperative development program. Several nations are seeking or have purchased U.S. defensive systems, including South Korea, Turkey, Qatar, and the United Arab Emirates. Russia has sold derivatives of its defensive systems too. Finally, the United States is expanding its own defensive network through the NATO missile defense initiative, the Phased Adaptive Approach (PAA), and, most recently, through the provision of Patriot PAC-3's to Turkey.

The reasoning behind the moves to defense is simple. Defenses make it more difficult for the attacker to achieve its goals, improve the effectiveness of passive defenses, complement retaliatory deterrence by increasing the survivability of the means to retaliate, and reduce pressures to pre-empt during a crisis.

Opportunities for the United States

The internationalization of missile defense systems has afforded new opportunities to the United States and other nations. The spread of U.S.-derived missile defense capabilities likely improves the overall effectiveness of the defense by increasing the number of sensors and interceptors, enabling greater detection, tracking, and ultimately engagement opportunities. With its worldwide obligations and dispersed military forces, the United States requires a distributed sensor and interceptor architecture. Not surprisingly, then, the United States encourages international partnerships and sales of completed systems, which augment U.S. capabilities. While narrowly these moves enhance the U.S. interest in improving the effectiveness of its missile defense, they also potentially confer new obligations—the consequences of which are profound.

The technological limits of the current missile defense architecture and, in some respects, the very nature of the systems demand deeper relationships than are typically afforded by a sale of military hardware. The U.S. missile defense system depends on an integrated network of sensors, communications, and analytical capabilities that feed critical information to the interceptors. Because the American system relies on theater- and regional-level interceptors, networks of these interceptors are required to provide the coverage desired to defend larger geographic areas.

This cooperation takes many forms. On the most basic level, military-to-military cooperation is required to ensure the efficient and effective functioning of the missile defense systems. Activities ranging from training personnel, maintaining and upgrading systems, and integrating command and control, communications, and battle management are likely to occur more frequently as U.S.-derived missile defenses spread throughout the world. Co-development of technologies offers another path towards greater cooperation. For example, Israel and Japan both have invested significant sums in cooperative development programs with the United States. A most intriguing development arises out of the obligation of the United States to employ its missile assets for the defense of those to whom it has sold, transferred, or assisted in constructing their own missile defenses.

Investments in missile defense potentially reinvigorate old alliances and deepen ties in newer relationships. If the U.S. is said to have an affirmative obligation to defend nations with U.S.-derived missile defenses, then the rudimentary structure of a defensive security umbrella has formed. This appears to be a goal of U.S. policy. The 2010 *Ballistic Missile Defense Review* speaks extensively to this new emphasis, for example, assigning international outreach and partnerships a role of high prominence. It states:

> [T]he United States will seek to lead expanded international efforts for missile defense. It will work more intensively with allies and partners to provide pragmatic and cost-effective capacity. The United States will also continue in its efforts to establish a cooperative [ballistic missile defense] relationship with Russia. The United States, with the support of allies and partners, seeks to create an environment in which the acquisition, deployment, and use of ballistic missiles by regional adversaries can be deterred, principally by eliminating their confidence in the effectiveness of such attacks, and thereby devaluing their ballistic missile arsenals. This will help undergird a broader strategic objective: to strengthen deterrence in key regions through the integrated and innovative use of military and nonmilitary means that adapt regional deterrence architectures to 21st-century requirements.[5]

Most importantly, missile defense is a means to deter regional adversaries and "adapt regional deterrence architectures to 21st-century requirements." In this context, the term *regional deterrence architecture* is a euphemism for the function of alliances. The BMDR is even more explicit on the notion of the guarantee implied by the U.S. missile defense umbrella. It states: "Ballistic missile defenses help support U.S. security commitments to allies and partners. They provide reassurance that the United States will stand by those commitments despite the growth in the military potential of regional adversaries." These defenses also are called "an essential element of the U.S. commitment" to regional alliances.

When seen in conjunction with the desired reduction in the U.S. nuclear weapons arsenal and the associated questions about the continued vitality of U.S. security guarantees to its allies, the expansion of missile defense supports the intangible aspects of the nuclear umbrella. At its core, the nuclear umbrella is a commitment of the United States to stand by and come to the aid of the allied nation and to do so in a meaningful and substantive way. The deterrent function of the nuclear arsenal is judged to have a positive dissuasive effect on an adversary. Missile defenses, if they are sufficiently robust, can have the same effect.

Missile defenses fill two roles for the United States (or any other nation electing to invest in their development and deployment). Most obviously, they provide the opportunity to avoid damage associated with a missile attack, and by virtue of doing so, complicate and perhaps dissuade an adversary from launching an attack. Second,

missile defenses strengthen the bonds that link the U.S. with its partners and allies. The technical nature of the U.S. missile defense system demands close integration of sensor, battle management, and interceptor capabilities to function most effectively. As U.S.-derived missile defenses spread, so too does the mutual obligation to the joint defense of the nations involved.

1. Marshall Hoyler, "China's Antiaccess Ballistic Missiles and U.S. Active Defense," *Naval War College Review* 63, no. 4 (2010), 95.
2. Ibid., 89.
3. Mark Stokes, *China's Evolving Conventional Strategic Strike Capability* (Arlington, VA: Project 2049 Institute, 2009), http://project2049.net/documents/chinese_anti_ship_ballistic_missile_asbm.pdf.
4. Jeremy Stocker, "The Strategy of Missile Defence: Defence, Deterrence, and Diplomacy," *RUSI Journal* 156, no. 3 (2011), 58.
5. U.S. Department of Defense, *Ballistic Missile Defense Review* (Washington, D.C.: Department of Defense, 2010), 12.

Responding to Threats, Old and New

Rebeccah Heinrichs

Which country poses the greatest threat to the U.S.? When Sen. Joe Manchin III, a West Virginia Democrat, posed this question to Director of National Intelligence James Clapper in 2011, Clapper responded, "Probably China, if the question is pick one nation state." Senators balked at this response, especially when he cited the Russian Federation as holding the number two spot. Everyone was expecting him to say the obvious: Iran, or at least North Korea. His answers weren't wrong, but perhaps a better response would have been: "It's complicated."

Weapon of choice

Nuclear ballistic missiles are the cheapest and most direct way for countries to challenge the U.S. Since Ronald Reagan delivered his Strategic Defense Initiative speech in 1983, the number of hostile countries in possession or in pursuit of such weapons has increased significantly.

In his response, Clapper cited China and Russia because of the fact that their militaries have the ability to carry out a massive nuclear attack on the U.S. But he readily admitted that he believes neither country currently has the desire to do so.

China has the most active ballistic missile program in the world and is working to ensure its offensive missiles are able to elude missile defense systems.[1] Its massive 5,000 kilometer tunnels,[2] however, make it difficult to know the precise size and certain characteristics of the force. As for its nuclear force, General Robert Kehler, the head of U.S. Strategic Command, has reportedly said that "it is not possible to accurately determine the precise level or conditions at which the PRC leadership might elect to attempt to match the U.S. nuclear inventory." Beijing appears willing to employ them in conventional conflicts, and Chinese officials have expressly said that Beijing's "no first use" nuclear weapons policy does not apply in a situation in which the U.S. might intervene in the defense of Taiwan.

Russia's highest military priority is improving its nuclear force. President Obama's former Under Secretary of Defense for Policy, Michèle Flournoy, has admitted that the Russians "are actually increasing their reliance on nuclear weapons, the role of nuclear weapons in their strategy." Indeed, while the U.S. debates whether or not or how to "refurbish" its atrophying nuclear force, Russia's modernization program portends new capabilities altogether. Regardless of limitations enforced by current or future arms control treaties, Moscow has the ability to produce 2,000 new nuclear warheads per year—as compared to America's 20. All the while, senior Russian officials, including President Putin himself, have made more than a dozen nuclear threats over the past five years.

Iran and North Korea, by contrast, have less advanced programs, although their intent to threaten the U.S. is more explicit.

The Iranian government continues to pursue a nuclear weapons capability and has the largest ballistic missile force in the Middle East. It has successfully orbited three

Rebeccah Heinrichs is a visiting fellow at the Heritage Foundation's Allison Center for Foreign Policy Studies. She is the former manager of the House of Representatives, Bi-partisan Missile Defense Caucus.

satellites, most recently in February 2012. This technology is transferable to a long-range missile capability. The official U.S. government position is that Iran, with foreign assistance, could have a long-range missile capability by 2015.

North Korea is the world's most active proliferator of ballistic missiles. It continues to defy international sanctions and test its missile and nuclear programs. Most recently, it succeeded in putting a satellite into orbit in December 2012. What is more concerning, Pyongyang continues to receive foreign assistance, including from Tehran and Beijing.

Some defense... but not enough

With today's complex and disparate threats, President Reagan's missile defense legacy is more critical than ever. Thankfully, the program has since gone from theory to reality. No, it is not the space-based global system envisioned by Reagan. And with shrinking defense budgets, it is not remiss to assert that there will be no space based missile defense in the next several years. This does not mean, however, that the U.S. can't focus its efforts on improving the current system, which is more modest in scope and capability, but is real, deployed, and totally integrated in the missions of the warfighter.

Arguing for the wholesale elimination of missile defense is leftover Cold War rhetoric that makes as much sense as arguing against ships and tanks.

But there are some more nuanced opponents of a robust missile defense. They argue that missile defense systems which protect the U.S. homeland, or which could counter more sophisticated missile threats from China or Russia, risk upsetting a delicate "balance." This argument has been winning inside the Washington Beltway, and is the position held by the Obama administration. It is why the missile defense budget is lopsided and funds regional defense against short-range missiles overseas at a rate five times greater than U.S. homeland missile defense. The first Obama defense budget eliminated most of the programs meant to increase the lethality of the ballistic missile system against more complex threats like decoys and countermeasures.

This is where the policy discussion must focus. And the country cannot afford a protracted partisan debate. The defense budget has already received a $487 billion cut over the next ten years and another $500 billion cut to the defense budget is inevitable if sequestration is implemented. As Secretary of Defense Leon Panetta said in February of 2012, "When you take a half a trillion dollars out of the defense budget, it comes with risk…. There is very little margin for error in this budget."

The missile defense budget is already bare bones. The topline must be preserved and if there is any initiative that deserves an increase in funding when all other programs are getting cut, it is homeland missile defense and investments in improving the effectiveness of current systems. This means improved space sensors, kill vehicles that work for the ground-based midcourse defense (GMD) system, more interceptors, and possibly the deployment of sea-based systems in locations optimal for protecting the U.S. homeland.

Policymakers must also give the engineers developing the systems room to test. Since the U.S. dissolved the Anti-Ballistic Missile (ABM) Treaty in 2002, policymakers in Congress have held missile defense systems to a higher standard than other military programs. They have threatened to withhold funding based on very few test performances. Like every other military platform, missile defense systems can only be improved upon if they are tested.

If the U.S. had the capability to provide greater protection of Americans and our allies from incoming nuclear-armed ballistic missiles, shouldn't every president and

Congress work to deploy such a system? And if Moscow and Beijing want the ability to target American military assets or the homeland, this is all the more reason to build defenses to take away this advantage.

Thirty years after President Reagan introduced the concept of missile defense into the popular discourse, more countries than ever before are investing in nuclear weapons and ballistic missiles. It has become increasingly difficult to predict the actions of regime leaders, or to dissuade or dampen their aspirations hostile to peace and global security. At the same time, the U.S. defense budget is shrinking. Therefore now, more than ever, the U.S. must work to deploy the most capable defensive systems it can muster.

1. Ballistic and Cruise Missile Threat, National Air and Space Intelligence Center, Wright-Patterson Air Force Base, 2009, http://www.fas.org/programs/ssp/nukes/NASIC2009.pdf.
2. U.S. House Strategic Forces Subcommittee Chairman Michael Turner, Remarks at the International Assessment and Strategy Center, June 28, 2012.

Directed Energy and the Future of Missile Defense

Richard M. Harrison

In the March 23, 1983, address that formally unveiled the Strategic Defense Initiative (SDI), President Ronald Reagan famously outlined a vision that challenged the "balance of terror" that governed relations between the U.S. and USSR. Reagan proposed an alternative to continuing to live with the imminent threat of thermonuclear war: the development and deployment of defensive capabilities able to eliminate nuclear-tipped ballistic missiles.

However, aside from a few dozen battle-untested ground-based interceptors in Alaska and California that may be capable of intercepting an intercontinental ballistic missile, perhaps the closest the United States has come to truly realizing Reagan's vision of being able to shoot down nuclear-armed missiles was in the Defense Department's efforts in recent years to strap a laser to a Boeing 747 airliner. This can hardly be the robust national missile defense architecture that President Reagan had in mind. Yet Reagan's SDI speech, and the subsequent National Security Decision Directive 85 laid the foundation for the Pentagon to aggressively pursue new technologies, including the use of directed energy systems for protection against ballistic missile attack.

False starts...

The road has not been easy, as the history of the Airborne Ballistic Laser (ABL) program, the highest-profile and best-funded directed energy system program to date, amply demonstrates. Originally conceived in the 1970s, the ABL was fast-tracked by the Pentagon during the George W. Bush administration as part of America's "system of systems" of post-ABM treaty protections against ballistic missile attack. But after more than a decade of cost overruns and technical difficulties, the ABL was ultimately cut back by a weary Pentagon and reconstituted as strictly a "demonstration program" of limited scope and application.

The reasons were myriad. The ABL's chemical laser turned out to be extremely heavy, it used highly toxic chemicals that complicated logistics for refueling, and the weapon was limited by the chemical supply on board the aircraft. Additionally, it was both costly and strategically infeasible to operate the large, cumbersome aircraft in various battlespaces for long durations of time.

The failure of the ABL notwithstanding, there are compelling reasons why the future of U.S. missile defense is inextricably linked to the use and exploitation of directed energy systems.

...but much promise

For one thing, directed energy weapon (DEW) systems are not new. Several are already employed on the battlefield or in various stages of development in defense

Richard M. Harrison is Research Fellow and Program Officer at the American Foreign Policy Council in Washington, D.C., where he directs the Council's work on defense technology.

labs. Although laser weapons are more prevalent, high-power microwaves (HPM) and charged particle beams (CPB) are also types of directed energy weapons.

It is increasingly clear that DEW is a technology whose time has come. The Department of Defense invested heavily in both CPB and HPM research during the 1970s, but ultimately scrapped development as a result of economic and technological constraints.

Not so now. Recent developments by Boeing's impressive counter-electronics high-power microwave advanced missile project (CHAMP) demonstrated that HPM weapons can be used to generate an electromagnetic pulse, which destroys the electronics of a target location, facility or vehicle. This technology can be adapted for missile defense by using it to disable an adversary's missile guidance system network, effectively removing an enemy's ability to successfully guide missiles to designated targets.

However, it is lasers that represent a true ray of hope for new missile defense systems. Lasers are able to concentrate energy on a target and have the proven ability to cause physical destruction. Laser weapons also possess several inherent advantages over kinetic weapon systems. First, lasers operate at the speed of light, so they reach their target immediately, with pinpoint accuracy across large distances.

Although laser weapon systems will require significant upfront investment, they offer far reduced cost per shot over traditional interceptor missiles. According to experts, excluding development costs, firing an interceptor missile costs over a million dollars, but the equivalent shot from a laser weapon would only cost tens of dollars.

Laser weapons can engage in multiple targets with an endless magazine of ammunition—limited only by the amount of power available to fuel the weapon system. Most important, lasers avoid the technical difficulty of trying to "hit a bullet with a bullet," as required when a missile interceptor is used to kinetically destroy a missile.

The road ahead

Of course, not all lasers are created equal. Currently lasers serve several purposes in warfare, including but not limited to guiding munitions, range finding, targeting, and blinding optical sensors. But these lasers are relatively weak compared to those with the beam strength required to shoot down a missile. A laser's power level, measured in watts, is a key differentiator used to assess its capability to destroy targets of various size and speeds. Lasers operating with power levels of over 100 kilowatts are able to shoot down UAVs, rockets, artillery, and mortars; and powerful megawatt-class lasers are capable of destroying anti-ship cruise missiles and ballistic missiles.

Today, chemical lasers, like the one found on the mostly defunct ABL program, are the only megawatt-class lasers capable of destroying an intercontinental ballistic missile. And they are likely the only type of laser to reach the megawatt power level in the immediate future. But with advancements in technology and adequate funding, non-chemical lasers (such as free electron lasers) are positioned to play a role in combating short-range and anti-ship cruise missiles in the near term—and long-range ballistic missiles in the longer term.

Lasers are not without their limitations, however. Lasers shoot in straight lines, so they are not effective for targeting missiles over the horizon—though this may be mitigated by redirecting laser beams off mirrors affixed to UAVs, blimps, or satellites. As well, due to the concept of "thermal blooming," lasers struggle to destroy targets heading directly at the laser beam, although this problem does not occur with a ballistic missile due to its trajectory. The biggest obstacle to the vitality of laser weapon systems is undoubtedly the U.S. government itself. Due to inadequate past performance and

the current state of economic malaise, directed energy weapons systems will likely continue to struggle for funding.

That represents a critical error. If the U.S. wishes to remain an unparalleled military force capable of defending its homeland and allies abroad from an expanding array of missile threats, then it is imperative to innovate. DEWs are not a panacea for missile threats; however, they do offer very real and significant benefits over traditional systems. Lasers are not meant to replace kinetic weapon systems, but rather act in combination with them to provide the missile defense architecture that President Reagan envisioned—the one that America today so urgently needs.

The Logic of Space-Based Defense

Michaela Dodge

Of all the misconceptions that people have about ballistic missile defense, none is more incorrect and damaging than the notion that space-based missile defenses do not work. The first successful intercept was achieved in 1962 (albeit not with space-based interceptors), about twenty years before President Ronald Reagan delivered his "Star Wars" speech in which he asked: "What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack; that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?" In the past three decades, the United States has achieved some progress in advancing its missile defense program, but not nearly enough to cope with the evolving ballistic missile threat.

While President Reagan's proposal and subsequent interceptor program were criticized as unrealistic and even unscientific at the time, a look around today is enough to make one realize that the United States can have a viable space-based missile defense program—*if* our political leadership decides to pursue it. From the amazing processing capabilities of our smartphones to the Mars rover "Curiosity," today's systems use technologies that could be utilized in space-based interceptors.

In fact, the great-great-grandfathers of many of these gadgets were made commercially viable by advances under the aegis of the Strategic Defense Initiative (SDI) program. Progress in miniaturization and computation make President Reagan's dream of rendering the threat of ballistic missiles "impotent and obsolete" even more feasible today than it was thirty years ago.

There is more to the story. The United States could already have had a viable, comprehensive space-based interceptor constellation about a decade ago. In 1990, the Pentagon's Defense Acquisition Board approved an acquisition plan for the *Brilliant Pebbles* program, one of the elements of the Global Protection Against Limited Strikes (GPALS) program, a successor to SDI. The approval followed a season of studies, all of which affirmed the program's cost-effectiveness and technological viability.

The need for an effective missile defense system was hammered home during Operation Desert Storm, when the United States struggled to make the Patriot Air Defense system available on time to protect its forward-deployed troops from Saddam Hussein's Scud missiles. The spectacularly successful 1994 Clementine mission validated most technologies and concepts for developing and deploying cheap miniature maneuverable kinetic kill vehicles for use in space. However, it was not enough to convince the Clinton administration not to "take the stars out of Star Wars," as Secretary of Defense Les Aspin famously put it.

The years following the Soviet Union's collapse have seen an explosion in the number of states that are aggressively pursuing and buying ballistic missile technologies. With no effective nonproliferation regime in place, North Korea obtained both nuclear weapon and ballistic missile technologies. Iran tested the launching of short-

Michaela Dodge is a Research Associate for Strategic Issues at The Heritage Foundation, where she specializes in missile defense, nuclear weapons modernization and arms control.

range ballistic missiles from its submarines and launched multiple long-range ballistic missiles. It has even put short-range missiles and rockets into the hands of terrorist organizations Hamas and Hezbollah.

Today, proponents of the space-based missile defense program continue to be called unrealistic and are accused of being stuck in the Cold War mind-set. The latter accusation is the most peculiar, since it is the Cold War theory of mutually assured destruction that stipulates that it is necessary to have unrestricted access to the destruction of an opponent's population and economic targets for deterrence to work. This ideology was codified in the 1972 Anti-Ballistic Missile (ABM) Treaty, which limited the Soviet and U.S. missile defense options.

Opponents of missile defense usually invoke the same Cold War arguments, labeling missile defenses destabilizing as if Russia today were the Soviet Union and North Korea and Iran were not on their way to possessing the capability to destroy any U.S. city in thirty-three minutes. Indeed, in a world where more states possess ballistic missiles, defenses may actually contribute to stability in a crisis, as The Heritage Foundation's 2008 "Nuclear Games: A Tool for Examining Nuclear Stability in a Proliferated Setting" study showed.

With the end of the Cold War, the growing ballistic missile threat compelled even the Clinton administration to recognize that the world has changed and that a ballistic missile defense program might be desirable after all. In 1998, North Korea conducted a ballistic missile test over Japan, an important U.S. ally in the Pacific region. The test sent shivers through the national security community.

The Clinton administration abandoned its quest to sign ABM Treaty successor agreements, an effort the Senate rejected because it found that limits on our theater missile defense systems would negatively impact our ability to protect the homeland and allies from long-range ballistic missiles. Yet Clinton was not interested in changing that destabilizing paradigm. That is how the notion that the United States must be protected against a "limited" ballistic missile attack came to be part of a broader public policy discourse.

The George W. Bush administration recognized that the logic codified in the ABM Treaty is no longer valid and withdrew from it in 2002. It thereafter increased funding for the U.S. missile defense program and focused primarily on sea- and ground-based missile defense programs because they allowed the most rapid deployment at the time. In many instances, they drew on research conducted during the Reagan administration. Sadly, congressional opposition and the Administration's own lack of interest in pursuing a space-based interceptor program precluded any serious advances in the technology.

The Obama administration, for its part, has killed any prospect for a space-based missile defense program for the foreseeable future. The President's fiscal year 2011 budget proposal requested almost $1 billion less for the Missile Defense Agency than the Bush Administration's FY 2009 budget request. The Administration has eliminated some of the most promising missile defense programs like the Multiple Kill Vehicle, the Airborne Laser, and the Kinetic Energy Interceptor. Not surprisingly, these programs would be best suited to advancing some technologies that are relevant to the space-based interceptors.

The President has also subjected the United States to the New Strategic Arms Reduction Treaty, which re-establishes a link between strategic offensive and defensive systems. The Russians have repeatedly threatened to withdraw from the treaty or to use nuclear weapons on U.S. allies in Europe preemptively if the United States continues to deploy and expand its missile defense program. Moreover, the seques-

tration process outlined in the Budget Control Act of 2011 threatens to undermine even modest advances the Obama administration has made on the sea-based missile defense program.

History tells us where missile defense could be today. A proper space-based interceptor constellation would provide the widest area of coverage and the greatest number of shots against enemy warheads compared to other basing modes. Ideology, politics, and a false sense of security are the main factors that have prevented the research and deployment of space-based ballistic missile intercept capability.

The United States should realize, however, that these factors are weaker than our enemies' desire to exploit America's vulnerabilities.

The Herzstein **military forum**
Made possible by the support of the **Albert & Ethel Herzstein Charitable Foundation**

Latin American Threats and Challenges

Renee Novakoff

A close inspection of trends in Latin America and the Caribbean reveals ongoing threats that, if left unchecked, could at best negatively affect U.S. interests. At worst, they could directly impinge on the security of the U.S. and its citizens. Mitigating these will take focus and emphasis, a whole-of-government approach to the region, information sharing across regional and U.S. interagency stovepipes, and only a small amount of funds. Those issues that are of most concern are: the growth of transnational organized crime (TOC) throughout the region; the increased Iranian presence in the region; and the presence of Islamic terrorist groups or entities. The prospects for a merger of these trends is most alarming.

The scourge of transnational organized crime

The activities of transnational organized crime networks are a significant security risk for the United States. Day-to-day, insidious criminal activity is slowly penetrating societies throughout the region, but especially in Central America. Increasingly, they are doing the same in several Caribbean nations.

Transnational organized criminal networks undermine the rule of law and are a severe impediment to regional economic growth. Criminal actors chip away at the legitimacy of states by violating basic tenets of the social contract. Their actions retard economic development and growth, fostering a vicious cycle of poverty and victimization from which new recruits emerge to join their ranks.[1] For the people of Central America and the Caribbean, violence fueled by transnational organized crime and illicit drugs is one of the most urgent threats they face, as is borne out in regional polls.

Ms. Renee Novakoff is the Senior Defense Intelligence Analyst for U.S. Southern Command. She has worked on Latin American issues for the past fifteen years and has published several articles on security issues in the region.

The United Nations has noted that criminals and their networks can hijack social and economic development.[2] In some of the nations in this region, especially in the northern tier of Central America—Belize, Guatemala, Honduras, and El Salvador—they already have. Across the region, murder rates are generally higher than they were ten years ago. The Mexican nongovernmental organization Security, Peace and Justice recently published its annual study on worldwide murder rates. It claims that 47 of the top 50 countries with the highest murder rates in the world are in the Americas.[3]

In addition, these borderless criminal groups infiltrate government institutions to create for themselves space from which to carry out illicit activities. In Latin America, Transnational Organized Crime (TOC) networks will continue to grow and, in the worst cases, work with corrupt government institutions to form an alliance that gives the criminal group space to do business. This affects societies and the ability of the United States to interact with these governments. Public insecurity is pervasive, growing and supportive to further TOC encroachment.

Criminal networks' access to regional governments is gaining momentum and leading to co-option in some states and the weakening of governance in others. The nexus in some states among these networks, elements of government, and business leaders threatens the rule of law. New communications technologies have led to new criminal business models of widely distributed, constantly shifting networks of personal contacts and fleeting alliances to produce, market, transport, or distribute illegal trade—sometimes drugs, sometimes human beings, sometimes extortion, arms, kidnapping, counterfeiting or whatever activity turns a profit.[4]

The challenges faced by these countries are further exacerbated by the economic power wielded by criminal groups. The value of cocaine destined for sale dwarfs the security and defense budgets in Latin America and the Caribbean. This allows a significant criminal penetration into governmental organizations, including security forces and judicial systems, as well as legitimate financial networks. The overall value to these criminal networks from the cocaine trade alone is more than the gross domestic product (GDP) of every country in Latin America except Brazil: some $400 billion. And cocaine trafficking is but one of the myriad criminal activities taking place. Add to this vast sum the money made from arms trafficking, human trafficking, trafficking in counterfeit goods and money laundering, and the reported proceeds exceed a staggering three trillion dollars globally. In 2010 alone, the UN estimates that criminals, especially drug traffickers, may have laundered around $1.6 trillion, or 2.7 percent of global GDP.[5]

Further complicating the criminal landscape in the region is the role of gangs. While many gangs lack the organizational structure, capital, and manpower required to run sophisticated criminal schemes or to penetrate state institutions at high levels, some (such as Mara Salvatrucha, MS-13, and 18th Street, M-18) have become more highly organized.[6] Analysts argue that some gangs in the region may be evolving into "third generation" gangs that are "internationalized, networked, and complicated structures."[7] They are directly tied to the same northern tier states in Central America that are exhibiting increased illicit trafficking activity, and these gangs have direct links to the U.S.

The major gangs operating in Central America with ties to the United States are 18th Street gang and MS-13. These gangs were established in the 1980s, when many Salvadorans immigrated to the United States to escape the civil war. In the 1990s, the United States

began implementing a policy of deporting non-citizens convicted of felonies. Once they returned to Central America, they expanded the influence of their gangs. The weak law enforcement and judicial systems in Central America enable these gangs to flourish.

Today, MS-13 and 18th Street engage in a variety of criminal activities, primarily extortion and assassinations. These transnational gangs, largely unaffected by law enforcement, continue to expand and refine their violent criminal activities. Although the actual percentage of homicides that can be attributed to gangs in Central America remains controversial, the gangs have unquestionably been involved in a broad array of other criminal activities. Gangs are involved in the extortion of residents, bus drivers, and business owners in major cities throughout the region. Failure to pay often results in harassment or violence by gang members. In 2010, gangs reportedly killed 130 Guatemalan bus drivers and 53 bus toll collectors.[8] In October 2012, the U.S. Treasury Department put MS-13 on its list of designated Transnational Organized Crime Groups pursuant to Executive Order (EO) 1358.[9]

The violence associated with MS-13 and 18th Street poses a serious threat to regional stability, much like violence associated with transnational organized crime trafficking groups. Estimates of the number of gang members in Central America vary widely, but there are thought to be about 70,000. Honduras, Guatemala, and El Salvador are particularly hard hit by gang-related crime and have some of the highest murder rates in the world. In 2011, the estimated homicide rate per 100,000 people was 91.6 in Honduras, one of the highest in the world, 69.2 in El Salvador, and 38.5 in Guatemala. By comparison, the United States average was 4.8 per 100,000.[10] As these groups grow in size and sophistication, and develop closer linkages to traditional criminal organizations, the threat they pose to local and regional security may grow exponentially.

Connections between gang activity in Central America and the U.S., moreover, are growing. If this trend continues, these groups could undermine U.S. societal norms. In 2008, U.S. law enforcement had found evidence suggesting that some MS-13 leaders jailed in El Salvador were ordering retaliatory assassinations of individuals in the Washington, D.C., metro area, as well as designing plans to unify their *clicas* (cliques) with those in the United States.[11] In 2008-2009, the Federal Bureau of Investigation (FBI) simultaneously arrested gang members in El Salvador and in Charlotte, North Carolina, responsible for carrying out several murders in North Carolina.[12] Ties between some Washington, D.C.-based cliques and groups in El Salvador are particularly well developed.[13]

Iran's intrusion

A growing presence in Latin America by the Islamic Republic of Iran is another important negative trend—and one that directly affects U.S. interests. In 2009, Iranian President Mahmoud Ahmadinejad declared, "When the Western countries were trying to isolate Iran, we went to the U.S. backyard."[14] In keeping with this idea, Iran has placed great emphasis on developing relationships with neighbors of the U.S. According to Chilean scholar Ivan Witker, Iran "is proving its capacity to spread its religious message and vision to the world, to create new alliances and influences but—above all—to draw close those who consider the U.S. their principal enemy."[15]

Iran has shown some success in increasing its presence in Latin America since about 2007. It was in that year that Iran began a process that would result in a near-doubling of the number of embassies it had in Latin America and the Caribbean. It also began a series of heads

of state visits. To date, Ahmadinejad has made six official visits to the region; his Defense Minister has made one. Latin American heads of state have reciprocated in kind; Venezuelan President Hugo Chávez made nine visits to Iran, Bolivian President Evo Morales has made two, and Nicaraguan President Daniel Ortega has made three.[16]

Iran's regional relationships likewise have grown since 2007. On January 21, 2013, German customs officials discovered a Venezuelan check for $70 million in the bag of Tahmasb Mazaher, Iran's former Central Bank Director—a telling example of the illicit financial ties that have cropped up between Tehran and Caracas of late. Even Argentina's traditional reservations about Iran are thawing; on January 27, 2013, Argentina announced plans to establish a joint truth commission with Iran to investigate the 1994 car bombing of the Argentina Israelite Mutual Association (AMIA) in Buenos Aires. It did so even though Iran itself allegedly directed the attack, perpetrated by Hezbollah. In fact, back in 2007, Argentina requested the arrest of Iran's current Defense Minister, Ahmad Vahidi, and five other Iranians for their participation in the AMIA bombing. Until now, Argentina would not partake in bilateral exchanges, and was incensed when Bolivia allowed Vahidi to visit in 2011. Now, however, it apparently is willing to proceed with talks with Iran.

Nevertheless, Iran has been only marginally successful in developing close relationships across the board with Latin American and Caribbean nations. Iran has signed billions of dollars' worth of bilateral agreements with Venezuela, although financial accountability and monitoring is almost nonexistent. Iran has also promised hundreds of millions of dollars in aid and investments in Nicaragua, Bolivia, and Ecuador. Because most of the deals are opaque and there are few public records available, it is not clear how much of the promised aid has been delivered.[17] It would appear that nowhere near the amount agreed to has materialized.

Most of Iran's joint economic ventures have faced controversy, or failed. Advocacy for Iran in international fora by regional leaders has largely become nonexistent with the change of government in Brazil from former President Luiz Inacio Lula da Silva to current President Dilma Rouseff, and with Venezuela's Hugo Chávez losing his battle with cancer. Iran, however, appears focused on developing ties to Venezuela, Bolivia, and Ecuador, likely largely because these governments have been most receptive to Iran's overtures—and least receptive to the United States. Indeed, this common desire to build an alternative power structure free of the dominance of the United States is one of the few reasons that populist and self-described revolutionary, staunchly secular governments in Latin America would make common cause with a reactionary, theocratic Islamist regime.[18]

Iran is aware that it has strategic communications issues in this region and has followed a two-pronged attempt to cultivate a more popular image among the population of the Americas. It has developed its own Voice of America type of service to the region. It has also partnered with regional media to have them include Iranian broadcasting. These efforts include: financing the construction of mosques and cultural and religious centers; translating books and ideological and religious material into Spanish and distributing them throughout Latin America; providing local residents with religious and political training in Iran; sending Iranian clerics to preach in Latin America; and establishing a Spanish TV station which broadcasts 24/7 (HispanTV, which began broadcasting on February 1, 2012); and providing assistance in establishing Spanish-language

Internet sites. Finally, it has targeted aid and investment to poor populations in order to promote a humanitarian image of itself to the populace.[19]

Iran has established cultural centers throughout the region that are focused on not only proselytizing the local populations but outreach to those populations—and on helping create awareness of, and shape attitudes toward, Islam and the Islamic Revolution in Spanish-speaking countries.[20] To this end, Mohsen Rabbani, a former Ministry of Culture bureaucrat (and an alleged mastermind of the 1994 AMIA bombing in Buenos Aires) has spoken publicly about a variety of efforts now being carried out as part of such outreach, including: sending clerics, both Iranians and locals, to various regions in Latin American countries; providing clerics sent to Latin America with training in science and culture; giving Spanish courses to Iranian clerics; helping Islamic centers in Latin America; cooperating with Iranian organizations abroad to establish networks of local activists; creating new Islamic centers and mosques.[21]

Another opaque aspect of Iran's activities in Latin America is the selective recruitment of government cadres and students by the Iranian government in the countries where they have strong ties. These individuals are sent to classes lasting from 30 to 90 days which are described as "diplomatic training."[22] The classes, given in and around Tehran, include intelligence training, crowd control techniques, and counterintelligence. So far, the training has involved several hundred people from Venezuela, Bolivia, Nicaragua, Ecuador and the Communist Party of El Salvador.[23]

The threat from the Iranian presence in Latin America and the Caribbean should not be overstated. However, neither should it be ignored. Iran has the capability to initiate operations worldwide, as the 2011 discovery of a plot by Iran's Revolutionary Guards to assassinate the Saudi Arabian Ambassador in the U.S. demonstrates.

We must remain vigilant and aware of Iranian intentions and advances in this hemisphere in order to keep our friends and our citizens safe. The Qods Force, the elite clandestine unit of Iran's Revolutionary Guards, is present in the Americas. In recent years it has increased its presence in Latin America, especially Venezuela.[24] This force supports extremists by providing arms, funding and paramilitary training. It is not constrained by ideology; many of the groups it supports do not share, and sometimes openly oppose, Iranian revolutionary principles, but Iran supports them because they share common interests or enemies.[25]

Tehran likewise has been intimately involved in the activities of the Bolivarian Alliance for the Americas (ALBA) since the formation of that Cuban- and Venezuelan-led geopolitical bloc—which also encompasses Ecuador, Bolivia, Nicaragua, and a number of other nations. As part of that relationship, Tehran reportedly provided at least some of the seed money for the establishment of the bloc's regional defense school situated outside Santa Cruz, Bolivia. Iranian defense minister Ahmad Vahidi reportedly was scheduled to preside over the school's inauguration in May 2011, and Iran—an ALBA observer nation—is now said to be playing a role in training and indoctrination at the facility.[26]

The presence of Islamic extremists

There are many myths about Islamic terrorist activities in Latin America and the Caribbean. Some literature on the subject paints a dire threat, stating that attacks are imminent either in the region or from the region, just as much literature downplays the threat, stating that the over 3 million Muslims,

or about one percent of the population in the region, are peaceful and just trying to make a living. As is usually the case, the truth is somewhere in the middle.

Most of the activity that individuals associated with Islamic terrorists are involved with are revenue generation and logistics such as document fraud and money laundering. The Paraguayan media reported in April 2006 that millions of dollars were being funneled from the Triborder Area (TBA)—the lawless frontier where the borders of Brazil, Argentina and Paraguay intersect—to the Middle East. The U.S. intelligence community estimates that Hezbollah-affiliated individuals in the region generate tens of millions of dollars for the parent organization through both licit and illicit means.[27] Counterterrorism organizations in the TBA likewise have uncovered over fifty people suspected of sympathizing with extremism and of financing Islamic terrorism, according to local media.[28] The United States Department of the Treasury has designated thirty-two people and twenty-four entities from Latin America as providing support to Hezbollah.

Both Sunni and Shi'a extremists have been involved with plots to attack U.S. and Israeli interests in and from the region. The first one, in 1992, against the Embassy of Israel in Buenos Aires, Argentina, killed 42 people and wounded 242. The second one, two years later, against the headquarters of the largest Jewish Community Center in the city, left 82 people dead and 300 wounded. Another incident that many attribute to Hezbollah occurred on July 19, 1992, when a Lebanese suicide bomber boarded a commuter flight in Colón, Panama, and detonated a bomb, killing all 21 people aboard. The bomber carried a fake U.S. passport.[29]

A big concern is that of "homegrown" extremist groups. Proselytizers with ties to global Islamic extremism are attempting to radicalize and recruit among the Muslim communities throughout Latin America and the Caribbean. Outreach by external extremist groups from the Middle East, Africa, and South Asia has increased. Tariq Jameel, second-in-command of the proselytizing group *Tablighi Jama'at*, which recruited John Walker Lindh and Richard Reid among other convicted terrorists, visited Panama in September 2012 in his first known attempt at outreach to Central America.

The *Jamaat al Muslimeen* (JAM) is a Sunni terrorist organization that operates in Trinidad and Tobago. So far, it has been the only subversive group in the region to attempt a *coup d'état* to install a *sharia*-based government. In 1990, over a six-day period, JAM's leader, Yasin Abu Bakr, held members of the Trinidad government—including then-Prime Minister Arthur Napoleon Raymond Robinson—hostage while chaos and looting broke out in the streets of the capital city. The coup failed. Bakr continues to lead the *Jamaat al Muslimeen* and authorities have re-arrested him on several occasions over the years. Bakr is currently being prosecuted with conspiracy to murder several of the group's former members who had spoken out publicly against the *Jamaat al Muslimeen* and its practices.[30]

Another homegrown Islamic plot took place starting in 2006. It concerns Shi'a cleric Kareem Ibrahim of Trinidad & Tobago, who was convicted in New York in 2011 of conspiracy to mount a terrorist attack on John F. Kennedy International Airport. The trial evidence established that Ibrahim, an imam and leader of the Shiite Muslim community in Trinidad & Tobago, provided religious instruction and operational support to a group plotting to commit a terrorist attack at the airport.[31]

In Jamaica, Sheikh Abdullah el-Faisal, the extremist cleric who was convicted in Britain for soliciting murder

and inciting racial violence, continues to reach out internationally. El-Faisal, a Jamaican-born Islamic cleric, was the first person in more than a century to be convicted under Britain's *1861 Offences Against the Person Act* after he was found guilty of soliciting murder and fueling racial hatred in 2003. During his trial, tapes of his sermons were played, in which he extolled his listeners to "kill Hindus and Jews and other non Muslims, like cockroaches." Following the completion of his sentence in May 2007, authorities deported him. Jermain Lindsay, one of the 2005 London transport system bombers, was also born in Jamaica and press reports claim that Sheikh Faisal influenced Lindsay to partake in the UK bombing plot.

A crime/terror nexus

The presence of these "bad actors" raises the question of a possible "nexus" between international terrorist organizations and criminal networks in the region. The answer is complex. In its simplest form, a threat is defined as capability plus intent. Illicit trafficking groups do not currently possess the intent to attack the United States. But these organizations possess the capability to do serious harm if they believe their illicit operations are being hindered. However, given the diffuse nature of both types of networks, transnational criminals could wittingly or even unwittingly facilitate terrorist activities. Although regionally based Lebanese Hezbollah support networks are involved in drug and other illicit trafficking, we have only a partial understanding of the possible interconnections and overlap between terrorist financing and illicit revenue streams, both within the hemisphere and on a global scale.

Latin American security expert Douglas Farah argues that drug trafficking organizations and terrorist groups in the hemisphere are increasingly using the same intermediaries to obtain arms, launder money, and move illicit products across borders via "terrorist-criminal pipelines." According to him, these connections are most often temporary associations based primarily on necessity, which are constantly shifting and evolving. This would mean that Hezbollah links to drug trafficking groups like the Mexican drug cartel known as Los Zetas are short-term circumstantial arrangements rather than strategic partnerships. Both Hezbollah and drug cartels rely on experts who can easily transfer and legitimize illicit funds internationally, and these "super-fixers" (as Farah refers to them) are driven more by economic incentives than ideology.[32]

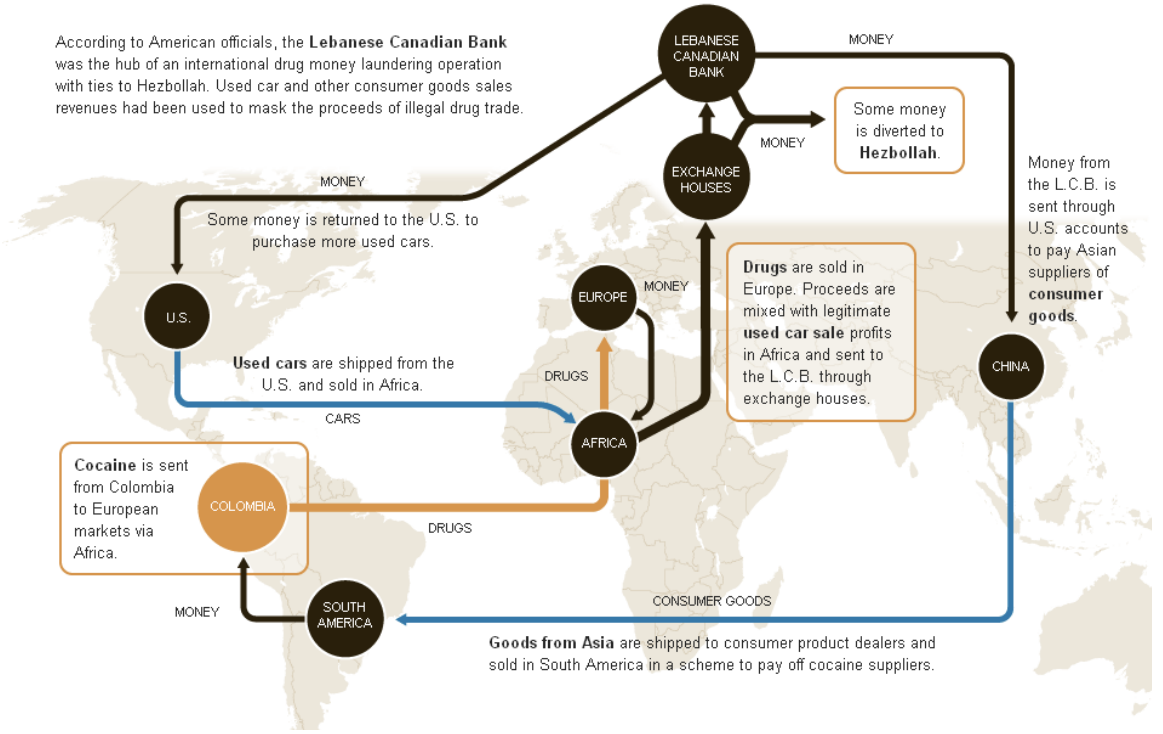
On November 23, 2011, following a covert DEA investigation, the U.S. filed charges in absentia against Lebanese drug lord Ayman Joumaa. The indictment included details of Hezbollah's close relations with Los Zetas. It also included details of Hezbollah's far-reaching network of criminal activities in Latin America and around the globe. According to testimony before the House of Representatives' Committee on Foreign Affairs, the DEA investigation of the Ayman Joumaa affair indicated that Hezbollah leaders were involved in smuggling cocaine from South America. Ayman Joumaa, a Lebanese drug lord, was charged with shipping tens of tons of cocaine through Mexico from Colombia to the United States over the course of at least eight years. He was also charged with laundering money for drug cartels operating in Mexico, Europe and West Africa.[33] Former DEA senior official Michael Braun stated that the Ayman Joumaa affair was yet another example of how Hezbollah obtained funding through criminal activities. According to the indictment, Ayman Joumaa was a middleman between the organization and various drug cartels.[34]

In 2008, U.S. and Colombian authorities dismantled a cocaine smuggling and money-laundering organization that allegedly helped fund Hezbollah operations. Dubbed Operation Titan, the law enforcement effort uncovered a money laundering operation that is suspected of laundering hundreds of millions of dollars of cocaine proceeds a year and paying 12 percent of those profits to Hezbollah.[35] Operation Titan has led to more than 130 arrests and the seizure of $23 million. One of those arrests was of Chekri Mahmoud Harb (also known as "Taliban" or "Tali"), who is a Lebanese national suspected of being a kingpin of the operation. In 2010, Harb pled guilty to conspiracy to manufacture and distribute five kilograms or more of cocaine knowing the drugs would ultimately be smuggled into the United States.[36]

Moreover, the 2011 Iranian plot to assassinate the Saudi Ambassador to the U.S. demonstrates that Iran is willing to leverage criminal groups to carry out its objectives. This only underscores concerns over the exploitation of criminal capabilities. Any group seeking to harm the United States—including Iran—could view criminal middlemen, facilitators, and support networks as potential operational *enablers*, although not necessarily operational *requirements*.

Money Laundering at Lebanese Bank

The chart below shows the intricate money-laundering system the Lebanese Canadian Bank used to divert money to the Shiite militant group Hezbollah, according to United States officials.



Source: *New York Times*, December 13, 2011.

A way ahead

The key to mitigating the above threats is understanding the networks that support them. The 2010 *National Security Strategy* acknowledges the challenge from terrorist groups and criminal organizations. It also says that combating transnational criminal and trafficking networks will require a "multidimensional strategy that safeguards citizens, breaks the financial strength of criminal and terrorist networks, disrupts illicit trafficking networks, defeats transnational criminal organizations, fights government corruption, strengthens the rule of law, bolsters judicial systems, and improves transparency."[37]

Major crime groups and terrorist elements such as Mexican cartels or Colombia's FARC or even Lebanese Hezbollah elements active in the region tend to contract with smaller, local criminal organizations that move goods. In the case of Lebanese Hezbollah, the group's associates might be those support elements that are important to the trafficking network. Little is known about these support networks, however. These franchises operate in, and control, specific geographic territories which allow them to function in a relatively safe environment. These pipelines, or chains of networks, are adaptive and able to move a multiplicity of illicit products (cocaine, weapons, humans, and bulk cash) that ultimately cross borders, including U.S. borders, undetected thousands of times each day. The actors along the pipeline form and dissolve alliances quickly, occupy physical and cyber space, and use both highly developed and modern institutions, including the global financial system, as well as ancient smuggling routes and methods.[38] They are middlemen who have little loyalty to one group and often have no aspiration to develop their organization into a major network.

To understand and counter these threats, the U.S. government will need to work across interagency lines. This will take new organizational constructs and relationships that are not wedded to parochial norms. More so than any other problem the U.S. faces, this particular challenge of unraveling networks that threaten American interests blurs the line among U.S. institutions. The size, scope, and reach of transnational criminal networks alone far surpasses the ability of any one agency or nation to confront this threat. Add to that the support networks from terrorist groups and the problem grows impossibly complex for just one community, be it law enforcement or the intelligence community.

It will take concerted collaboration and sustained commitment by the United States and the international community—both governmental and non-governmental organizations—to address these complex problems. Innovative approaches, creative public-private collaborations, and synchronization of efforts between numerous U.S. federal agencies—the Departments of Defense, State and Homeland Security, as well as the Drug Enforcement Administration and the United States Agency for International Development—will be necessary to create a cooperative national and international network that is stronger and more resilient than any criminal or terrorist support network. The key to success will be information sharing within the U.S. interagency community and with our partner nations.

The U.S. today faces threats from groups and individuals who are using Latin America and the Caribbean to conduct their business, raise funds, and develop safe environments. Allowing the current trends to fester and grow increases the likelihood they will merge. The U.S. needs to continue its efforts of thwarting these negative influences. But it also must develop a new prism through which to confront this new type of enemy that has no boundaries.

1. "Globalization's sinister entrepreneurs hurt economic growth, says UNODC." United Nations Office of Drugs and Crime, January 27, 2011, http://www.unodc.org/unodc/en/press/releases/2011/January/globalizations-sinister-entrepreneurs-hurt-economicgrowth-says-unodc.html.
2. *Transnational Organized Crime in Central America and the Caribbean: A Threat Assessment* (United Nations Office of Drugs and Crime, September 2012).
3. "San Pedro Sula First Place Again (50 Most Violent Cities in the World)," *Seguridad, Justicia y Paz*, February 7, 2013, www.seguridadjusticiaypaz.org.mx.
4. Robert Killebrew, "Criminal Insurgency in the Americas," *Prism* 2, no. 3, June 2011, http://www.ndu.edu/press/criminal-insurgency.html.
5. "Estimating Illicit Financial Flows from Drug Trafficking and Other Transnational Organized Crime," United Nations Office of Drugs and Crime, October 25, 2011.
6. Clare Ribando Seelke, *Gangs in Central America* (Washington, DC: Congressional Research Service, January 2013).
7. John P. Sullivan and Adam Eikus, "Global Cities, Global Gangs," Open Society Net, December 2, 2009.
8. Seelke, *Gangs in Central America*.
9. U.S. Department of Treasury, "Treasury Sanctions Latin American Criminal Organization," October 11, 2012.
10. United Nations Office of Drugs and Crime Homicide Statistics, 2013.
11. U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *Regional Gang Initiative: Assessments and Plan of Action*, July 1, 2008.
12. Seelke, *Gangs in Central America*.
13. Ibid.
14. Román Ortiz, "Ayatollahs Cast Growing Shadow in Latin America," *Atlanta Journal-Constitution*, September 9, 2009, http://www.ajc.com/opinion/ayatollahs-cast-growing-shadow-135031.html.
15. Ivan Witker, "Iran's Expansion in Latin America and Its Security Implications for Chile and Argentina," *Insights from the Field*, May 2010, www.researchfromthefield.com.
16. Stephen Johnson, *Iran's Influence in the Americas* (Washington, DC: CSIS, March 2012).
17. Douglas Farah, "Iran in Latin America: An Overview," in Cynthia Arnson, Haleh Esfandiari and Adam Stubits, eds., *Iran in Latin America: Threat or Axis of Annoyance?* (Washington, DC: Woodrow Wilson International Center for Scholars, Summer 2009), http://www.strategycenter.net/docLib/20090620_DFIraninLatAm-June2009.pdf.
18. Ibid.
19. Johnson, *Iran's Influence in the Americas*.
20. Rasa News Agency, February 15, 2012.
21. hawzahnews.com, May 27, 2011.
22. Farah, "Iran in Latin America: An Overview."
23. Ibid.
24. U.S. Department of Defense, Office of the Secretary of Defense, *Unclassified Report on Military Power of Iran*, April 2010, http://www.iranwatch.org/government/us-dod-reportmilitarypoweriran-0410.pdf.
25. Ibid.
26. Ilan Berman, "Iran Courts Latin America," *Middle East Quarterly* XIX, no. 3, Summer 2012, http://www.meforum.org/meq/pdfs/3297.pdf.
27. As demonstrated by the 1992 and 1994 bombings of the Israeli Embassy and Asociación Mutual Israelita Argentina (AMIA), respectively, by Hezbollah operatives.
28. "About 50 Alleged Extremists Were Investigated in the TBA Region," Asunción ABC, July 17, 2005
29. "Hezbollah's External Support Network in West Africa and Latin America," International Assessment and Strategy Center, August 4, 2006.
30. Chris Zambelis, "Spotlight on Trinidad and Tobago's Jamaat al-Muslimeen," Jamestown Foundation *Terrorism Monitor* 5, iss. 12, June 21, 2007, http://www.jamestown.org/single/?tx_ttnews[tt_news]=4243.
31. Johnson, *Iran's Influence in the Americas*.
32. Geoffrey Ramsey, "What Is the Real Threat of Islamic Terrorism in Latin America?" *InSight Crime*, August 14, 2012, http://www.insightcrime.org/.
33. *U.S. v. Ayman Joumaa*, U.S. District Court for the Eastern District of Virginia, Case#1:11-cr-00560-TSE.
34. U.S. Department of the Treasury, "Treasury Targets Major Lebanese-Based Drug Trafficking and Money Laundering Network," January 26, 2011, http://www.treasury.gov/press-center/press-releases/Pages/tg1035.aspx.
35. Chris Kraul and Sebastian Rotella, "Colombia Drug Ring May Link to Hezbollah," *Seattle Times*, October 25, 2008.
36. *U.S. v. Chekri Mahmoud Harb*, U.S. District Court for the Southern District of Florida, Case#1:08-cr-20285-FAM.
37. White House, Office of the Press Secretary, *National Security Strategy of the United States of America*, May 2010, 49, http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf.
38. Douglas Farah, *Transnational Organized Crime, Terrorism, and Criminalized States in Latin America: An Emerging Tier-One National Security Priority* (Carlisle, PA: U.S. Army War College Strategic Studies Institute, August 2012).

Rethinking the Americas

Amb. Jaime Daremblum

In their final debate of the 2012 presidential campaign, Barack Obama and Mitt Romney spent 90 minutes discussing foreign affairs. Yet they somehow managed to say far more about domestic education policy than they did about Latin America. Indeed, the only reference to the region came when Governor Romney, in the course of listing his five-point economic plan, made a brief call for expanding hemispheric trade. Neither candidate mentioned a single Latin American country by name. Neither said a word about Mexico, or Brazil, or Colombia, or Venezuela, or Cuba—even though the debate was held in South Florida. There was zero talk of drug violence, zero talk of Iran's growing hemispheric footprint, zero talk of populist threats to democracy, and zero talk of concrete strategies for boosting regional economic cooperation.

It was somewhat understandable that President Obama said nothing about Latin America, because his first-term record in the Americas had very few highlights. In April 2009, when he traveled to the fifth Summit of the Americas, Obama boasted enormous popularity throughout the hemisphere. Addressing the opening ceremony in Trinidad and Tobago, he promised "to launch a new chapter of engagement."[1] Yet by April 2012, when Obama ventured to the sixth Summit of the Americas, in Colombia, regional officials of all stripes considered him a major disappointment.

The Cartageña summit will forever be remembered for the Secret Service prostitution scandal. But veteran Latin America correspondent Mac Margolis was more concerned about a different scandal: "The real embarrassment to flag and country is less about what America's finest do when the lights are low, but how the leader of the free world carries on with historical allies across the hemisphere," Margolis wrote in *The*

Ambassador Jaime Daremblum is Senior Fellow and Director of the Center for Latin American Studies at the Hudson Institute. From 1998 to 2004, he served as Costa Rica's Ambassador to the United States.

Daily Beast. "Washington's policy in the Americas appears to be suffering from acute attention deficit."[2]

Backwards from Bush

It wasn't supposed to be this way. As a presidential candidate in 2008, then–Senator Obama denounced George W. Bush's Latin America policies as "negligent toward our friends, ineffective with our adversaries, disinterested in the challenges that matter in people's lives, and incapable of advancing our interests in the region." He said Bush's neglect of the region had created a leadership vacuum that was being filled by the likes of Venezuelan autocrat Hugo Chávez and the Iranian mullahs. He further criticized Bush for doing too little to promote Latin American democracy. And he vowed to create "a new alliance of the Americas" through "aggressive, principled, and sustained diplomacy."[3]

Candidate Obama knocked President Bush for allowing a leadership vacuum to form in Latin America. But the regional leadership vacuum is much bigger today than it was in 2008, and it is being filled by countries such as Venezuela, Iran, China, and Russia.

Unfortunately, most of the criticisms listed above could be leveled at Obama's own Latin American policies. He has certainly been "negligent toward our friends." The United States has no better friend in Latin America than Colombia, which is one reason why President Bush signed a free-trade agreement (FTA) with Bogotá in 2006. Yet it took Obama nearly three years to submit the U.S.-Colombia FTA (as well as the U.S.-Panama FTA, signed in 2007) for congressional approval. In April 2011, while the trade deal was still in limbo, Colombian president Juan Manuel Santos complained to an audience at Brown University that the United States was "disengaged" from Latin America.[4] Indeed, Obama has shown very little interest in hemispheric trade liberalization. Thus, when Uruguayan president José Mujica was asked in March 2012 about the possibility of a U.S.-Uruguay trade pact, he replied, "I do not think that the current administration in Washington is interested in FTAs at this moment."[5] (By comparison, Bush signed FTAs with Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Peru during his two terms in office.)

President Obama has also been "ineffective with our adversaries." In particular, his attempts at securing a rapprochement with Cuba and Ecuador failed spectacularly. The Castro regime responded to an easing of U.S. sanctions and Obama's call for "a new beginning" in bilateral relations by cracking down on human-rights activists and jailing USAID contractor Alan Gross on bogus "espionage" charges. (As of this writing, Gross remains in prison, serving an outrageous 15-year sentence, and his health has deteriorated significantly.) Meanwhile, Ecuadorean president Rafael Correa, a quasi-authoritarian Hugo Chávez ally, responded to a friendly June 2010 visit from Secretary of State Hillary Clinton—during which Clinton hugged Correa and said "the goals that Ecuador and its government have set are goals that the United States agrees with"—by expelling the U.S. ambassador in Quito (over her comments in WikiLeaks cables), continuing his crusade against opposition journalists, boycotting the 2012 Summit of the Americas (to protest the exclusion of Cuba), and offering asylum to WikiLeaks founder Julian Assange.

The administration fared no better in its attempt to improve relations with Argentina. On March 1, 2010, Secretary Clinton stood alongside President Cris-

tina Kirchner and praised Argentina for its leadership on terrorism, its recognition of the Iranian threat, and its "continued commitment to democracy and human rights."[6] Since then, Argentina has agreed to whitewash a 1994 Iranian terror bombing that killed 85 people at the Argentine Israelite Mutual Association in Buenos Aires. It has dramatically increased its exports to Iran (which grew by 937 percent between 2010 and 2011, according to the online business journal *Latinvex*).[7] It has temporarily impounded a U.S. military plane taking part in a routine training exercise. Its foreign minister, Héctor Timerman, has accused the United States of operating torture schools. Its government has been bullying residents of the British-held Falkland Islands, hurling nonstop invective at London, and threatening foreign companies involved in Falklands oil exploration. And Kirchner has continued her full-scale assault on press freedom.

Candidate Obama knocked President Bush for allowing a leadership vacuum to form in Latin America. But the regional leadership vacuum is much bigger today than it was in 2008, and it is being filled by countries such as Venezuela, Iran, China, and Russia. Candidate Obama said Bush had not done enough to promote democracy. But President Obama famously embraced Chávez at the 2009 Summit of the Americas; he has been shamefully quiet about the persecution of independent journalists in Ecuador, Argentina, and other countries; and he has done nothing serious to reform the Organization of American States (OAS). Moreover, Obama tried to make Honduras restore a pro-Chávez thug, Manuel Zelaya, to the presidency, even after Zelaya had attempted an unconstitutional, autocratic power grab, and even after every major Honduran political institution had approved of removing him from office. For that matter, the Administration persisted in calling Zelaya's ouster a "coup" and punishing Honduran officials even after it became clear that those officials acted legally and prudently. This sent disturbing signals about Obama's understanding of the real threats to democracy in Latin America.

Ironically, despite his fierce criticism of Bush, Obama's biggest achievements in Latin America are all connected to Bush-era initiatives. For example: The Obama administration should be praised for signing the Colombia and Panama FTAs (however belatedly), for pursuing a Trans-Pacific Partnership (TPP) trade agreement (with nations such as Chile, Mexico, and Peru), for boosting security cooperation with Mexico through the Mérida Initiative, and for expanding the Central America Regional Security Initiative (CARSI). But we must remember that each of these initiatives originated during the Bush administration. We should also remember that U.S.-Mexico relations have been damaged by the calamitous "Fast and Furious" gunrunning operation.

In fairness to President Obama, U.S. neglect of Latin America is a bipartisan phenomenon. Before the United States can adopt a more effective strategy for the region, it must discard several popular myths.

The Americas, not Asia

The first is that Asia is much more important than Latin America to the U.S. economic future. Hardly a day passes, it seems, without a Western journalist rhapsodizing about the economic potential of China, India, and other Asian countries. But as New American Foundation scholar Parag Khanna has observed, "Latin America is younger and more urbanized than Asia, making it a highly productive partner for the United States."[8] Indeed, according to an August 2011 McKinsey Global Institute study, "Latin America is more urbanized than any other region in the developing world,

with 80 percent of its relatively young population living in cities today, a share expected to rise to 85 percent by 2025."[9]

U.S. neglect of Latin America is a bipartisan phenomenon. Before the United States can adopt a more effective strategy for the region, it must discard several popular myths.

More importantly, with the industrialized world suffering through a period of debt crisis, sluggish or nonexistent growth, and severe volatility, most of Latin America has become a model of economic and financial stability. (The two major exceptions are Venezuela and Argentina, both of which have embraced radical leftism and are now experiencing massive inflation, capital flight, and food and energy shortages.) In a May 2012 speech, OECD secretary-general Angel Gurría noted that total government debt in Latin America and the Caribbean, which exceeded 80 percent of GDP during the 1990s, had fallen to just 32 percent, or one-third the OECD average.[10]

Rich in raw materials and natural resources, Latin America has traditionally been a huge exporter of beef, copper, iron ore, lithium, oil, soybeans, sugar, and other commodities. For all the attention given to U.S. trade with Asia, the Congressional Research Service reports that U.S. trade with Latin America experienced more growth (82 percent versus 72 percent) between 1998 and 2009.[11] In 2012, the United States exported roughly $200 billion worth of goods to Mexico alone. That amounted to an 80 percent increase from 2000, and a 381 percent increase from 1993, the year that President Clinton signed the North American Free Trade Agreement. Mexico now receives more U.S. exports than China, India, and Japan combined.[12]

"Latin America is also home to some of the most dynamic, large companies in the world," writes tech entrepreneur Vivek Wadhwa, citing Cemex of Mexico (a gigantic cement company) and Petrobras (oil) and Embraer (aerospace) of Brazil. In short: "Latin America matters and it will matter even more as the U.S. looks for sources of growth and receptive markets outside of its borders."[13] Of course, the region still has a lot of work to do on expanding economic freedom, improving business conditions, reforming onerous tax codes, loosening excessive labor regulations, and sparking greater technological innovation. But Latin America has tremendous potential. As Goldman Sachs economist Alberto Ramos put it in 2011, "This definitely could be the Latin American decade—if policymakers seize the opportunity to adopt longstanding structural reforms geared to increase productivity, diversify the economic base, and boost real GDP growth."[14]

Bright horizons

The second myth that bears debunking is that Latin America is defined by widespread poverty, inequality, and very little economic mobility. Yes, the region still suffers from painfully high levels of inequality, but the past decade has witnessed truly historic poverty reduction and a dramatic increase in social mobility, with tens of millions of people ascending into the middle class. In Brazil alone, roughly 40 million people joined the middle class between 2003 and mid-2011.[15] In Peru, the national poverty rate plunged from nearly 55 percent in 2002 to under 28 percent in 2011.[16] As for Mexico, a country long known for deeply entrenched poverty, economist Luis de la Calle and political scientist Luis Rubio have shown that a majority of Mexicans now belong to the middle class.[17] Colombia is another country that has seen its middle class swell: One recent study calculated that its population share nearly doubled between 2002 and 2011.[18] Over-

all, the regional poverty rate has fallen to a three-decade low.[19]

Admittedly, different researchers use different definitions of "middle class," so the exact size of Latin America's middle class remains disputed. But in terms of economic mobility, a 2012 World Bank report found that no fewer than 43 percent of the population of Latin America and the Caribbean "changed social classes between the mid-1990s and the end of the 2000s, and most of this movement was upward."[20] Declining income inequality and rising mobility have been fueled largely by robust economic growth, but also by conditional cash-transfer (CCT) programs that incentivize poor parents to keep their children in school and to take them for regular health checkups. The two most prominent CCT programs—which have drawn worldwide attention and inspired similar programs in Chile, Costa Rica, Indonesia, South Africa, Turkey, and even the United States—are Mexico's "Oportunidades" and Brazil's "Bolsa Família." A 2010 *Economist* profile described Bolsa Família as "a stunning success," while also acknowledging its limitations.[21] In the years ahead, the expansion of CCT programs will be critical to helping Latin America tackle its long-standing education deficit.

Tackling violent crime

Nor is it the case that Latin America has not figured out how to reduce drug- and gang-related violence. This myth might seem true if you looked only at countries such as Venezuela and Honduras (the latter now has the world's highest murder rate, and the former is not far behind). It might seem true if you looked only at a snapshot of the violence in certain parts of Brazil, Mexico, or Guatemala. But the reality is far more complicated.

For example, readers may have heard about a recent wave of gang violence in São Paulo, Brazil's largest state, and they almost certainly have heard about the endemic violence plaguing Central America's "northern triangle." But they probably don't realize that the murder rate in São Paulo dropped by 71 percent between 1999 and 2011, or that the homicide rate in Brazil's second-largest city, Rio de Janeiro, has virtually been halved since the early 2000s (and has declined even more precipitously since the mid-1990s), or that the murder rate in Rio slums where authorities have implemented their Pacifying Police Unit program has dropped by an estimated 80 percent, or that Guatemala's homicide rate has declined by nearly one-fourth since 2009, or that the annual number of homicides in El Salvador plummeted by 41 percent last year (thanks to a historic gang truce facilitated by the Salvadoran government).[22] In Mexico, it seems that drug-related killings either "leveled off or declined significantly in 2012," according to a University of San Diego study.[23] Moreover, the Mexican murder rate is still much, much lower than Colombia's homicide rate was in the early 1990s and the early 2000s. Speaking of Colombia, its national murder rate fell to a 27-year low in 2012, and it has fallen by 56 percent since 2002, which has helped Colombia become one of the most promising economies in all of Latin America.[24]

There's no secret recipe for reducing drug violence. As former Drug Enforcement Administration chief Robert Bonner has explained, Colombia succeeded in vanquishing the once-powerful Cali and Medellín cartels by working closely with the United States, strengthening its law-enforcement institutions, targeting the kingpins, and aggressively seizing their assets. Bonner believes a similar strategy can work in Mexico; indeed, he notes that Mexican president Felipe Calderón (whose six-year term ended in December 2012) bolstered Mexican legal institutions

(especially the federal police) and either destroyed or dramatically weakened most of the largest cartels. In other words, Calderón left his successor, President Enrique Peña Nieto, "major successes against the cartels, newly invigorated institutions, and a sound strategy."[25]

The world is interconnected

Finally, there is the notion, sadly widespread in policy circles within the Washington Beltway, that Latin America is somehow unrelated to our foreign-policy challenges in the Middle East, Asia, and Europe.

To believe this myth, however, you would have to ignore Venezuela's close alliance with Iran, its massive stockpiling of Russian weaponry, and its efforts to aid the Assad regime in Syria via fuel shipments. You similarly would have to ignore a May 2009 Associated Press report (citing a secret Israeli foreign-ministry document) that Venezuela and Bolivia have supplied the Iranian nuclear program with uranium,[26] and the recent proliferation of new Iranian embassies and diplomatic missions throughout the region. And you would need to pay no mind to the comments made by Peruvian general Francisco Contreras, who in July 2011 told the *Jerusalem Post* that "Iranian organizations" were expanding their presence in South America and aiding other terrorist groups.[27]

You likewise would have to ignore Venezuela's links to the Iranian-backed Hezbollah, and the fact that the group generates substantial revenue through its relationships with Latin American drug cartels. And you would have to ignore the persistence of terrorist operations in the notorious Triple Frontier region that lies at the intersection of Argentina, Brazil, and Paraguay.

Nor is Iran the only foreign actor present in the Americas. China and Russia have made enormous investments in the Venezuelan energy sector. China has similarly stepped up its activity in the Caribbean, where the Asian giant has been splashing around money and persuading governments to end their recognition of Taiwan. Indeed, according to a 2009 U.S. diplomatic cable on Chinese investment in the Bahamas, "China is using this investment solely to establish a relationship of patronage with a U.S. trading partner less than 190 miles from the United States."[28] So significant have these inroads been that, according to one former Caribbean diplomat, the Chinese "are buying loyalty and taking up the vacuum left by the United States, Canada, and other countries, particularly in infrastructure improvements." "If China continues to invest the way it is doing in the Caribbean," the diplomat cautioned, "the U.S. is almost making itself irrelevant to the region."[29] That may be an overstatement, but China's growing presence off the Florida coast should be a wake-up call for Washington policymakers.

Second term, second chance

As President Obama begins his second term, there are three big policy initiatives that would demonstrate his commitment to Latin America.

First, Obama should start by outlining a bold vision for trade liberalization across the hemisphere. That could mean advocating a hemispheric free-trade zone of the sort that Governor Romney proposed during the 2012 presidential campaign. Or it could mean pushing for bilateral FTAs with Brazil and Uruguay (although their fellow Mercosur members Argentina and Venezuela would doubtless object). Or it could mean doing what former Clinton-administration official Eric Farnsworth has suggested: integrating the existing U.S. FTAs and expanding Latin American participation by adding countries such as Colombia, Costa Rica, and Panama.[30] The point

is, President Obama has yet to launch a major Latin America trade initiative (apart from the ones he inherited from President Bush), and he must not waste any more time.

Second, to help countries such as El Salvador, Guatemala, and Honduras cope with the gang- and drug-related violence that is straining their democracies, Obama should champion a new aid package for Central America. This package should complement the CARSI program and should focus primarily on police training and judicial reform. The recent murder decline in El Salvador and Guatemala is encouraging, but these countries still need greater U.S. support for their weak legal institutions, and Honduras needs the most assistance of all. In October 2012, the *New York Times* reported that Washington and Tegucigalpa were formulating "a sweeping new [anti-drug] plan," with an emphasis on "judicial reform and institution-building."[31] Let's hope this plan soon becomes a reality.

Finally, the White House should help overhaul regional institutions. In recent years, a combination of poor leadership and structural flaws has weakened the effectiveness of the Organization of American States (OAS), which is still the region's most important multilateral democratic forum. However, certain OAS bodies, most notably the Inter-American System of Human Rights (IASHR), have defied this trend. President Obama should announce a plan for strengthening the IASHR and for turning the Inter-American Democratic Charter into a formal treaty. He should also aim to shrink the bloated OAS bureaucracy. Such reforms might well be the most practical and efficient way to combat the autocratic populism of Chávez and his acolytes.

"Latin America doesn't matter," then-President Richard Nixon wryly told a young Donald Rumsfeld back in 1971. "People don't give one damn about Latin America."[32] In 2013, however, Latin America matters more than ever, both to the U.S. economy and to broader U.S. strategic interests. It is long past time that President Obama—and policymakers from across the American political spectrum—gave the region the attention it deserves.

1. White House, Office of the Press Secretary, "Remarks by the President at the Summit of the Americas Opening Ceremony," April 17, 2009.
2. Mac Margolis, "Cartagena Summit's Other Outrage: Obama's Indifference to Latin Issues," *The Daily Beast*, April 27, 2012.
3. Senator Barack Obama, "Renewing U.S. Leadership in the Americas," Remarks at the Cuban American National Foundation, May 23, 2008.
4. President Juan Manuel Santos, "Why People Should Give More Than a Damn about Latin America," Lecture at Brown University, April 5, 2011.
5. Lucien Chauvin, "Uruguay's President Blasts Argentina for Triggering Trade 'Crisis,'" *Emerging Markets*, March 17, 2012.
6. Secretary of State Hillary Clinton, "Remarks with Argentine President Cristina Fernández de Kirchner," Buenos Aires, Argentina, March 1, 2010, http://www.state.gov/secretary/rm/2010/03/137539.htm.
7. "Latin America: Iran Trade Triples," *Latinvex*, October 16, 2012.
8. Parag Khanna, "Look South, Not East," *Foreign Policy*, November 11, 2011.
9. Andres Cadena, et al., "Building Globally Competitive Cities: The Key to Latin American Growth," McKinsey Global Institute, August 2011.
10. Angel Gurría, "Latin America: A Bright Future," Remarks at the IV International Economic Forum on Latin America and the Caribbean, May 25, 2012.
11. J. F. Hornbeck, *U.S.-Latin America Trade: Recent Trends and Policy Issues* (Washington, DC: Congressional Research Service, February 8, 2011).
12. U.S. Census Bureau foreign trade data.
13. Vivek Wadhwa, "In Latin America, a New Day Is Dawning," *Washington Post*, April 17, 2012.
14. Jaime Daremblum, "Rising Continent," PJ Media, May 17, 2012.
15. "Almost 40 Million Brazilians Climbed to Middle Class in the Last Eight Years," MercoPress, June 28, 2011.

16. "UN: Peru Posts One of Region's Best Reductions in Poverty in 2011," *Andean Air Mail & Peruvian Times*, November 28, 2012.
17. Luis de la Calle and Luis Rubio, *Mexico: A Middle Class Society: Poor No More, Developed Not Yet* (Washington, DC: Woodrow Wilson Center for International Scholars, January 2012).
18. Adriaan Alsema, "Colombia's Middle Class Doubled Over Past Decade: Study," *Colombia Reports*, July 29, 2012.
19. Luis Andres Henao, "UN: Latin American Poverty Lowest in 3 Decades," Associated Press, November 27, 2012.
20. Francisco H. G. Ferreira, et al., "Economic Mobility and the Rise of the Latin American Middle Class," World Bank Group, November 2012.
21. "How to Get Children Out of Jobs and Into School," *The Economist*, July 29, 2010.
22. Edward Fox, "Sao Paulo Security Chief Stands Down Amid Wave of Violence," *InSight Crime*, November 22, 2012; Juan Forero, "Rio's Slums Get Another Look amid Economic Development," *Washington Post*, October 6, 2011; Misha Glenny, "Rio: the Fight for the Favelas," *Financial Time*s, November 3, 2012; "Edging Back From the Brink," *The Economist*, January 26, 2013; and Edward Fox, "El Salvador Homicides Fell Over 40% in 2012," *InSight Crime*, January 4, 2013.
23. Cory Molzahn, Octavio Rodríguez, and David A. Shirk, "Drug Violence in Mexico: Data and Analysis Through 2012," University of San Diego Trans-Border Institute, February 2013.
24. Wesley Tomaselli, "Colombia's Homicide Rate Hits Lowest Level in 27 Years," *Colombia Reports*, January 7, 2013.
25. See Robert C. Bonner, "The New Cocaine Cowboys," *Foreign Affairs*, July/August 2010; Robert C. Bonner, "The Cartel Crackdown," *Foreign Affairs*, May/June 2012.
26. "Secret Document: Venezuela, Bolivia Supplying Iran with Uranium," Associated Press, May 25, 2009.
27. Yaakov Katz, "Peruvian Army Vet Warns of Growing Iranian Presence," *Jerusalem Post*, July 25, 2011.
28. "U.S. Embassy Cables: U.S. Fears Chinese Investment in Bahamas," *Guardian* (London), January 13, 2011.
29. Randal C. Archibold, "China's Cash Buys Inroads in Caribbean," *New York Times*, April 8, 2012.
30. Brian Wingfield and Randall Woods, "Romney Must Romance Brazil to Boost Latin American Trade," Bloomberg News, October 28, 2012.
31. Damien Cave and Ginger Thompson, "U.S. Rethinks Antidrug Efforts after Deadly Turn in Honduras," *New York Times*, October 13, 2012.
32. See "Rumsfeld and Nixon: Caught on Tape" at the PBS *Frontline* website.

Obama's Latin American Priorities

Ray Walser

The prospects for vigorous efforts to advance U.S. values and interests in Latin America in the next four years are limited. The watchwords for the second Obama administration are very likely to be "light footprint," "leading from behind," and "principled pragmatism"—as well as the end to what the President has called a "decade of war." Toward a complex region such as the one situated to America's south, the Obama administration may harbor good intentions and varied agendas, but it boasts no recognizable compass. The White House and State Department will remain consumed with more pressing geostrategic challenges: Iran, China, Russia, Egypt, Syria, and even lowly but nuclear-capable North Korea. Bandwidth for Latin America will be limited, unless events literally go south in the region.

Faced with mounting fiscal constraints, the increasingly domestic nature of key policy issues, and more pressing foreign policy challenges elsewhere, there is at best modest expectation that Latin America will rise higher on the list of foreign policy priorities the second Obama administration sets out to tackle. To the extent that the region does capture the attention of the White House in the years ahead, it is likely to do so in six areas.

Accentuating the positive with Mexico

For many in the U.S., Latin American policy begins and ends with Mexico. Our 2,000-mile border, booming NAFTA trade, a rising Mexican middle class, and the shale gas revolution open fresh vistas for U.S.-Mexico relations. Add to this the growing political clout of the Hispanic population in the U.S., much of it of Mexican origin. Relations

Ray Walser is a Senior Policy Analyst at The Heritage Foundation in Washington, D.C. He was a career Foreign Service Officer with the U.S. Department of State and holds a Ph.D. from the University of North Carolina at Chapel Hill.

with Mexico are increasingly bound up with the U.S. domestic agenda. It is reasonable to assume that with each passing year the U.S. as a nation will look a little more like Mexico, while Mexico increasingly resembles the U.S.

After 12 years in the wilderness, the Revolutionary Institutional Party (PRI) regained executive power in July 2012 with the election of the youthful Enrique Peña Nieto as president. The PRI and Peña Nieto are charged with advancing economic opportunities and institutional reforms. While the PRI says it wants to make Mexico an efficient, open, global economic heavyweight, its critics fear that the PRI's return will open a virtual Pandora's Box filled with nondemocratic habits ranging from corruption to cronyism. For now, the new PRI team appears focused on the importance of the strategic relationship with the U.S. and actively courts the Obama administration. This reflects an enduring reality; while Mexico's heart may veer in opposing directions, sometimes nationalistic, occasionally anti-democratic, its wallet gravitates increasingly toward the U.S.

The Obama administration, in conjunction with the Mexican government, will undertake to shift the focus of public attention away from the fight against organized crime to one that emphasizes the more positive sides of the U.S.-Mexico narrative. Both parties hope to reduce negative public perceptions of Mexico and advance an agenda that permits building secure border infrastructure, tackles energy and environmental challenges, and makes northern Mexico a vibrant, livable space rather than a drug cartel shooting gallery.

Peña Nieto has promised to make Mexican citizens more secure. In order to accomplish this, he promises to pursue reforms aimed at improving the size and effectiveness of the Mexican federal police, create new bodies such as a gendarme force, and take a bigger bite out of corruption. Will the Mexican objective of reducing violence and securing citizen safety remain consistent with the U.S. objective of reducing northward drug flows? Will Mexican officials lose their enthusiasm for pursuing drug traffickers and concentrate on the most violent agents of organized crime? Or is there some hidden live-and-let-live pact in the works?

Already in January 2013, the Obama administration raised hopes it can develop a comprehensive immigration reform bill and put the brakes on the southward flow of high-powered firearms. Expectations on both sides of the Rio Grande are high.

The conundrum of post-Chávez Venezuela

On October 7, 2012, freed from the constraints of term limits, Venezuelan President Hugo Chávez won re-election to a fourth six-year term. Although the elections were far from fair, Chávez's margin of victory was 10 percent and the Venezuelan people and international community accepted the results as legitimate. The ruling *Chavistas* celebrated a mandate to deepen their "Bolivarian Revolution" and their experiment in petro-socialism. Throughout the campaign, Chávez concealed the increasing gravity of his illness.

But even as loyalists cheered, nature worked its course. In early December, Chávez somberly informed the nation he would undergo a fourth round of cancer surgery in Havana. Before departing, he named vice president and foreign minister Nicolas Maduro as his heir. On December 11, Chávez underwent surgery and vanished from public view.

On January 10, 2013, the day Chávez was to be sworn in for a new presidential term, Venezuela's National Assembly and its Supreme Court endorsed a solution that allowed him to take the oath at his convenience, leaving Maduro temporarily in charge. The democratic opposi-

tion's challenge to the constitutionality of this action was ignored. Although there were recurring reports of tensions within senior leadership of the Chávez movement (which includes Maduro, Assembly president Diosdado Cabello, head of the national oil company PDVSA Rafael Ramirez, and foreign minister and "executive vice president" Elias Jaua), the inner circle demonstrated loyalty to the stricken leader and preserved internal cohesion. Rumored frictions between internationalists aligned with the Cuban-trained Maduro and more traditional nationalists such as ex-military officer Cabello have so far been papered over.

In mid-February 2013, Chávez returned to Caracas from Havana under cover of secrecy. On March 5, he died. His death occasioned a massive display of emotion and sympathy as Maduro and company sought to immortalize the life and sacrifices of El Commandante. Maduro quickly took on the role of acting president and announced that presidential elections would take place on April 14. Democratic opposition candidate Herrique Capriles Radonski, governor of the state of Miranda, once more represented the opposition's best hope of unseating Chávez's successor.

While Maduro and the *Chavista* leadership may be able to win the snap election and a new six-year lease on power by playing on sympathy for the departed leader, Venezuela could begin to unravel without the glue its charismatic, often messianic, leader provided. Formidable economic, social and geopolitical challenges face a regime that will lack Chávez's mastery over the masses. Many, moreover, remained troubled by the apparent insertion of Cuba into Venezuelan decision-making. Maduro's efforts to drum up an anti-American frenzy by claiming that the U.S. was responsible for Chávez's cancer death do not bode well for U.S.-Venezuela relations in the near term.

Hanging in the balance is Chávez's Bolivarian project that created the present union with the Castro regime, the seven-member ALBA bloc, and broader assistance programs such as Petrocaribe. The ability of these initiatives to survive the demise of Chávez is uncertain as strained economic conditions in Venezuela could trim its internationalist largesse.

Venezuela's direction will exert a profound influence on another issue as well. On Chávez's watch, Venezuela has become Iran's principal conduit into the Americas and a constant enabler of growing Iranian influence. Others within the ALBA coalition, particularly Ecuador, have joined in embracing the Islamic Republic, Cuba's University of Havana pandered to brutal Iranian leader Mahmoud Ahmadinejad by awarding him an honorary doctorate, and Argentina agreed with Iran in January 2013 to establish a farcical "truth commission" to investigate the 1994 AIMA bombing in Buenos Aires. From diplomatic support and opaque commercial transactions aimed at circumventing the UN and other sanctions to hosting elements of Hezbollah and the Iranian Revolutionary Guards, Venezuela and company continue to open their doors to the Islamic Republic.

In early 2012, Director of National Intelligence James R. Clapper warned that Iran might be considering attacks against the U.S.[1] Most security experts agree the threat of Iranian-sponsored terrorism is credible in the event of a U.S. military conflict with Iran, but disagree over the presence of Iranian irregulars in the Americas and on the readiness of anti-Americans leaders to risk a retaliatory U.S. response. Nevertheless, the U.S. Congress recently passed a law requiring the Administration to develop a strategy to counter Iran's presence in the Americas.[2] To make it effective, the law requires high-level backing and institutional creativity. It demands an integrated, interagency effort to coordinate diplomacy with intelligence collection capabilities. It

will also require active policy measures to neutralize or counter potential threats.

If the incoming Obama foreign policy team does not embrace this strategic directive with the seriousness it merits, it will falter. Moreover, as Dr. Evan Ellis of the Center for Hemispheric Defense Studies has correctly observed, the problem with Iran in the Americas is not diplomatic, it "is countering collusion among regimes already disposed to do the United States ill."[3] How far and how dangerous this anti-American collusion actually is remains a key unanswered question.

The Obama administration thus will face a tough range of challenges with Venezuela. These include preserving respect for democratic rights, economic freedom, and rule of law. It must determine how deeply entrenched are corrupt and criminal elements within Venezuela's senior leadership. Washington may also worry that an economic crisis and mismanagement in Venezuela might provoke political instability. Will declining energy prices make Chávez's redistributionist legacy unsustainable and leave Venezuelan's singing the petro-state blues?Cuba on the cusp

In March 2013, Fidel Castro's younger brother Raúl will mark his sixth year in power. The quieter, presumably more pragmatic Castro has endorsed modest efforts to salvage Cuba's failed socialist model with government downsizing, an expanded non-government sector, and foreign help from Venezuela, China, Brazil and others while keeping the regime's capacity for political repression intact. Removal of the hated exit permit in January 2013 will send more Cubans looking for ways to leave the island, many never to return.

On February 24, 2013, Cuba's one-party legislature awarded Raúl Castro a second five-year term as president. The younger Castro says it will be his last. The deaths and retirement of Fidel (86) and Raúl (82) will usher in political uncertainty. The chances for aging, dour hard-liners like first Vice President José Ramon Macado Ventura (83) or Ramiro Valdés (81) to gain power appear to be passing. A younger generation of leaders has largely gone missing, victims of various bloodless purges. Rumors circulate that members of the Castro family are being groomed to step in once the regime's founding fathers pass from the scene. For now succession attention is focused on Miguel Díaz-Canel Bermúdez, a 52-year-old, electrical engineer and party *apparatchik* elevated to first vice president.

Havana's ruling elites were surely heartened by President Obama's selection of a pair of Vietnam veterans—Senator John Kerry and former Senator Chuck Hagel—as Secretaries of State and Defense. Both men tend to see Cuba relations through the post-Vietnam War prism, and view Cuba as Vietnam-like rather than a Caribbean North Korea. They oppose long-standing economic sanctions against Cuba. During his time in the Senate Foreign Relations Committee, Kerry attempted to de-fang Cuban democracy support and challenged the utility of Radio and TV Marti.[4] Hagel, for his part, pronounced Castro's Cuba to be a "toothless dinosaur."[5]

The second Obama administration, then, is likely to be drawn to a closer rapprochement with the Castro regime. It will try to find a way to obtain the release of imprisoned USAID contractor Alan Gross. First on the policy chopping block might be Cuba's designation as a state sponsor of terrorism. The Administration may also likely employ executive authority and diplomacy to loosen further restrictions on travel. Lifting the Cuba embargo, however, will require congressional muscle the Administration apparently lacks.

The tension in U.S. policy will remain palpable. On one side are advocates who accept the legitimacy or even

admire the Castro regime. Their guiding paradigm is orderly succession and opposition to U.S. backing for regime change scenarios. They are focused on a stable, post-Castro "soft landing" with an orderly succession by the dominant one-party elite, presumably following an increasingly reformist track and normalized diplomatic, trade, and travel relations with the U.S.

A second, still influential body of policymakers considers the communism of the Castros to be fundamentally toxic to genuine reform and a perpetual obstacle to friendly relations. They continue to see an urgent need for a root-and-branch transformation ("regime change") that propels the Cuban people into a new era of political liberty and economic freedom. In its second term, the Obama administration will have to navigate between the forces that might ignite Cuba's equivalent of the "Arab Spring" and a preservation of the status quo.

Contemplating change in Colombia

With its population of 40 million, one of Latin America's oldest democracies, and its fast-growing economy, Colombia is poised to displace Argentina as South America's second-largest economy. Energy exports have zoomed despite protests, extortion, and insurgent sabotage.

In the last 12 years, the U.S. was committed to sustaining Colombia's recovery of security and invested heavily in developing the institutional capacity needed to beat back the multiple threats posed by insurgency, narcotics-traffickers, and paramilitaries. Given persistent doubts about future developments in Afghanistan and Iraq, many consider Colombia's recovery of national security to be one the greatest success stories of recent U.S. foreign policy and security assistance.

Passage of the Colombia Free Trade Agreement in October 2011, and its subsequent April 2012 implementation, removed a major stumbling block in the relationship, although labor and human rights issues still complicate the bilateral agenda. The Obama White House has discovered in President Juan Manuel Santos a regional partner to its liking, strongly connected to the U.S. but less acerbic and confrontational than his predecessor, Alvaro Uribe. Colombia also remains a major recipient of U.S. foreign assistance.

Nevertheless, Colombia has continued to diversify relations with its neighbors, and lessen its reliance on the U.S. Colombia is actively participating in the Union of South American Nations (UNASUR) and other regional undertakings. It also has pursued a more peaceable relationship with Venezuela and Ecuador, both nations with anti-U.S. leaders.

Most important, however, is a domestic security issue. Following a period of secret negotiations, official peace talks with the Revolutionary Armed Forces of Colombia (FARC) began in Oslo in October 2012, and are currently ongoing in Havana. The Santos administration has made clear the negotiations are not open-ended, are bounded by a six-point agenda and are to be conducted without a bilateral cease-fire or sanctuary for FARC. Peace talks have triggered numerous doubts about FARC's long-term goals, thorny issues regarding land and property, and the fear FARC killers will be granted impunity. Many Colombians fervently hope that 2013 will see a negotiated end to the conflict, while others fear that the hopes of peace have already exceeded the reality of experience with FARC.

The heavy U.S. investment in security and the close relations between the two governments will continue to make Colombia a key strategic partner for years to come. Yet the intimacy of the relationship may suffer as resources to assist a Colombia peace accord will likely dwindle, and as President Santos

pursues an agenda that is at least partially at variance with prevailing views in Washington.

Central America's challenges

In the mid-1980s, when current Secretary of State John Kerry first entered the Senate, he opposed Ronald Reagan's support for the Nicaraguan Resistance (the Contras), flew to Managua to meet with Comandante Daniel Ortega, and helped initiate a Senate investigation that exposed the Iran-Contra scandal. Nearly 30 years later, Kerry and the Obama administration face difficult challenges in Central America. While the insurgencies have ended, governmental, economic and security challenges continue to grow. The Northern Triangle (El Salvador, Guatemala and Honduras), encompassing 28 million citizens, has been racked by some of the highest homicide rates in the world and persistent poverty and lack of economic dynamism.

Central America's political landscape similarly is badly confused, with democracy having sunk fragile roots. In Nicaragua, Sandinista president Daniel Ortega, whom then-Senator Kerry met in 1985, won a popular election in 2011 after disregarding a constitutional prohibition on his reelection. With Hugo Chávez's help, Ortega has installed a populist, leftist version of the Somoza dynasty.

To the north, Honduras struggles to recover political equilibrium following the polarizing crisis that accompanied the removal of President Manuel Zelaya from office in June 2009. At the time, Senator Kerry adamantly demanded Zelaya's unconditional restoration to office, a step Secretary of State Hillary Clinton did not fully endorse. With presidential elections in late 2013, the deposed Zelaya's wife, Xiomara Castro de Zelaya, will square off against the candidates of the traditional National and Liberal parties to replace President Pepe Lobo.

In El Salvador, political democracy has increasingly been held hostage by political *caudillos* (strongmen) such as former president Antonio Saca, who splintered the center-right ARENA party and may open the door to the presidency for a former FMLN guerrilla, current Vice President Salvador Sanchez Ceren.

From poverty and malnutrition to natural disasters and weak institutions of governance, the challenges for the Obama administration's Central American policy are formidable. Without being drawn into political quagmires, it must work to overcome the numerous obstacles to economic growth while building stronger regional cooperation. A decades-old dream of a stable, prosperous, peaceful Central America remains elusive.

Bracing for Brazil's ascendance

Although its star has continued to rise, Brazil has waxed and waned ever since President Dilma Rouseff took office in January 2011. Slowing economic growth, corruption scandals, and frictions within Brazil's economic model have taken some of the luster off the breathless narrative associated with the charmed presidency of Luiz Inácio Lula da Silva (2003-2011).

Still, Brazil is a global player. It recently celebrated its arrival as the world's sixth-largest economy, displacing the United Kingdom, the home of the Industrial Revolution. It is projecting its influence in an increasing number of venues: the United Nations, G-20, Africa, the Middle East, and regionally in MERCOSUR and UNASUR. It wants a larger role in international economics and demands what it believes will be a more equitable, more democratic global order. Brazil enjoys abundant natural resources, a commodity-driven boom, and is situated in a comparatively benign geopolitical environment.

The template for the future U.S.-Brazil relationship is still being forged.

With a retreating U.S. and a rising regional hegemon, frictions are certain to arise. Brazil is neither a steady ally nor an adversary or global competitor. Washington and Brasília share many common interests, yet have clashed on key issues such as Iran, global financial power, Cuba, and a global trade agenda. Brazil is an increasingly active regional power and is also an economic motor capable of driving South America's economic integration, particularly with Argentina and Venezuela as partners. But Brazil's easygoing attitude toward regional democracy and its high comfort level with the *Chavistas* in Caracas is at times disconcerting.

Although occasionally bumpy during the past four years, relations with Brazil are important and stable. It appears that Washington and Brasília hope to keep it that way. Washington will continue to focus on commonalities—science education, technology transfers, poverty reduction—rather than differences. Despite the "Pivot to Asia," the U.S. and the European Union can also work to re-forge a trans-Atlantic trade agenda that includes Brazil.

Military-to-military cooperation likewise remains on a comparatively solid track. A potential purchase of advanced fighter aircraft and co-production of modern weapons could improve common security ties and interests. There is also sufficient basis to develop an ample agenda of cooperation focused on anti-crime and anti-terrorism efforts ahead of the 2014 World Cup games and the 2016 Summer Olympics. Along with Mexico, U.S. relations with Brazil will be a litmus test for the second Obama administration.

The region, in perspective

Washington pundits have been quick to predict that the President will expend far more energy and capital in his second term on domestic issues of consequence in Latin America, such as gun control and immigration reform, and so forth, than on diplomatic relations with the region. One can anticipate the occasional visit or high-level meeting, and modest, low-cost presidential initiatives. Yet, the President's efforts to navigate the fiscal crisis, address the yawning entitlement/funding gap, dodge a defense sequester, and move ahead with a progressive domestic agenda will surely constrict scope for action in the Americas.

The six parties discussed in some detail above will align with or oppose the U.S. in accordance with their interests. But while they, like characters in a script, may wish to play feature roles on the Washington stage, the U.S. producer has more urgent screenplays and casting calls to attend.

1. James R Clapper, Director of National Intelligence, "Unclassified Statement for the Record on the Worldwide Threat Assessment of the US Intelligence Community for the Senate Committee on Armed Services," February 16, 2012, at http://www.dni.gov/files/documents/Newsroom/Testimonies/20120216_SASC%20Final%20Unclassified%20-%202012%20ATA%20SFR.pdf.
2. The Library of Congress, Thomas [Legislative Tacking], HR3783, "Countering Iran in the Western Hemisphere Act of 2012" [Signed into law by the President, December 28, 2012] at http://thomas.loc.gov/cgi-bin/query/z?c112:H.R.3783.
3. R. Evan Ellis, "What are Iran's Goals in Latin America?" Inter-American Dialogue's Latin American Advisor, January 14, 2013, page 4 at http://www.offnews.info/downloads/LAA130114.pdf.
4. Mary Beth Sheridan, "Pro-Democracy Program in Cuba Questioned After Man Detained," *Washington Post*, December 25, 2009, at http://www.washingtonpost.com/wp-dyn/content/article/2009/12/24/AR2009122403065.html.
5. Josh Rogin, "Chuck Hagel Does Not Like Sanctions," The Cable, *Foreign Policy*, December 17, 2012, at http://thecable.foreignpolicy.com/posts/2012/12/17/chuck_hagel_does_not_like_sanctions.

The Security/ Economic Nexus

Joseph M. Humire

For several years now, the epicenter of crime and violence in the Western Hemisphere has been drifting steadily northward. What was once most prevalent in Colombia, has moved with astonishing speed to subvert and co-opt institutions in Central America and Mexico. This shifting pattern of crime and violence is often described as the "Balloon Effect," an analogy to what happens when you squeeze a balloon.[1]

The relative success of Plan Colombia at the turn of the 21st century and the subsequent implementation of the Mérida Initiative in 2008 have helped to displace organized crime and narcotrafficking—forcing its migration from Colombia to Mexico and then to Central America. The net effect is that the subregion has earned the dubious distinction of being, in the words of former U.S. Southern Command chief Gen. Douglas Fraser, the "deadliest zone in the world outside active war zones."[2]

Governments in the hemisphere, including and especially the United States, are now generally recognizing that the patterns of crime and violence are shifting and will continue to shift, as they slowly develop an understanding that the "balloon effect" must be dealt with in the context of a regional response. To date, however, official responses have focused overwhelmingly on a process of "regional integration," entailing greater collaboration between—and cooperation among—stakeholder governments and relevant institutions. Yet, in and of itself, such cooperation only addresses the symptoms of citizen insecurity in Central America, without addressing the root causes of it. And perhaps the most fundamental of those throughout Latin America is the relative decline of economic freedom.

Joseph M. Humire is the Executive Director of the Center for a Secure Free Society (SFS), a global think tank based in Washington, D.C., which organizes several workshops in Latin America dealing with citizen security, asymmetric warfare and economic freedom.

A crucial linkage

What happens when unemployment surpasses 10 percent for more than six months? The answer, history tells us, is social and political unrest. Economic problems most often lead to political upheaval and social turmoil, which in turn often leads to violence, as we saw most recently in the "Arab Spring" and even Greece. This correlation, moreover, is not specifically tied to unemployment; as a general rule, the worse your economy performs the higher the probability that crime and violence will erupt or intensify.

Perhaps the most fundamental cause of citizen insecurity throughout Central America is the relative decline of economic freedom in the region.

Conventional wisdom suggests that the drivers of citizen insecurity in Central America are drug violence, youth gangs and the prevalence of firearms. Dig a bit deeper, however, and you will find that these more recent phenomena tend to diminish as economies strengthen. That is because higher employment and greater purchasing power reshape the risk-to-reward ratio so that the *narco*-business and gang enterprise are no longer seen as lucrative options.

Unfortunately, this is not the case in Central America, where the incentives toward predation are greater than those towards production. As a result, criminal enterprise has outgrown free enterprise. Consequently, it has become more profitable to engage in criminal activities than to work in the formal economy. In fact, in many cases the formal economy does not offer any alternative to criminal enterprise; thus, murders, extortions, kidnapping all become a profitable activity incentivizing individuals to forego the formal economy in favor of the illicit one.

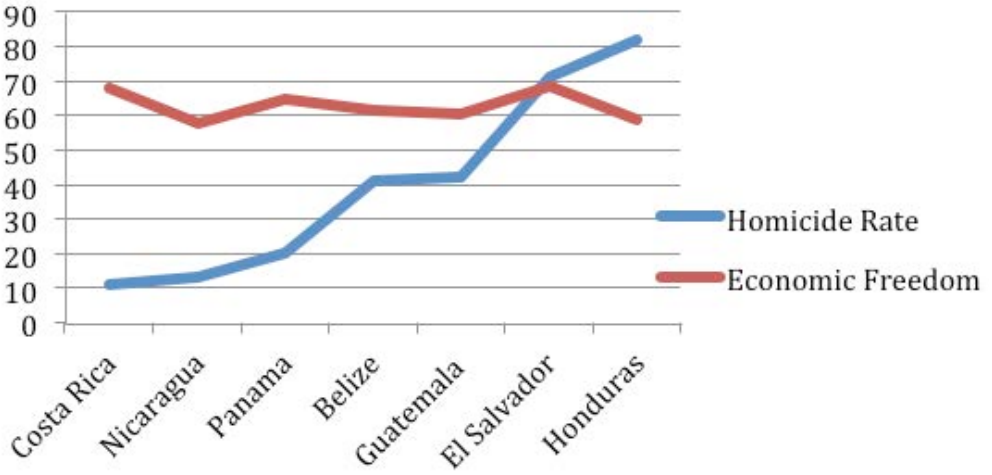
In this context, we must view economic policies as drivers of citizen security and connect traditional economic issues, such as unemployment and inflation, to those of crime and violence, particularly the drug trade and even gangs. Trying to solve the problem of citizen security before (or separate) from the problem of economic instability and institutional weakness will not work.

This is painfully evident within the *business* of drug trafficking. Drug trafficking is a multi-billion-dollar global industry which is outperforming the formal economy of Central America, and filling the vacuum of unemployment and underemployment while exacerbating the levels of insecurity.

The 2013 *Index of Economic Freedom*, produced by the Heritage Foundation and the *Wall Street Journal*, provides some instructive metrics in this regard. Two countries with some of the lowest economic freedom scores in Central America, Honduras (58.4) and Belize (57.3), coincidentally also boast among the highest homicide rates in the region.[3] Belize has climbed to 41.7 murders per 100,000 inhabitants, and Honduras has reached unprecedented levels of crime and violence, leading the world with 82.1 murders per 100,000 inhabitants, according to recent reports by the United Nations Office on Drugs and Crime. Belize is worth noting because its recent uptick in homicide rates has run parallel to its quick decline in economic freedom, plunging nearly five points this past year, giving it the biggest decline of economic freedom in the world.

We see this correlation more clearly in Figure 1.1 opposite, where the trend line for homicide rates is inverse to that of economic freedom. Except for Nicaragua, the countries in Central America with the highest homicide rates are generally also those with the lowest amount of economic freedom. If this graph were to include data points for all Latin American countries, the trend lines would generally stay the same.

Figure 1.1: Economic Freedom vs. Homicide Rate in Central America



Source: UNODC Homicide Statistics (2011) and Economic Freedom Scores (2013).

Moreover, if we examine homicide rates in the region over the last decade, this correlation is even more striking. As is visible in Figure 1.2, in Central America, the homicide rate declined slowly during a period of steady economic growth (the decade after 1995), while the sudden rise in homicides after 2007 came at a time when GDP growth per capita also slowed down significantly (2008 and 2009). More recent figures show that this trend has continued.

Figure 1.2: Homicide Rates and GDP/Capita, Central and South America (1995-2009)

Source: UNODC Homicide Statistics (2011) and World Bank Data (GDP).

The Colombian model

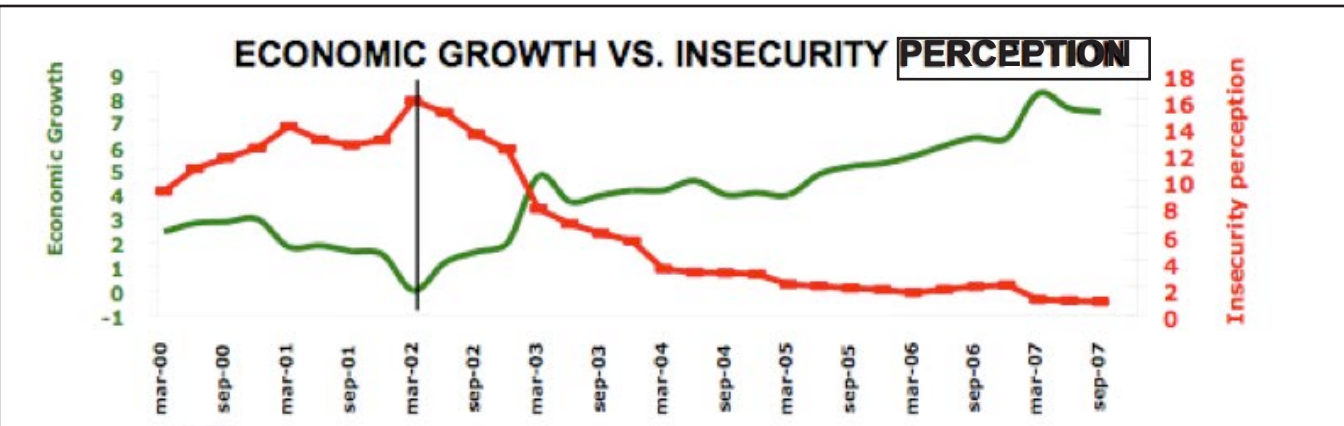
There have been proposals in Central America to respond to the security dilemma by beefing up the already ineffective state apparatus through levying a security tax on the private sector. This security tax is modeled after Colombia's 1.2 percent *Tasa de Seguridad*—surely one of the few occasions in history where a tax was voluntarily overpaid. These proposals for a security tax miss the mark because Central America has an abysmal record in terms of fiscal responsibility and one of the lowest median tax revenues in the world, demonstrating the lack of public confidence in the state apparatus.

Polls throughout the region generally confirm that the public feels that crime rates are unacceptable, and that governments need to "do something." What is lacking is a public consensus on how to address the problem. The first step in this process should most likely be, for each country, a national dialogue that includes both the private sector and private citizens, allowing each government to manage the perception of insecurity in its country.

If Central America wants to follow Colombia's lead, then perhaps these countries can take a look at the classic illustration of the relationship between the perception of insecurity and economic growth under extreme duress. Figure 1.3 below is taken from a 2008 report from the Government of Colombia, entitled "Colombia's Transformation." It plots dramatic shifts in economic growth against perceptions of insecurity, which peaked in late 2001/early 2002, when according to Gallup polls some 60 percent of Colombians believed the government would lose the war against illegal armed groups.

The turning point began in 2002, with the rise of President Alvaro Uribe. Uribe made a credible commitment to combat the high level of crime and violence *as well* as the declining economy. In doing so, he not only managed the perception of insecurity, but also laid the framework to bolster the economy. The result has been greater public confidence in public security and more economic growth.[4] This is the recipe that Central America must take from Colombia.

Figure 1.3: Insecurity Perception vs. Economic Growth in Colombia (1999-2007)



Source: Government of Colombia statistics.

For each country in Central America, political realities will quite likely dictate the chosen strategy to combat citizen insecurity. However, all should address *both* security and economic challenges. That requires a comprehensive national approach involving education, investment, job creation, and so forth, not simply a package of law enforcement or military mechanisms.

Civil society is the key

Managing perceptions is a critical task in building public consensus on the issue of citizen security. In that regard, academics have begun to connect the dots between security and economic development. Typically the poorest strata of society are the ones hardest hit by crime and violence, and the ones with the least recourse to effective justice. Private sector groups and the government could build support for specific reforms by championing a culture of security and justice that enshrines the idea of "citizen security as a basic human right"—and in which the links between citizen security and economic freedom are highlighted. In such a model, current levels of private investment in security infrastructure (guards, technology, weapons, etc.) might be a counterproductive diversion of resources.

This coalition between the private sector and the government will need to be complemented by civil society in Central America, as together they:

1. Define the issue of citizen security by linking it to the economy.

2. Discuss the need to tackle citizen security through whole-of-society approaches that utilize experts from various disciplines with a purview over the economy as well as public safety.

3. Develop a plan that will establish public legitimacy for the police and justice system in Central America, taking the politics out of policing.

This "3-D" plan is a recipe that can be replicated to also deal with the lack of support for pro-economic freedom policies in the region.

Outside of certain micro-success stories, the dominant economic narrative in Central America is one that is averse to free enterprise. "Socialist" politicians all too often utilize "pro-poor" rhetoric in order to gain political popularity at the cost of long-term sustainability. This, in turn, negatively impacts the possibility of passing pro-growth economic reforms and decreases the number of people engaged in the productive sector of the economy. At the same time, incentives are shifted toward economic activity in the informal sector, with the most informal part being the illicit economy, involving drugs, crime and corruption.

Changing course

Nobel laureate Milton Friedman advocated the need to "develop alternatives to existing policies, to keep them alive and available until the politically impossible become the politically inevitable."[5] It is an argument that applies here; if the general public does not support policies that promote economic freedom, then politicians cannot enact reforms that push their countries towards greater peace and prosperity.

Such reforms will need to focus on the five pillars of economic freedom: (1) protection of private property; (2) robust free trade; (3) regulatory efficiency; (4) fiscal constraint; and (5) sound money. These pillars produce gains from trade and innovation that generally trump government inefficiency; however, if regulations or taxes become too burdensome, this can crowd out the private sector in favor of government largesse. In Central America, this has too often been the case as weak institutions have hindered social

cooperation under the division of labor to the point that life has regressed into a struggle for daily existence.

Regional reforms will need to focus on the five pillars of economic freedom: the protection of private property; robust free trade; regulatory efficiency; fiscal constraint; and sound money.

While certain countries in the region are experiencing high growth rates due to better-than-average monetary and fiscal freedom, along with a temporary commodity boom—this growth is fragile. If the aforementioned pillars aren't institutionalized within a system enforced by the rule of law, then public corruption generally becomes private corruption, and the market order tends to break down.

Achieving a productive system is much easier said than done, so to begin to turn the tide of ineffective and inefficient economic policies in Central America, it is necessary to engage the climate of public opinion so that policies that are pro-economic freedom are not so widely rejected by the masses. This requires working with civil society to bridge the gap between the private sector, the government, and the people. Civil society can establish a concerted and legitimate effort through the media and grassroots to serve as a watchdog of government, research positive economic reforms, and educate the society on how economic freedom works.

The overarching message in Central America should be that economic freedom is a fundamental right for everyone—and a way by which citizens can control their own destiny. In an economically free society, individuals are free to choose, free to work, and free to consume and invest in the manner in which they please as long as it doesn't infringe on someone else's freedoms. But this is only possible if these freedoms are protected, and threats are neutralized.

When Central American citizens walk out of their house in the morning, they must not only feel safe from random acts of violence, but they must also feel safe from economic turmoil, which could actually lead them to committing acts of violence. It follows, then, that to properly address the challenges of citizen security in Central America, we must simultaneously address the disastrous economic policies of the region that have helped fuel the current crisis of insecurity.

1. Rob Edmund, "War on Drugs Shifts From Colombia to Central America," *Colombia Reports*, February 5, 2013, http://colombiareports.com/colombia-news/news/28010-war-on-drugs-shifts-from-colombia-to-central-america.html?goback=%2Egde_3514301_member_211819608.
2. Anna Mulrine, "Pentagon: Central America Deadliest Non-War Zone in the World," *Christian Science Monitor*, April 11, 2011, http://www.csmonitor.com/USA/Military/2011/0411/Pentagon-Central-America-deadliest-non-war-zone-in-the-world.
3. All figures taken from the 2013 *Index of Economic Freedom* published by the Heritage Foundation and the *Wall Street Journal* (available at http://www.heritage.org/index/), as well as the United Nations Office on Drugs and Crime *2011 Global Study on Homicide* (available at http://www.unodc.org/documents/data-and-analysis/statistics/Homicide/Global_study_on_homicide_2011_web.pdf).
4. Juan Fernando Diaz, "The Transformation of Colombia," *Nearshore Americas*, September 21, 2009, http://www.nearshoreamericas.com/country-profile-colombia/.
5. Milton Friedman, *Capitalism and Freedom* (University of Chicago Press, 1982), ix.

South of the Border, A Threat From Hezbollah

Matthew Levitt

In December 2012, Paraguayan authorities detained Wassim el Abd Fadel, a suspected Hezbollah member with Paraguayan citizenship, and charged him with human trafficking, money laundering, and narco-trafficking. International authorities had connected Fadel to Nelida Raquel Cardozo Taboada, a Paraguayan national arrested in France the same month with 1.1 kilograms of cocaine in her stomach. Cardozo Taboada had claimed that Fadel and his wife hired her as a drug mule, prompting an Interpol investigation into Fadel's finances. According to Paraguayan police, Fadel deposited the proceeds of narco-trafficking and pirated music and movies into Turkish and Syrian bank accounts linked to Hezbollah.[1]

The Fadel arrest cast new light, and fresh international attention, on a long-running phenomenon. Over the past decade, policymakers have been concerned about Hezbollah activities in Latin America, particularly its relations with drug cartels along the U.S.-Mexico border and efforts to fundraise, recruit operatives, and launder money. The organization maintains a robust support network in the region—drawn from the large Shi'a and Lebanese expatriate communities on the continent—to serve as logisticians in its criminal operations. And today, faced with dwindling support from once-reliable patrons in Iran and Syria, Hezbollah increasingly has relied on a range of criminal activities, from counterfeiting schemes to trafficking weapons and narcotics, to shore up its financial reserves and stock its arsenals.

Matthew Levitt is director of the Stein Program on Counterterrorism and Intelligence at The Washington Institute for Near East Policy. He is the author of the forthcoming book, *Hezbollah: The Global Footprint of Lebanon's Party of God*.

A home in Latin America

Hezbollah's presence in Latin America is nothing new. The group was responsible, together with Iran, for the 1992 bombing of the Israeli embassy and, two years later, the bombing of the AMIA Jewish community center, both in Buenos Aires. But Hezbollah traces its origins in Latin America back to the mid-1980s, long before the Buenos Aires bombings, when its operatives set up shop in the tri-border area (TBA) of Brazil, Paraguay, and Argentina. At the height of the Lebanese civil war, Hezbollah clerics began "planting agents and recruiting sympathizers among Arab and Muslim immigrants in the TBA," according to a study conducted for U.S. Special Operations Command. A region routinely called "the United Nations of crime," a classic "terrorist safe haven" and a counterfeiting capital, the TBA made a natural home for operatives seeking to build financial and logistical Hezbollah support networks within existing Shi'a and Lebanese diaspora communities.[2]

Hezbollah has long benefited from the loosely regulated TBA, using the area to engage in illicit activity for profit and solicit donations from the local Muslim communities. In its 2011 *Country Reports on Terrorism*, the State Department noted that "ideological sympathizers in South America and the Caribbean continue to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia."[3] Similarly, in 2011, Gen. Douglas Fraser, then the Commander of United States Southern Command, told members of Congress, "Hezbollah supporters continue to raise funds within the region to finance their worldwide activities. Several entities affiliated with Islamic extremism are increasing efforts to recruit adherents in the region…."[4] Criminal sympathizers of the group are involved in a long list of illicit activities, including arms and drug trafficking, document and currency fraud, money laundering, and counterfeiting. Since 2006, over a dozen individuals and several entities in the TBA have been sanctioned for providing financial support to Hezbollah leadership in Lebanon, according to the U.S. Treasury Department.[5]

The TBA's crime headquarters

The four-story Galeria Page shopping center in Ciudad del Este, Paraguay, was "locally considered the central headquarters for Hezbollah members" and served as a source of fundraising for Hezbollah in the TBA, the U.S. Treasury Department noted when the center was blacklisted in December 2006. Managed and co-owned by Hezbollah operatives, Treasury explained that Galeria Page businesses generated funds to support Hezbollah and some shops had been "involved in illicit activity, including the sale of counterfeit US dollars."[6]

At the hub of Galeria Page activity was Assad Barakat, a known Hezbollah operative designated by the Treasury Department in 2004, who led a TBA-based network that served as "a major financial artery to Hezbollah in Lebanon." Barakat had long been on the radar of law enforcement agencies, and international authorities had raided his Galeria Page shop twice in 2001. Barakat used his businesses as "front companies for Hezbollah activities and cells," Treasury revealed, adding that the businesses provided "a way to transfer information to and from Hezbollah operatives." The extent of Barakat's criminal activity in support of Hezbollah was staggering. From selling counterfeit U.S. currency to strong-arming donations from local businessmen, Barakat was accused by the Treasury Department of engaging in "every financial crime in the book" to generate funds for Hezbollah.

Treasury also tied Sobhi Mahmoud Fayad, Barakat's executive assistant, to

the counterfeit currency scheme, in addition to other illicit activities involving drugs.[7] Fayad, "a senior TBA Hezbollah official," was no stranger to law enforcement. In 2001, Paraguayan police had searched his Ciudad del Este home and found receipts from the Martyrs Organization for donations Fayad sent totaling more than $3.5 million. Authorities believe Fayad has sent more than $50 million to Hezbollah since 1995.[8]

Hezbollah often uses charities and front organizations, like the Martyrs Organization, to conceal its fundraising activities. In July 2007, the Treasury Department blacklisted the Martyrs Foundation for its ties to the group. Beyond its work raising funds for Hezbollah, in several cases the foundation's officials were found to be directly involved in supporting terrorism.[9]

Beyond the tri-border

Hezbollah's reach in Latin America extends beyond the borders of Brazil, Argentina, and Paraguay, however. In early September 2012, Mexican authorities, in a joint operation conducted by migration and state police, arrested three men suspected of operating a Hezbollah cell in the Yucatan area and Central America. Among them was Rafic Mohammad Labboun Allaboun, a dual U.S.-Lebanese citizen, whom Mexican authorities extradited to the United States. Before his trip to Mexico, Allaboun had served over two years in prison for participating in a credit card "bust-out" scheme that netted more than $100,000. Authorities believed the credit card fraud was linked to a U.S.-based Hezbollah money laundering operation.[10] Allaboun's partners, George Abdalah Elders and Justin Yasser Safa, both Lebanese immigrants and naturalized Belizeans, "were participating in financing activities in an attempt to bail out incarcerated Hezbollah members jailed in the United States," according to local media reports.[11]

At the time of his arrest, Allaboun produced a fake passport identifying himself as Wilhelm Dyck, a citizen of Belize. The true Wilhelm Dyck had died in 1976, just two months after his birth. Investigators determined that over a three-day period in August, Allaboun fooled officials into issuing the passport, a valid birth certificate, and a driver's license.[12] But the gaffe is not exclusive to Belize; eighteen Hezbollah members obtained passports by presenting fraudulent visa applications at an unnamed U.S. embassy, according to a 1994 FBI report.[13]

The speed and ease with which Hezbollah operatives are able to secure false documentation in Latin America should not come as a surprise. According to Israeli intelligence, the use of such passports by Hezbollah operatives is widespread, and the documents are "used by the organization's activists in their travels all over the world."[14] At times well-placed sympathizers secure documents for operations in the region. In 2009, U.S. authorities accused Tarek el Aissami, then Venezuela's Interior Minister, of issuing passports to members of Hamas and Hezbollah. El Aissami reportedly recruited young Venezuelan Arabs to train in Hezbollah camps in southern Lebanon.[15]

Hezbollah supporters outside the TBA engage in the same types of activities as their TBA counterparts, including recruitment, fundraising, money laundering, and drug smuggling.

Drugs

While massive fundraising and procurement schemes underscore the extent to which Hezbollah sympathizers, supporters, and operatives are active in Latin America, the connection between drugs and terror has grown particularly strong. According to the U.S. Drug Enforcement Administration (DEA), nineteen of the forty-three U.S.-designated Foreign Terrorist Organizations are definitively

linked to the global drug trade, and up to 60 percent of terror organizations are suspected of having some ties with the illegal narcotics trade.[16] Hezbollah is no exception, and in recent years it has increased its role in the production and trafficking of narcotics. In this effort, Hezbollah has leveraged the vast Lebanese Shi'a diaspora populations, mainly located in South America and Africa, to its advantage.[17]

Former Southern Command commander Admiral James Stavridis testified in early 2009 about regional counternarcotics takedowns, executed by SOUTHCOM and the DEA, in coordination with host nations, targeting Hezbollah drug trafficking. "We see a great deal of Hezbollah activity throughout South America, in particular. [The] tri-border of Brazil is a particular concern, as in Brazil, Paraguay and Argentina, as well as [other] parts of Brazil and in the Caribbean Basin," Stavridis told lawmakers.[18] Most of these were only publicly identified as counterdrug operations, but a few, including drug rings busted in Ecuador in 2005, Colombia in 2008, and Curaçao in 2009, were explicitly tied to Hezbollah. Such revelations should not be surprising, given the long history of Lebanese criminal elements in the drug trade in South America in general—and in light of revelations by the U.S. Treasury Department three years earlier that Hezbollah operatives like Sobhi Fayad have engaged in all kinds of Hezbollah support activities, including "illicit activities involving drugs and counterfeit U.S. dollars."[19]

Criminal connections

Hezbollah's expanding criminal networks have led to closer cooperation with organized crime networks, especially Mexican drug cartels. In a March 2012 speech at the Washington Institute for Near East Policy, Michael Braun, former DEA chief of operations, detailed Hezbollah's skill in identifying and exploiting existing smuggling and organized crime infrastructure in the region. Braun and other officials have noted that the terrain along the southern U.S. border, especially around San Diego, is similar to that on the Lebanese-Israeli border. Intelligence officials believe drug cartels, in an effort to improve their tunnels, have enlisted the help of Hezbollah, which is notorious for its tunnel construction along the Israeli border. In the relationship, both groups benefit, with the drug cartels receiving Hezbollah's expertise and Hezbollah making money from its efforts.[20] In 2008, the Mexican newspaper *El Universal* published a story detailing how the Sinaloa drug cartel sent its members to Iran for weapons and explosives training. The article reported that the Sinaloa members traveled to Iran via Venezuela, that they used Venezuelan travel documents, and that some members of Arab extremist groups were marrying local Mexican and Venezuelan citizens in order to adopt Latino-sounding surnames and more easily enter the United States.[21]

Also on the U.S. radar is the relationship between Hezbollah and the Revolutionary Armed Forces of Colombia (FARC). "One thing both Hezbollah and the FARC have in common is a demonstrated willingness to work with outside groups that do not share their same ideology or theology, but who share a common enemy," notes Latin America expert Douglas Farah.[22] A July 2009 indictment exposed Jamal Youssef, a former member of the Syrian military and known international arms dealer, who attempted to make a weapons-for-cocaine trade with the FARC. Unbeknownst to him, Youssef negotiated the deal with an undercover DEA agent. The military-grade arms he agreed to provide had been stolen from Iraq and stored in Mexico by Youssef's cousin, who he claimed was a Hezbollah member.[23]

Staging ground and safe haven

Latin America is significant for Hezbollah and other terrorist organiza-

tions as well: the region provides an ideal point of infiltration into the United States. In at least one instance, a highly trained Hezbollah operative, Mahmaoud Youssef Kourani, succeeded in sneaking across the border into the U.S. through Mexico in the trunk of a car. Kourani paid the owner of a Lebanese café in Tijuana $4,000 to smuggle him across the border in February 2001. The café owner, Salim Boughader Mucharrafille, admitted to assisting more than 300 Lebanese sneak into the U.S. in similar fashion over a three-year period.

An attempt to establish a Hezbollah network in Central America, foiled by Mexican authorities in 2010, provides even more insight into Hezbollah's foothold in Mexico. Hezbollah operatives, led by Jameel Nasr, employed Mexican nationals who had family ties in Lebanon to set up a network targeting Western interests, the media reported. According to these reports, Nasr routinely traveled to Lebanon to receive directions from Hezbollah.[24] Over the past several years, U.S. criminal investigations also have revealed links between the group's illicit activities in the United States and criminal networks in Latin America.

Fertile soil

For some, Hezbollah's attacks in Buenos Aires are ancient history. Indeed, the government of Argentine President Cristina Fernández de Kirchner recently announced that her country was partnering with the Islamic Republic of Iran to establish an independent truth commission to resolve the AMIA bombing.[25] In fact, Argentina's own investigation into the matter has already determined beyond a shadow of a doubt that Hezbollah and Iran partnered together to carry out these bombings.[26]

This disturbing turn of events demonstrates how far some in the region have yet to go to get serious about the threat Hezbollah and Iran pose. The need for attention is perhaps greater today than it has been in years past, since Hezbollah—as a result of both necessity and opportunity—appears to have renewed operational planning focused on South America. Confronting the threat it poses will require close law enforcement, intelligence, and policy coordination throughout the Western Hemisphere. And with Hezbollah actively plotting terrorist attacks around the world, such cooperation should take shape as quickly as possible.

1. Marta Escurra, "Paraguay: Alleged Hezbollah Financier Detained," *Infosurhoy.com*, January 24, 2013.
2. Sebastian Rotella, "Jungle Hub for World's Outlaws," *Los Angeles Times*, August 24, 1998; U.S. State Department, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism* 2009, August 5, 2010.
3. U.S. State Department, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism* 2009, August 5, 2010; U.S. State Department, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism* 2011, July 2012.
4. Southern Command Commander General Douglas Fraser, statement before the House Armed Services Committee, March 30, 2011.
5. Assistant Treasury Secretary for Terrorist Financing Daniel L. Glaser, testimony before the House Committee on Foreign Affairs, October 13, 2011.
6. U.S. Department of the Treasury, "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil, and Paraguay," press release, December 6, 2006.
7. Ibid.; U.S. Department of the Treasury, "Treasury Designates Islamic Extremist, Two Companies Supporting Hizballah in Tri-Border Area," press release, June 10, 2004.
8. Ibidem; Mark S. Steinitz, "Middle East Terrorist Activity in Latin America," Center for Strategic and International Studies, *Policy Papers on the Americas,* Vol. XIV, Study 7, July 2003.
9. U.S. Department of the Treasury, "Twin Treasury Actions Take Aim at Hizballah's Support Network," press release, July 24, 2007.
10. *United States of America v. Rafic Labboun*, Indictment, United States District Court, Northern District of California San Jose, Case No. CR.-09-0058, January 20, 2009; *United States of*

America v. Rafic Labboun, Criminal Complaint, January 9, 2009; "Mexico Extradites Suspected Hezbollah Member," *Fox News Latino*, September 11, 2012.
11. Shane Williams, "Hezbollah in Belize: Is JP Involved?" *Guardian* (Belize), September 12, 2012.
12. Claire O'Neill McCleskey, "Hezbollah Suspect Obtained Fake Belize IDs in 72 Hours," *InSight Crime*, September 13, 2012.
13. Federal Bureau of Investigation, Terrorist Research and Analytical Center, "International Radical Fundamentalism: An Analytical Overview of Groups and Trends," November 1994.
14. Undated Israeli intelligence report, "Hizballah World Terrorism," author's personal files, received August 5, 2003.
15. Robert Morgenthau, "The Link between Iran and Venezuela: A Crisis in the Making?" speech before the Brookings Institution, Washington DC, September 8, 2009.
16. "EXCLUSIVE: Hezbollah Uses Mexican Drug Routes into U.S.," *Washington Times*, March 27, 2009.
17. "Drug Trafficking and Middle Eastern Terrorist Groups: A Growing Nexus?" Washington Institute for Near East Policy, *Policy Watch* 1392, July 25, 2008.
18. Southern Command Commander Admiral James G. Stavridis, statement before the Senate Armed Services Committee, March 17, 2009; "U.S. Warns of Iran-Hezbollah Influence in Latin America," *voanews.com*, March 19, 2009.
19. U.S. Department of the Treasury, "Treasury Targets Hizballah Fundraising Network in the Triple Frontier of Argentina, Brazil, and Paraguay," press release, December 6, 2006.
20. "Myrick Calls for Taskforce to Investigate Presence of Hezbollah on the US Southern Border," Letter from U.S. Congresswoman Sue Myrick to Secretary of the Department of Homeland Security Janet Napolitano, June 23, 2010.
21. Doris Gomora, "Aprenden Narcoterror con Extrimistas: EU," *El Universal* (Mexico City), July 17, 2008.
22. Douglas Farah, testimony before the House Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence, July 7, 2011, 7.
23. "A Line in the Sand: Countering Crimes, Violence and Terror at the Southwest Border," majority report by U.S. Congress, House Committee of Homeland Security, 112th Cong. 2nd sess., November 2012.
24. Jack Khoury, "Mexico Thwarts Hezbollah Bid to Set Up South American Network," *Haaretz* (Tel Aviv), July 6, 2010.
25. "Argentina and Iran Create 'Truth Commission,'" *Al-Jazeera* (Doha), January 28, 2013.
26. Marcelo Martinez Burgos and Alberto Nisman, *Office of Criminal Investigations: AMIA Case*, Investigations Unit of the Office of the Attorney General of Argentina, October 25, 2006.

Colombia Resurgent

James Colbert & William Smearcheck

After years of slow to non-existent growth, Colombia stands today as one of Latin America's most dynamic states, and is rapidly becoming one of the leading economic powers of the region. Liberal economic and financial policies, coupled with a wealth of natural resources and arable land, are giving the country a growing presence in global trade markets. Colombia's rising fortunes are a product of newly acquired stability and security, itself the product of a hard-won victory in a long war against leftist guerillas, paramilitaries, narcotraffickers, and endemic corruption.

From the early 1990s through the mid-2000s, Colombia was widely regarded as one of the most dangerous places in the world, a borderline failed state.[1] Corruption and a limited governmental presence in much of the country enabled criminal groups to take root and prosper. Kidnappings, murders, rural violence, urban bombings and mortar attacks were widespread, and occurred with alarming frequency. Fueled by the drug trade, armed left-wing guerrillas and large-scale narcotrafficking gangs carried out the majority of the violence, joined by equally violent paramilitaries formed to defend landowners from those groups.

While remnants of these groups are still active in Colombia today, the government has succeeded in confining them to rural areas along the borders with Ecuador and Venezuela and the unpopulated areas along the Pacific coast. Increased security has resulted in a large drop in criminal activity country wide. Most significant, between 2000 and 2010, kidnappings countrywide dropped some 93 percent.[2] Today, the largest threat comes from a new generation of criminal gangs known locally as *bandas criminales* (criminal bands, or BACRIM).

James Colbert is Deputy Editor of *The Journal of International Security Affairs* and Director of Policy at the Jewish Institute for National Security Affairs. William Smearcheck is Research Associate at the Jewish Institute for National Security Affairs.

The tremendous success experienced by the Colombian government in defeating the guerillas and ending the paramilitaries was due to a well-executed partnership between Washington and Bogotá. For the first time in decades, the Colombian government is in control of almost the entirety of its national territory, narcotrafficking has been dramatically reduced, the economy is growing rapidly, and social and educational resources are reaching those Colombians that have long been without them. Human rights have also been addressed, and the government appears to be making great strides in advancing the issue.[3]

With the stability gained through increased security, Colombia is tapping into regional economic partnerships focused on penetrating emerging markets and has signed free trade agreements with the United States and the European Union.

Confident under the increased security brought about successes against the FARC, major narcotrafficking gangs, and corrupt Colombian officials, in 2011 the Colombian government passed the Victims and Land Restitution Law (Ley de Víctimas y Restitución de Tierras, Law 1448) to return land to owners forced off their properties during the war. In its own report, Amnesty International, an organization not known for sympathy to embattled democracies, noted that "Law 1448 includes some welcome steps forward."[4] The law will see the return of 16.3 million acres to some 360,000 persons. The process is hampered by a painfully slow judicial system, narcotrafficking groups still operating on lands to be returned, insufficient land records, and families squatting on expropriated lands.[5]

With the stability gained through increased security, Colombia is tapping into regional economic partnerships focused on penetrating emerging markets and has signed free trade agreements with the United States and the European Union. This new market access enables Colombia to more efficiently sell its abundant natural resources to the rest of the world and, for the United States, it means the increasingly lucrative Colombia market has been opened up to American exporters. Making it to this point was far from predestined, however.

A successful war on terror

Colombia made considerable developments in security while challenged with the longest and arguably the most violent armed struggle in the Western Hemisphere. Several large narcoterrorist groups, including the Medellín and Cali-cartels, the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the paramilitary groups together comprised a potent and direct threat to the country. There were, of course, several other smaller revolutionary-type groups as well. Most disbanded in the 1990s.

The FARC, formed in the early 1960s as the military wing of the Colombian Communist Party, arguably posed the greatest threat to the Colombian state.[6] Once counting nearly 50,000 members including 25,000 under arms, today an estimated 9,000 FARC operatives exist in jungle camps strung along Colombia's long borders with Ecuador and Venezuela.[7] No longer fighting to "liberate" the country, today's FARC has been relegated to little more than a narcotrafficking gang engaged in the cultivation, taxation and distribution of illegal drugs for profit while so-called "FARC elements" attack oil and gas pipelines.[8] The FARC's bloody history of murders, kidnappings, bombings and hijackings keeps it on the U.S. government's list of terrorist organizations.[9]

The ELN also continues to attack Colombian institutions despite being beaten down to a shadow of its former self. From 2002 to 2007, the ELN and the Colombian government engaged in discussions to end their conflict. Efforts ceased in 2007 with no resolution. Today, the ELN counts some 3,000 fighters and engages in kidnapping and attacks on Colombian energy infrastructure.[10] It is not party to the current peace negotiations between the government and the FARC.

From the 1990s onward, Colombia and the United States built a strategic counter-narcotics partnership, culminating in an evolving alliance that includes regional security, anti-terrorism tactics, trade and economic development.[11] Today, cooperation between law enforcement agencies is so good that Colombia is considered to be America's best partner for justice in the hemisphere, even better than Canada.[12] Bogotá provides Washington with more tips and intelligence about foreign-involved crime in the United States than any other country.

In 1998, Colombian President Andrés Pastrana Arango proposed a wide-ranging plan to eliminate cocaine trafficking and promote alternatives to coca cultivation.[13] He found a partner in U.S. President Bill Clinton, who initiated an eight-year, $7 billion U.S. effort called Plan Colombia. But Pastrana's actions, which included granting the FARC a large sanctuary, allowed the group freedom to regroup and rearm. By 2002, four years of talks with the FARC had failed to produce even a cease-fire, let alone an end to the conflict. Murders and kidnappings skyrocketed, and the public flocked to the independent candidacy of Álvaro Uribe Vélez, who promised a strong hand against the FARC and the ELN.

Under Uribe, Plan Colombia was expanded with the immediate goals of securing U.S. assistance to help the Colombian national police and military regain control of large swaths of the country that had been ceded to the FARC by the Pastrana administration. For the first time, a national security strategy was created based upon the proposition that every Colombian deserves to have security. Flowing from that idea, a "whole-of-government" approach was adopted. This was championed by the military, which had become uncomfortable pursuing the war against the FARC and the narcotraffickers without a civilian counterpart.[14] Other goals included establishing and securing the rule of law throughout the country and undertaking development projects.[15] Eventually the focus of Plan Colombia shifted to a counterinsurgency strategy, known as Plan Patriota. By 2003, the army, now more mobile as a result of the acquisition of American helicopters, sought out FARC leaders, attacked the guerrillas in their bastions in southern and eastern Colombia and then turned over control of the territory to civilian leadership. In parallel, the Colombian government completely overhauled its military in partnership with the United States.

Today, cooperation between law enforcement agencies is so good that Colombia is considered to be America's best partner for justice in the hemisphere, even better than Canada.

American funding, along with the efforts of the Colombian government under Uribe, put great pressure on FARC forces. Over the same time period, an estimated 54,000 Colombian paramilitaries and guerrillas were demobilized, drug-related kidnappings fell by 90 percent, homicides dropped by 46 percent, and terrorist attacks declined by 71 percent. Meanwhile, the Colombian economy is growing at an annual rate of

five percent, and the nation's per-capita gross domestic product has doubled while cocaine production has declined by 57 percent.[16] This turnaround has been attributed to sustained military and police actions against the FARC and other narco-trafficking revolutionary groups.[17] Under Uribe's leadership, Colombia went from languishing under the crippling effects of one of the world's highest murder and kidnapping rates, to become one of South America's most stable countries.

After nearly a decade of taking the fight to the FARC, the Colombian military pushed the group to the brink of collapse. Current Colombian President Juan Manuel Santos, a former defense minister under Uribe, has initiated talks with the FARC to facilitate an agreement that ends all elements of the conflict. Some, including the outspoken Uribe, view this attempt at peacemaking with grave concern.[18] Santos won the 2010 elections with Uribe's support.

In November 1998, after the FARC defeated a Colombian army battalion in the field and seized the town of Mitú, the capital of Vaupés Department in the southeast of the country, the Pastrana government ceded control over a vast amount of Colombian territory to the FARC as an inducement to the group to continue negotiations. Known as the *despeje*, the territory encompassed 15,000 square miles (roughly the size of Switzerland) in southern Colombia and included prime coca-growing regions. It proved to be a costly mistake; the FARC gained a secure and large base of operations to train and prepare for future clashes, as well as increase its revenues through taxes on expanded cocaine production in the *despeje*.[19] Though intended to last for 90 days, multiple extensions to this state of affairs were offered by the Pastrana government. Finally, in February 2002, Pastrana ordered the army to retake the territory.

Initiated in November 2012, the current round of negotiations carries a concern that the Santos government will retreat from the policies that allowed Colombia to achieve so much success in fighting the FARC. This time, however, the Colombian government is not allowing the FARC any room or ceding a safe zone.

One consequence of the peace talks could be the reemergence of the FARC's political arm and with it, the possibility that the FARC could one day secure seats in the government.[20] The FARC could then seek to influence policy, weakening the state's effort and will to fight the armed FARC elements remaining in the jungle, effectively a repeat of the M-19 criminal organization's strategy in the early 1990s.[21]

The FARC's former political party, the Patriotic Union (UP), recently appealed to the government to lift the 2002 ban against it and to allow it to run candidates for office. This is exactly what former President Uribe feared, that the peace talks would convey legitimacy upon the FARC. Reportedly, the UP sent a letter to Colombian and FARC negotiators in Havana, requesting that it be included in the second round of peace talks focusing on political participation. The UP has also asked to be reinstated as a political party in Colombia.[22]

If Colombia successfully ends the decades-long war with the FARC, it will leave the country with a greater degree of legitimacy in the eyes of many western European countries, where sympathy for the FARC still runs high. The peace talks, therefore, also serve to further Colombia's economic strength, allowing it to invest larger amounts of capital in infrastructure and health and welfare programs, which have the further effect of making the FARC appear ever more irrelevant or even harmful to its remaining adherents.

An economic renaissance

Colombian economic strength has implications for American national security and commercial integration in Latin America. Colombia has proven to be a steadfast American ally in a region dominated by left-wing governments in Cuba, Venezuela, Ecuador, Nicaragua and Argentina, as well as the more moderate leftist countries such as Brazil and Peru. As Colombia's economic importance continues to grow, its influence in the region will increase commensurately. Along with nations such as Mexico and Chile, Colombia can lead the way in Latin America by promoting free-market and democratic-oriented policies that benefit both the region and the United States.

Colombia's economy has shown growth and diversification over the last decade, reinforcing an increasingly stable domestic security environment. The International Monetary Fund recently declared the Colombian economy to be well managed, boasting a credible inflation management regime, appropriate financial supervision, and a sound debt management strategy.

The Colombian economy's growth rate is expected to follow the trajectory it took in 2012—4.2 percent real GDP growth and remaining in between four and five percent—and clocking in above the projected Latin America average until at least 2014.[23] This would be a slowdown compared to 2011's 6.6 percent. Nevertheless, by some estimates, the relatively strong growth trend has allowed Colombia to surpass Argentina, becoming the third-largest Latin American economy in U.S. dollar terms, after Brazil and Mexico.[24] If Colombia truly does surpass Argentina in GDP the results will be significant, if symbolic at first. With nations like Colombia and Mexico pursuing a more *laissez-faire* style of economics, they will continue to move ahead of their more statist peers. As a result, the United States will be a secondary beneficiary of that growth, and will have strong, vibrant allies and trading partners in the region that are ready to fully engage with the United States on a broad range of issues.

By some estimates, the relatively strong growth trend has allowed Colombia to surpass Argentina, becoming the third-largest Latin American economy in U.S. dollar terms, after Brazil and Mexico.

The expansion of the tax base and increased energy exports have allowed the Colombian government to provide more services to the population, thereby increasing support for the democratically elected government and in sharp contrast to the vision of a Marxist state long promoted by the FARC. From rural educational and medical programs, to land repatriation for rural farmers forced off their lands by the FARC, to high-profile urban redevelopment projects, the Colombian government under past president Álvaro Uribe and current office-holder Manuel Santos, has demonstrated that with security, the people can prosper. The United States government has observed significant progress in these critical areas. Ambassador P. Michael McKinley has been outspoken in calling attention to the Colombian example.[25]

All sectors of society, from rural townsfolk and small farmers under FARC control for decades to residents of notorious city slums as well as the middle and upper classes, have benefited. By considerably reducing narcotics production and trafficking, and successfully defeating the FARC and ELN, the government has brought security and then services to vast portions of the country that were previously excluded from the government's reach.

Future economic strength will no doubt come from exports, helped by the past year's implementation of free trade agreements (FTAs) with the United States and the European Union, as well as discussions on an agreement with China that commenced last October. The FTA with the United States will also increase Colombia's access to American products by eliminating tariffs on 80 percent of goods by last December, and ending all tariffs by 2022.[26] Such policies, by extension, benefit American business by providing equal access to the growing Colombian market.

While Colombia weathered the 2008-2012 global financial crisis and recession comparatively well, ongoing fragility in the U.S. economy and a worsening Euro-crisis could impact its growth prospects moving forward. Furthermore, a weakening economic situation in China would negatively impact a demand for commodities, impairing Colombia's export growth. An economic slump may weaken President Santos's hand during negotiations with the FARC, increasing the chances of further unrest.

Agriculture

Colombia is poised to become one of the world's largest producers of crops for food and biofuels. It is estimated that Colombia possesses 53 million acres of land well suited for the cultivation of corn, soy, African palm, and sugar. Currently, just 12 million acres are used for food and biofuel production.[27] In fact, with its major cities concentrated in the north central part of the country, 65 percent of Colombia's land is populated by a mere 15 percent of its people.

Global food supplies are running behind population demands, which is keeping prices high. Once infrastructure, especially tertiary roads, is improved, Colombia stands to gain enormously through increased agricultural production.

Oil

Much of Colombia's economic growth and potential for influence on the international stage are due to its vast energy resources. While many countries have access to energy resources, Colombia is uniquely blessed with both hydrocarbons and renewables. A staggering sixty-three percent of all electricity consumed domestically is generated by hydropower. Though down from the 1990s due to climatic factors, hydropower is still more than sufficient to allow exports of Colombia's large reserves of oil, coal, and natural gas.[28]

As of 2012, *Oil and Gas Journal* estimates that Colombia possesses reserves of two billion barrels of crude oil.[29] After a decade of languishing discoveries and slowed production, the improved security situation made it possible for the government to draft a fresh regulatory framework and hold a new auction for exploratory permits. Together, this has allowed Colombian crude oil extraction to explode. To illustrate the point, in 2008, Colombia produced 595,000 barrels per day. By 2011, production had nearly doubled to 923,000 barrels per day. Capacity is expected to continue to increase and hit 1.5 million barrels per day by 2020.

While production has increased, domestic consumption has remained relatively steady, with an expectation that it will increase in the future. With production rising faster than consumption, excess capacity has gone to exports, raising Colombia's profile in the energy markets. The United States has been the primary beneficiary of Colombia's crude oil exports, with China and Japan close behind.

Natural gas

An improved regulatory framework and increased international investment has boosted Colombia's natural gas production. In 2012, Colombia boasted 4.7 trillion cubic feet in proven natural gas

reserves, up from 4 trillion cubic feet the prior year. Gas reserves can be found both on and offshore.

The Trans-Caribbean Gas Pipeline, also known as the Antonio Ricaurte Pipeline, currently exports natural gas from Colombia to Venezuela. Future links to Panama and Ecuador were agreed upon in November 2011. Venezuela uses Colombian natural gas for power generation and for reinjection to increase the flow of crude from its existing fields. The pipelines can provide Colombia a measure of leverage over relations with its tempestuous neighbor to the east. As Colombian natural gas production continues to increase, exports have the potential to rise, enhancing Colombia's status in global affairs.

Coal

By 2010, Colombia had become the world's fourth-largest coal exporter. While production has continued to expand over the past decade, domestic consumption has remained relatively flat. With Colombian domestic electricity generation coming largely from energy sources other than coal, it can be mined exclusively for export. In 2010, almost half of Colombia's coal exports went to Europe, with nations in Latin America and the Caribbean, followed by the United States, coming next. Currently Asian nations rank lower in the market for Colombian coal. Projections indicate that Japan and China will both play an increasingly larger role in the market, however. Both countries have engaged in deals with the Colombian government over the past few years in order to make investments in the coal sector.

Electricity

Liberalization of the power generation sector in the early 2000s and consequent increased foreign investment allowed Colombia to become a net exporter of electricity, chiefly to Ecuador and Venezuela. Combined with the expansion of the natural resources extraction sector, this has created an environment in which Colombia is literally a regional powerhouse. The Colombian Ministry of Mines and Energy has estimated that electricity exports will expand at five percent annually over the next several years. A power transmission line to Panama is under development.[30]

Regional trade blocs

In 2012, the Pacific Alliance, an economic and trade bloc of democratic countries on the Pacific littoral, was established with Colombia as a founding member.[31] The Alliance's goals center on economic and political integration, growth, competitiveness, and development. Like-minded nations Chile, Mexico, and Peru joined Bogotá in founding the bloc. A diverse group of countries joined soon after, including Panama, Costa Rica, Spain, New Zealand, Australia, and Uruguay. Recently, Canada came aboard as an observer with great expectations.[32] The Alliance's members comprise 71 percent of Latin America's exports, 34 percent of total GDP, and encompass a population of 207 million. The founding members, already party to free trade agreements with each other, seek a further expansion of the trading bloc and to work toward the establishment of a visa-free zone, the development of joint infrastructure projects, and possibly a joint stock exchange.

With an eye on the future, the Pacific Alliance intends to aggressively seek to engage with the countries of the Far East and South East Asian nations. In addition to pursuing joint trade and investment deals, the bloc has set its sights on working to enhance common foreign-policy strategies toward Asia. Currently, one of the group's major initiatives is the pursuit of a free trade pact with the Association of Southeast Asian Nations (ASEAN).

The Pacific Alliance represents a strategic opportunity for Colombia—and for America. A grouping of Latin American countries committed to democracy and a free market will provide a stabilizing force within the region and play the role of counterweight to the left-leaning Mercosur bloc. That customs union is formed by a grouping of states that run the gamut from openly hostile to cautious on America: Argentina, Bolivia, Brazil, Uruguay, Venezuela, and Paraguay, with the latter currently under suspended membership following the controversial impeachment of President Lugo. Despite Mercosur's free trade goals, protectionist impulses amongst its members have limited its accomplishments, while Venezuela's inclusion in it has raised alarms within the United States government.[33]

Safety not guaranteed

Gains in security and stability have paved the way for a decade of Colombian growth and prosperity. A bright future is not assured, however. In order to continue Colombia's fast paced development, the government must either eliminate the FARC (and, to a lesser degree, the ELN) or come to an agreement that sees the group ending its war against the state.

By committing to negotiations, President Santos conferred upon the FARC a degree of political legitimacy that had previously eluded the group, one that may even pave the way for its reentry into Colombian politics. This has been met with no small degree of controversy. Nevertheless, the United States has pledged to support the implementation of a peace accord between the Colombian government and the FARC.[34]

Meanwhile, FARC attacks on oil and gas pipelines in rural areas far from population centers have hurt sector earnings and increased risk levels for investors.[35] Over the last year, attacks against oil and mining installations increased dramatically. Bombings of oil pipelines increased 460 percent in the January-August period to 117 compared with the same period in 2011.[36]

The peace talks proved to be no deterrent. During the FARC's November 2012 to January 2013 self-declared ceasefire, elements of the group perpetrated 52 attacks on Colombian security forces and oil pipelines.[37] Even if peace terms are agreed to, the FARC may splinter into factions, some of which would certainly continue their war against the state.

There is a possibility that negotiations with the FARC could sour and ultimately bring clouds to Colombia's sunny prospects, but for now the future remains bright. The country's resources are being unlocked, partnerships with neighboring states show great promise, relations with the United States are strong, and the country's middle class is growing. With continued success, Colombia's stabilizing influence in the region and around the world can be expected to continue.

1. http://www.ft.com/cms/s/0/9984100a-92d9-11e1-aa60-00144feab49a.html#axzz2Oq4oJnUj. Retrieved 28 March 2013. (subscription required).
2. Briefing by the National Police of Colombia, Bogotá, Colombia, February 29, 2012.
3. Briefing by U.S. State Department official, Bogotá, Colombia, February 28, 2012.
4. Amnesty International, *Colombia: The Victims and Land Restitution Law*, 2012, http://www.amnesty.org/fr/library/asset/AMR23/018/2012/en/9cfa36ee-95c2-406b-bea0-4d5aff522d60/amr230182012en.pdf.
5. Briefing by U.S. State Department official, Bogotá, Colombia, February 28, 2012.
6. Peter DeShazo, Johanna Mendelson Forman, and Phillip McLean, *Countering Threats to Security and Stability in a Failing State: Lessons from Colombia* (Washington, DC: Center for Strategic & International Studies, September 2009).
7. U.S. Department of State, *Country Reports on Terrorism 2011*.
8. June S. Beittel, "Colombia: Background, U.S. Relations, and Congressional Interest," Congressional Research Service, November 28, 2012.
9. U.S. Department of State, Bureau of the Coordinator for Counterterrorism, *Country Reports on*

Terrorism 2011, July 31, 2012, http://www.state.gov/j/ct/rls/other/des/123085.htm.
10. Luis Jaime Acosta, "Colombia to Send Committee for Release of German Hostages," Reuters, February 25, 2013, http://www.reuters.com/article/2013/02/26/us-colombia-rebels-idUSBRE91M0C720130226.
11. Ambassador Myles R.R. Frechette, *Colombia and the U.S.—The Partnership but What Is the End Game?* (Carlisle, PA: Strategic Studies Institute, February 2007), http://www.strategicstudiesinstitute.army.mil/pdffiles/pub762.pdf.
12. Interview with U.S. government official, Bogotá, Colombia, February 28, 2012.
13. Embassy of Colombia, "A History of Partnership," 2012, http://www.colombiaemb.org/Partnership.
14. Briefing by Sergio Jaramillo Cano, Bogotá, Colombia, February 29, 2012.
15. Jess T. Ford, "Challenges in Implementing Plan Colombia," Statement before the House Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, October 12, 2000, http://www.csdp.org/research/d0176t.pdf.
16. Mark Croomer, "Drug Traffickers, Insurgents & Safe Havens—Lessons Learned from Plan Colombia," *Domestic Preparedness*, February 15, 2012.
17. Colby Martin, "Colombia's New Counterterrorism Strategy," Stratfor, March 29, 2013, http://www.stratfor.com/weekly/colombias-new-counterinsurgency-plan.
18. Briefing by former president of Colombia Álvaro Uribe, Bogotá, Colombia, March 4, 2012.
19. Jon-Paul Maddaloni. "An Analysis of the FARC in Colombia: Breaking the Frame of FM 3-24," School of Advanced Military Studies, 2009, 19, http://www.cgsc.edu/sams/media/Monographs/MaddaloniJ-21MAY09.pdf.
20. Tara Morris, "Former FARC Political Party Wants to Return to Colombian Politics," *Colombia Reports*, March 15, 2013, http://colombiareports.com/colombia-news/news/28554-former-farc-political-party-wants-to-return-to-colombian-politics-.html.
21. Jon B. Perdue, *The War of All the People* (Potomac Books, 2012), 105.
22. Morris, "Former FARC Political Party Wants to Return to Colombian Politics."
23. International Monetary Fund "World Economic Outlook October 2012," February 2013, 75, http://www.imf.org/external/pubs/ft/weo/2012/02/pdf/text.pdf.
24. Darcy Crowe, "Colombia, Argentina Trade Barbs on Economic Might," *Wall Street Journal*, October 18, 2012, http://online.wsj.com/article/SB10000872396390444868204578065262356034322.html.
25. Luis Ferreira, "A Conversation with US Heads of Mission in the Andean Region," Inter-American Dialogue, March 15, 2012, http://www.thedialogue.org/page.cfm?pageID=32&pubID=2902.
26. Office of the United States Trade Representative, "U.S.-Colombia Trade Agreement: Increasing American Competitiveness," n.d., http://www.ustr.gov/uscolombiatpa/facts.
27. Mica Rosenberg, "Colombia Shifts from Drugs to Food," Reuters, May 23, 2011, http://www.reuters.com/article/2011/05/23/us-colombia-agriculture-idUSTRE74M4OQ20110523.
28. U.S. Department of Energy, Energy Information Administration, "Country Analysis Brief: Colombia," June 2012, http://www.eia.gov/EMEU/cabs/Colombia/pdf.pdf.
29. Marilyn Radler, "Worldwide Oil Production Steady in 2011; Reported Reserves Grew," *Oil and Gas Journal*, December 1, 2011.
30. "Transmission Linking Panama, Colombia to go up this Year," *Electric Light and Power*, February 29, 2012, http://www.elp.com/articles/2012/02/transmission-linking-panama-columbia-to-go-up-this-year.html.
31. Federico Quilodran, "New Alliance: Mexico, Colombia, Peru, and Chile," *Yahoo Finance*, June 2, 2012, http://finance.yahoo.com/news/alliance-mexico-colombia-peru-chile-021714036.html
32. Carlo Dade, "Is This Canada's Latin Path to Asia?" *Globe and the Mail* (Canada), October 9, 2012, http://www.theglobeandmail.com/commentary/is-this-canadas-latin-path-to-asia/article4592174/.
33. "US Ambassadors Consider Mercosur as Anti-American," Merco Press, March 7, 2011, http://en.mercopress.com/2011/03/07/us-ambassadors-consider-mercosur-as-anti-american-according-to-wikileaks.
34. Mark Feierstein, Assistant Administrator for Latin America and the Caribbean, U.S. Agency for International Development, testimony before the House Committee on Foreign Affairs, February 28, 2012.
35. "Will Colombia Become Latin America's Poster Child for Peak Oil," *24/7 Wall Street*, March 5, 2013, http://247wallst.com/2013/03/05/will-colombia-become-latin-americas-poster-child-for-peak-oil/.
36. Luis Jaime Acosta, "Colombia Says FARC Rebels Hit Two Oil Pipelines, Coal Rail Line," Reuters, Jan. 22, 2013. http://www.reuters.com/article/2013/01/22/colombia-rebels-energy-idUSL1N0AR6V620130122.
37. "Santos Warns FARC Against Violence as Ceasefire Ends," *France 24*, January 20, 2013, http://www.france24.com/en/20130120-colombia-president-warns-farc-violence-ceasefire-ends.

PERSPECTIVE

Thinking Big
An Interview with The Honorable Newt Gingrich

Newton Leroy Gingrich ranks as one of America's leading educators, intellectuals and policy innovators. During the 1990s, Gingrich served as Speaker of the House of Representatives, and in that capacity was one of the principal architects of the "Contract With America" that helped restore Republican control of Congress. Since leaving office in 1999, Gingrich has helped pioneer bold new thinking on a range of domestic and national security issues, from immigration to healthcare to United Nations reform. Most recently, he ran as a Republican candidate for president in the 2012 elections.

In January 2013, *Journal* editor Ilan Berman interviewed him about the nature of the War on Terror, the state of the U.S. budget, cyberwarfare, and America's relations with both Asia and Russia.

In the year-and-a-half since the death of Osama bin Laden, the Obama administration has taken great pains to move beyond the War on Terror in both its rhetoric and its policies. Even though counterterrorism operations continue to take place, there is today a clear sense that the United States is not as engaged as it once was in the fight against radical Islam. Yet instability in places like Yemen and Mali makes clear that the struggle against Islamic extremism is far from a thing of the past. What does America need to do to persevere in this conflict?

Islamist extremists continue to spread across the planet, but the establishment seems surprised by each new outbreak. Benghazi was apparently a surprise, yet Benghazi had been a leading producer of anti-American fighters in Iraq. Libyan weapons had left Libya for Mali, yet Mali seemed to be a surprise as well. The Bulgarians have now identified Hezbollah as the culprit in a bus bombing in Bulgaria, and Europeans now see Hezbollah in a new light even though the organization itself has been Iranian-funded and dedicated to terrorism for a generation.

What is needed is a master assessment, a grand strategy and a much larger, longer view of what is happening. Twelve years after the September 11 attacks, there has been no "long telegram" explaining the threat, and no equivalent to NSC 68 defining a coherent grand strategy against it. Until we have strategic understanding and strategic planning in this arena, we will continue to waste lives, time, and resources chasing tactical events.

Asia has emerged as a singular focus of the Obama administration. A year ago, the White House formally signaled its interest by announcing a "rebalancing" of strategic priorities toward the Asia-Pacific. Yet the Administration's Asia "pivot" remains largely notional, poorly defined politically, and under-resourced financially. In your opinion, what should America's priorities be in Asia?

America's first priority should be to develop a coalition that favors the rule of law, free markets, and national sovereignty. That coalition will be necessary to balance China's growing power and aggressiveness. The second goal should be to seek some common institutions, habits, and principles to minimize the development of genuine hostility between the United States and China. The third goal should be to maintain America's military superiority, so China will not be tempted to undertake aggressive steps in the region for at least the next generation.

For months now, official Washington has been consumed with an acrimonious debate over spending, taxes, and a looming "fiscal cliff." So profound has this economic malaise become that some pundits have termed it the biggest threat to U.S. foreign policy and national security. Do you agree with this assessment? What can be done to right America's economic ship of state?

No. The greatest long-term threat to American national security is the decay of our instruments of capability, beginning with education and extending to manufacturing and to scientific research and investment. If we cannot reform our education system to produce a productive workforce and reform our tax, litigation, and regulatory systems to encourage manufacturing, we will inevitably decline as a military power because the very bases of power will have diminished.

Cyberspace is rapidly emerging as a new, and critical, domain for conflict. This past fall, Secretary of Defense Leon Panetta warned publicly that the United States could soon face a "cyber Pearl Harbor" as a result of the growing threat posed by both state and non-state actors in cyberspace. As of yet, however, the U.S. government has not articulated a clear approach to secure cyberspace. How well is the United States actually protected from cyber attack?

Arguably, nuclear weapons are the most decisive threat we face, because if used they will result in instant, horrendous loss of life. But cyber warfare may be the most intellectually challenging. No one knows what a real cyberwar would be like, and many of the very techniques we would use in such a war are so secret we that we cannot have an intelligent national debate about the topic. We have enormous assets in our cyber capability (both public and private). Yet if a competitor develops a game-changing breakthrough, we may not know it until it is used and then it may be too late to develop a counter.

The idea of a "reset" of relations with Russia has become a fixture of President Obama's foreign policy. But nearly three years since it was announced, this rethink of policy can boast few tangible results. The Kremlin remains as hostile as ever to America and U.S. interests abroad, while at home Russia's slide toward authoritarianism has both continued and accelerated. How should Washington best navigate its difficult relationship with Moscow?

It is important to be realistic about the emerging Russia, which may have no interest in a resetting of the relationship. High-priced oil and gas give Russian President Vladimir Putin and his government the resources to play a growing role in the world. While demographic and other challenges may limit or undermine Russian capabilities in the long run, the cost of energy is giving the Putin government the ability to both flourish at home and buy influence abroad. We therefore need an American resetting of policy based on the realities of the Putin system, and we need to focus on protecting American interests rather than seeking some probably unattainable relationship with Moscow.

NOW, WE'VE GOT YOU PROTECTED

IRON DOME. SAFEGUARD YOUR CITIES, STRATEGIC LOCATIONS AND DEPLOYED FORCES WITH THE WORLD'S 1ST EFFECTIVE INTEGRATED AIR AND MISSILE DEFENSE AGAINST ASYMMETRIC THREATS.

Iron Dome. The 1st operational dual-mission, Counter-Rocket, Artillery and Mortars (C-RAM) and Very Short Range Air Defense (VSHORAD) system. Innovative and affordable, Iron Dome is the only successful response to a wide variety of threats - from traditional to ballistic munitions.

- Effective interception and handling of salvo threats
- Selective interception of threats endangering the protected area
- Destruction of threats before reaching the protected area
- Robust interceptor with pinpoint accuracy and lethality
- Operational day and night in all weather conditions

RAFAEL
SMART AND TO THE POINT

E-Mail: intl-mkt@rafael.co.il
www.rafael.co.il

DISPATCHES

Rethinking Counterradicalization

Shiraz Maher

LONDON—Weeks after terrorists attacked the United States on September 11, 2001, a British citizen, Richard Reid, boarded American Airlines flight 63 from Paris to Miami with explosives concealed inside his shoes. Good fortune prevented the explosives from detonating, but Reid represented a phenomenon that would worry security officials even more than the attacks which had preceded him: homegrown extremists.

The issue was brought into sharp relief for Americans by the attack perpetrated at Fort Hood, Texas, by Major Nidal Hasan in November 2009, and by Faisal Shahzad's failed plot to bomb New York's Times Square in May 2010. Britain has suffered the problem perhaps more acutely than most over the last decade—most spectacularly in 2005 when terrorists bombed the London underground—prompting the government to create its ambitious counterterrorism strategy known as "Contest."

The Contest strategy was first published and presented to parliament by the Home Office in July 2006 (though it had operated in secret since 2003) and was later revised in March 2009. It aims "to reduce the risk from international terrorism, so that people can go about their daily lives freely and with confidence," and is based on four pillars known as the four P's: Protect, Pursue, Prepare, and Prevent. The first three represent a conventional approach to dealing with terrorism and criminality by prioritizing evidence gathering, arrests, and prosecutions. The police and intelligence services have become increasingly adept at using these tools to disrupt terrorist activity both at home and abroad.

The last pillar, Prevent, is the most ambitious and expansive aspect of Contest. It is concerned with "tackling the radicali[z]ation of individuals." Invested with profound ideological and political significance, it has been a highly contentious aspect of Contest ever since its inception, alienating many of the communities it hoped to engage while empowering those it sought to counteract. For these reasons, the coalition government in

SHIRAZ MAHER is a Senior Fellow at the International Centre for the Study of Radicalisation, King's College London. His report on Prevent (co-authored with Martyn Frampton) was published by Policy Exchange in 2009.

2011 asked the then-independent reviewer of counterterrorism legislation, Lord Carlile, to investigate the efficacy of Prevent initiatives and offer suggestions for its improvement.

Prevent previously operated on the untestable assumption that non-violent extremists can be used as bulwarks against violent extremists. There was a belief within some elements of government and the police that only non-violent radicals—sometimes called "political Islamists"—possessed the necessary "credibility" to control angry young Muslims and steer them away from violence. Genuine Muslim moderates were dismissed as "spoken for" and marginalized.

This approach is epitomized by Robert Lambert, now a retired police officer who helped create the Muslim Contact Unit in London's Metropolitan Police Service shortly after 9/11. Lambert advocates partnerships "with Muslim groups conventionally deemed to be subversive to democracy; and negotiation by those groups with Muslim youth drawn to al-Qaeda terrorism." Yet, in his expansive survey of terrorism entitled *Blood and Rage*, researcher Michael Burleigh challenges this belief by demonstrating a causal link between ostensibly non-violent, but extremist, political actors and their violent counterparts. Rather, surveying almost two centuries of terrorism, Burleigh reveals how terrorists need—and feed off—a wider cultural milieu. That environment is not necessarily supportive of violent means, but displays a level of sympathy. This is the central theoretical flaw on which so much of the Prevent agenda was previously based.

The Prevent review has changed all this. "Terrorist groups can take up and exploit ideas which have been developed and sometimes popularized by extremist organizations which operate legally in this country," it concedes. "This has significant implications for the scope of our Prevent strategy. Evidence also suggests that some (but by no means all) of those who have been radicalized in the UK had previously participated in extremist organizations."

This change is further complemented by the inclusion of a values-led agenda which promotes the normative values of the state in its dealings with partner organizations. The review states, "We will not work with extremist organizations that oppose our values of universal human rights, equality before the law, democracy and full participation in our society. If organizations do not accept these fundamental values, we will not work with them and we will not fund them."

Another development to emerge from the Prevent review was a greater commitment to challenging the ideology behind terrorism. "Challenging ideology is also about being confident in our own values—the values of democracy, rule of law, equality of opportunity, freedom of speech and the rights of all men and women to live free from persecution of any kind," it stated. "Challenge must be accompanied by advocacy of the very systems and values which terrorists in this country and elsewhere set out to destroy."

This is a highly significant development in the soft-power arsenal used by a liberal democracy when confronting the terrorist threat. Consideration is now given to the role of ideology and how Prevent should tackle it. "All terrorist groups have an ideology. Promoting that ideology, frequently on the internet, facilitates radicalization and recruitment. Challenging ideology and disrupting the ability of terrorists to promote it is a fundamental part of Prevent," it states.

The commitment to defending the liberal democratic values of the British state represents the real strength of the revised strategy. This is an important development which has allowed the government to place itself on a surer footing when dealing with Islamists not just at home but also when accommodating the changing contours of power in the Middle East. Managing the interconnectedness of those two dynamics will provide the true measure of its success.

Bolivia's Uncertain Future

Alejandra Prado

LA PAZ—Evo Morales is now in his second term and his seventh year in office as President of Bolivia. From the start of his presidency in 2006, Morales has enjoyed consistently high electoral ratings (averaging an approval rating of more than 50 percent). Yet his tenure has been marked by profound irregularities—and the future may hold even more.

Evo Morales came to power as a national deputy in Bolivia's parliament in the 1990s, campaigning on a populist platform that emphasized leftist ideas and championed opposition to the official establishment. His success is attributable to his base of support among the country's poor, as well as in another formidable constituency: the illegal coca farmers of Bolivia.

Bolivia ranks as the third-largest producer of cocaine in the world, and Evo Morales is at the heart of it. He now serves as the head of the union of coca leaf farmers in the Chapare region in Cochabamba—only five percent of whose product actually involves legal trade.

It is not surprising, then, that Bolivia under Morales has gained international notoriety as a source of illegal narcotics. According to the United Nations Office on Drugs and Crime in Bolivia, cocaine produced in Bolivia (as well as in Colombia) now plays a major role in destabilizing countries in Africa—among them Mali, where an Islamist insurgency now rages. Moreover, that instability allows Latin American narcotics to find their way to Europe, utilizing desert trafficking routes and exploiting lax oversight and border controls.

In this effort, Morales has been the problem, rather than solution. In 2008, under growing pressure from Washington to tighten controls on the country's rampant drug trade, his government expelled the U.S. ambassador from La Paz. Morales did the same to the U.S. Drug Enforcement Administration the following year.

In lieu of collaboration with America, Bolivia has increasingly made common cause with other, more sympathetic states. Morales, for example, has forged a close personal relationship with Venezuelan strongman Hugo Chávez, as well as good working ties with the Castro regime in Cuba. Bolivia's relations with both are grounded in a mutual embrace of "twenty-first century socialism"—and joint opposition to the United States.

Bolivia is also tightening its ties to Iran. Over the past several years, relations between La Paz and Tehran have expanded significantly in a number of arenas, as the Iranian regime has begun in earnest to court Bolivia as a partner in the region.

On January 22nd, Morales delivered a four-hour state of the nation speech. The Bolivian president used the occasion as an opportunity to defend his government's approach to both domestic and foreign policy, and to detail the vibrant relations Bolivia now enjoys with Caracas, Havana and Tehran.

But change is on the horizon. Venezuelan strongman Hugo Chávez is gravely ill with an aggressive form of cancer, and is widely expected to pass from the political

Alejandra Prado is a current National Congresswoman in Bolivia.

scene in the very near future. His absence will create new challenges for countries that are aligned with his regime, Bolivia among them.

If Chávez dies, institutions like ALBA, the Bolivarian Alliance for the Peoples of Our America, and the Community of Latin American and Caribbean States (CELAC), as well as the dream of the "Patria Grande" (The Great Country) championed by him and embraced by other leftist leaders, may wither on the vine. After all, these institutions and ideas are kept afloat largely because of Venezuelan financial support. In its absence, the regimes that now look to Caracas for regional and ideological leadership will need to plot a new course.

For Bolivia, this will mean working more closely with neighboring countries such as Brazil, relations with which are now strained.

But Chávez' passing may also create new opportunities. In the absence of a strong Iran-Venezuela connection, for example, a growing relationship between Tehran and La Paz is likely. This is so because Bolivia's geostrategic location at the heart of South America is attractive for the Iranian regime, which has been working hard over the past decade to establish a presence in America's backyard. Iran's ties to Bolivia are already robust; the Islamic Republic boasts the largest diplomatic corps in Bolivia, and nowadays even visas are no longer necessary to travel between the two countries. This raises the possibility that, with Chávez no longer a factor, the Iranians might look to Bolivia's president to serve as their broker in Latin America. Evo, in fact, seems to be banking on it.

Jihad 2.0 Comes of Age

M.D. Nalapat

NEW DELHI—Although scholarship is highest in the Western world, its soft spot is the immediate—almost involuntary—response to selected stimuli. Words like "human rights," "democracy," "moderate," and "dialogue" tend to have a clouding effect on Western minds, blinding them from often-harsh realities.

Jihadists in Kashmir exploited this trait extensively during the 1990s. Kashmir had been run along broadly secular lines under a democratic (Republic of India) constitution. The *jihadists* (or "freedom fighters," as the Clinton administration consistently termed them) wanted to turn Kashmir into a Taliban-like state, taking away the rights of women to work, children to study, and minorities to reside. They sought to enforce the Wahhabi version of *sharia* (Islamic law) in place of the legal system that was operational across India, and which was based on the model left behind by the British colonial authority. Most crucially, the *jihadists* backed armed struggle, the use of terror, and the killing of innocents to achieve their goals. Before the decade of the 1990s was even a couple of years old, Kashmir was effectively cleansed of the Hindu Pandit community, to deafening silence from the West.

In fact, North Americans and Europeans joined hands with China and Middle Eastern nations in backing the Kashmiri *jihadists'* demand that they be allowed to break away from India. More than the loss of territory, what alarmed the Indian strategic community was the fact that Hindu-Muslim tensions in India would rise to an uncontainable level were Kashmir (the country's only Muslim-majority state) to be allowed to secede.

The Clinton administration's full-throated backing of the Kashmir *jihad* was of a piece with its not-so-covert encouragement of the Taliban in Afghanistan. On the watch of the Clinton White House, *jihadist* groups proliferated and strengthened, to silence if not encouragement from the rest of Washington.

Fast-forward two decades, and another Clinton—this time Secretary of State—presided over a further evolution of global *jihad*.

In Egypt, Mohammad Morsi, a closet Wahhabi, is now president. In Turkey, although Prime Minister Recep Tayyip Erdogan preens in the manner of a neo-Ottoman, he is in truth an intellectual disciple of Saudi Wahhabism. The difference between him and Morsi is that the latter is Islamizing his country by stealth, gradually adding a toxic layer of policy in slices so fine that they go unnoticed by all except the country's secularists.

Thanks to European Union backing, Erdogan has neutered the secular Turkish army and has quietly begun a process of promoting Wahhabi military officers over the heads of their secular peers in the manner employed by former Pakistan President Zia-ul-Haq. Less than 15 years from now, if Erdogan has his way, the Turkish military will go the way of the Pakistani army, becoming a cesspool of fanaticism concealed behind a uniform.

In Pakistan, it was a nudge from Secretary Clinton that forced President Asif Ali Zardari to bring back his nemesis, ousted Supreme Court Chief Justice I.H. Choudhury.

M.D. Nalapat is Vice-Chair, Manipal Advanced Research Group, UNESCO Peace Chair & Professor of Geopolitics, Manipal University, Haryana State, India.

Predictably Choudhury, a closet Wahhabi and Punjabi zealot, quickly sought to weaken the civilian government in Pakistan to the detriment of the War on Terror. It likewise was Hillary Clinton who backed a fresh term for Pakistan's most powerful general, Ashfaq Kayani, thereby further weakening the authority of Pakistan's civilian government. In contrast to Turkey, where the United States and the EU have backed the closet Wahhabis in power against a secular military, in Pakistan the openly Wahhabi military has been backed by NATO member-states against the moderate, largely Sufi, civilian government of the country. More than a decade after 9/11, the centuries-old Western fascination with Wahhabism has yet to diminish.

Egyptian officials privately admit that it was Morsi's secular opponent who won the Egyptian presidential election, but that a decision was taken by the military leadership to declare Morsi the winner, "in order to bring the Muslim Brotherhood on board the Western agenda." Such logic is reminiscent of the line of reasoning that created and thereafter nourished the Taliban. There is an existential disconnect between the West and Wahhabism, not simply the so-called "extreme" variants but other strains that camouflage themselves behind words such as "human rights" and "democracy," which are guaranteed to generate a Pavlovian twitch in Western interlocutors.

Once Morsi took office, his instincts and associates took control, replacing the secular Mubarak dictatorship with its Wahhabi variant. The coming to power of the Muslim Brotherhood in Egypt, if not reversed, will cause the same geopolitical tectonic shift as did the 1979 ascent of the Ayatollah Khomeini in Iran. In that country, the secular opposition was brutally put down under the cover of the war with Iraq. Hopefully, in Egypt, they will prevail and the fundamentalists will retreat to the political fringe where they belong.

A similar error is being played out in Syria, where Wahhabi elements are the principal beneficiaries of the largesse channeled towards them by ideological comrades in the secret services of so-called regional allies of NATO.

It was the (overt) Wahhabis who sparked Jihad 1.0, including its most deadly manifestation: the 9/11 attacks on America. It is the closet Wahhabis who are in the process of creating Jihad 2.0. They are doing so, moreover, with the blessing of the West.

Book Reviews

Historic Warning

David Rothbard & Craig Rucker

R. Daniel McMichael, *The Journal of David Q. Little* (National Institute Press, 2012), 519 pp. $26.00.

In recent days, multitudes of Americans crowded into local movie theaters to enter the bleak yet noble world of 19th-century Paris, brought to life in a stunning cinematic adaptation of Victor Hugo's masterpiece, *Les Misérables*. At the same time, another tour de force of sociopolitical and literary excellence, albeit not quite as well known, also reemerged in the republication of the novel *The Journal of David Q. Little*. But while the dreary prison, brothels and sewers of Hugo's "wretched ones" offer a wrenching view of poverty and hopelessness amidst a spark of virtue, the world of David Q. Little is far more disturbing—and instructive. It shows what can happen in America, and actually is happening, as the bounties of liberty, self-determination and national sovereignty are handed over to the faceless behemoth of authoritarianism in exchange for the false promises of prosperity and security.

Sent as a gift by President Ronald Reagan to Margaret Thatcher on the eve of her election as Prime Minister of Great Britain, and penned by one of America's most learned scholars of strategic and international affairs, R. Daniel McMichael, *The Journal of David Q. Little* (or *DQL* for short) was first published in 1967—at a time when all too few voices in the U.S. were warning about the true nature and intentions of the Soviet empire. *DQL* describes a fictional, but seemingly all too real, account of how the United States relinquishes its responsibility of self-defense and is seduced by nuclear blackmail and guile into a "Treaty of Friendship" with

David Rothbard and Craig Rucker serve, respectively, as president and executive director of the Committee for a Constructive Tomorrow (CFACT), a public policy organization founded in 1985 to provide a positive alternative to the growing tide of global environmental extremism.

the USSR. The treaty purportedly offers shared power but is in reality simply a Communist takeover of America.

DQL traces the awful decline of America into tyranny and barbarism through the eyes of an everyman named David Q. Little. In his hidden journal, Little eloquently catalogues the increasingly oppressive policies, personal experiences and tumultuous thoughts and emotions of a man, his family and his community undergoing a transformation to totalitarianism.

Wages and prices are set from above; industries are nationalized; the secret ballot is "voluntarily" surrendered; and "populist" protests and rallies are used to decapitate civic and business organizations of their leadership. Little also records the powerfully mundane human impacts of life in the new America. In a place where "it is unlawful to burn electric lights past ten o'clock, unless a special permit is secured," and deodorant must last four days while shampoo is rationed to once per month (with water rinses in between), luxury foods (e.q., meat, dairy, and fresh produce) can only be had through special "AA" food ration coupons made available to selected government authorities (or of course, the black market). Little also fashions a view of the long gray line of job seekers: "hundreds of them in assorted sizes, shapes and spirits. Some people had had baths. Some had not. Most were sober."

In a foreword to the new edition of *DQL*, Robert Pfaltzgraff, Jr., president of the Institute for Foreign Policy Analysis, asserts that the themes of the book transcend the Cold War era. He notes, "they include the loss of sovereignty and liberty as a result of gradualist efforts that circumvent Constitutional principles; the increasing centralization of power that restricts liberty and makes larger numbers of people dependent on the state; the pursuit of redistributionist policies that sap individual initiative; impoverishment through the imposition of crushing taxes and regulations that diminish productivity, while lowering wages and increasing permanent unemployment or underemployment; the loss of national freedom and independence to an international order that is overtly hostile to American values; and the surrender of sovereignty to an international body that is controlled by an outside power—in the Cold War the Soviet Union."

Sound familiar? Indeed, *DQL* looks stunningly similar to what the world will resemble if initiatives like Obamacare, the Occupy Wall Street movement, the Kyoto global warming agenda, and an expanded International Criminal Court, just to name a few, are fully realized.

While compelling to read, *The Journal of David Q. Little*, above all, is a work to be carefully studied. Even as *1984* and *Atlas Shrugged* have become respected standards for the insights they offer into collectivism and the scourge of "Big Government," *DQL* deserves similar pride of place. As Keith Payne of the National Institute for Public Policy has put it, "Its re-release is a boon for contemporary students who generally are unfamiliar with the history of past systemic threats to the Republic… and will benefit from a greater understanding of how tyrants seek to win wars of ideas via subversion, guile, distraction, and deceit."

What are the major lessons of *DQL*? A first and obvious one is the need for a strong national defense, and particularly, the development of strategic missile defense. The U.S. Constitution regards self-defense as one of its highest ends. Yet the current doctrine in America, whether explicitly stated in the former Anti-Ballistic Missile Treaty, or simply de facto, is that the U.S. will not defend its population from the threat of nuclear weapons so as not to increase tensions with other world powers. *DQL* establishes what happens when you allow yourself to be blackmailed into submission.

A second fundamental lesson is the unmasking and exposure of Marxist strategies of intimidation and subversion. *DQL* was not merely a figment of McMichael's imagination. It was painstakingly constructed based on the actual strategies employed by Communist Party member Jan Kozak and his comrades in Czechoslovakia in the years following World War II when it was transformed from a constitutional democracy into the People's Republic of Czechoslovakia without a shot being fired. As McMichael explains in his author's introduction, a way was found in Czechoslovakia to "turn everything upside down. Keep the military on the sidelines… but close enough to pose a frightening threat. Then, activate a concerted effort to break the will of the non-communist Czechs… through the use of propaganda, subversion, and intimidation—components of which included: use of popular fronts, protest committees, disinformation… all designed to generate loss of national confidence to resist the 'inevitability of history and the will of the people.'"

The events in *DQL* follow that same pattern of "pressure from above, pressure from below." As such, the novel is, in the words of Claremont Institute president Brian Kennedy, a "philosophical treatise of how to dismantle a free people: how to break them down; how to take them apart."

With the changes now taking place in the United States, Americans would do well to take note of that warning.

Terrorism's Algorithm

Phillip Smyth

V.S. Subrahmanian, Aaron Mannes, Amy Sliva, Jana Shakarian, and John P. Dickerson, *Computational Analysis of Terrorist Groups: Lashkar-e-Taiba* (New York: Springer, 2013), 231 pp. $109.00.

"Computational analysis." The phrase will immediately frighten many in the international relations policy-making field. It may even confound some to know that this tool is being utilized to study terrorist groups and shape policy to combat them. Yet a new book by a group of counterterrorism researchers at the University of Maryland—V.S. Subrahmanian, Aaron Mannes, Amy Sliva, Jana Shakarian, and John P. Dickerson—may represent a milestone in establishing computational analysis as a more accepted form of studying terrorism.

The book could not have come at a better time. With defense and intelligence cutbacks on the horizon, and major military force redeployments in the offing, the need to better predict the actions of terrorist movements and assess the strategies of asymmetric actors is approaching peak importance.

The Pakistan-based Lashkar-e-Taiba (LeT) represents a particularly good subject for such study. Since the deadly 2008 Mumbai attacks, which saw it kill almost 200 people in a highly coordinated operation, the group has been in the sights of many political and defense analysts. With its growing global capabilities, relatively obscure history, shady state backing by Pakistan, connections to al-Qaeda, and the fact that the organization has actually grown in power and numbers since the 9/11 attacks, LeT makes an intriguing subject.

Computational Analysis of Terrorist Groups: Lashkar-e-Taiba outlines a potential future key for more successful analysis, threat calculations, and policy development in counterterrorism planning. The system contained therein utilizes new technology, mathematical formulas, and algorithms that may be more familiar to the world of Fortune 500 Internet businesses than to the sphere of policy. It serves as the writing on the wall, demonstrating how computer-based models will help guide prospective policy.

But what exactly is the touted computational analysis used by the book? Essentially, it boils down to the ability to quantify massive amounts of information and variables. Policy assessments of this sort would be nearly impossible for a single human analyst, or even a team of them, to carry out.

Some of the computational analysis is partially based on a system known as Cultural Adversarial Reasoning Architecture, which spots "behavioral cues" found via the actions of terror groups. Adding more weight to the research is the new Policy Computation Algorithm, which "automatically generates a total of eight policies" out of a large data pool. The end result is the discovery of uniquely effective policies which in times past may have gone unrecognized.

Phillip Smyth is a researcher specializing in Middle Eastern affairs. His work has been published in the *American Spectator, Ha'aretz*, the *Middle East Review of International Affairs*, *NOW Lebanon*, the *Voice of America*, and other scholarly and journalistic publications.

Yet, despite the complicated formulas used to evaluate the behavior of the LeT, the book does not leave the reader completely in the dark. Diagrams, values, and other assorted computer data points can be understood. Of course, many of the formulas will only look welcoming to those involved in computer science; yet the authors do well introducing and summarizing the importance of obscure concepts, further increasing the likelihood that their work will be appreciated by a broader audience.

The book's utility does not rest solely on the laurels of complex computer formulas, however. The authors make a special point to cater to the needs of policy analysts with the data provided, noting that "forecasts must be made in clear English… Forecasting methods that are purely mathematical... are hard to explain and may be of limited utility." At this they do a good job, offering a syncretic approach, combining traditional policy study based on historical evidence, while inserting policy suggestions and analysis based on the computational data.

On a purely historical basis, the authors' grasp of the LeT's attacks, strategy, and internal problems is well-researched and nicely encapsulated in an objective analytical structure. Another welcome feature was the book's collection of maps detailing the location of LeT camps and areas the group has attacked to date. This type of material is rarely included in most works, and helps provide a more complete assessment of the organization.

The proxy relationship LeT has with the Pakistani government is also discussed. At times, this issue has proven to be rather contentious in the policy community. However, the authors cut through narrative-driven assessments on whether the group is a "subservient proxy" or not, and adopt a broader analysis—recognizing that the "Pakistani military long viewed LeT as its favored proxy in Kashmir." However, they add nuance, acknowledging that the group is capable of independent decision-making but that the LeT's "decision-making remains opaque."

Nevertheless, the Policy Computation Algorithm makes it possible for the authors to conclude that, while it "is impossible to bring about circumstances that are likely to simultaneously eliminate all forms of terror carried out by LeT… most can be significantly reduced."

The suggestions of how to do so are noteworthy and insightful. Disrupting the group's training camps, communications networks, and the social services are offered as beneficial policies to weaken Lashkar-e-Taiba. Furthermore, the study demonstrated that LeT has often executed its attacks when not suffering from fractionalization or other internal difficulties. In turn, this opens a number of potential policy avenues—including the promotion of internal dissension to weaken the group.

Most interestingly, the book contends that a number of non-violent measures against the LeT would guarantee more success against the group than would direct attacks. This is an innovative approach, considering LeT's own brutality and increased presence in war zones, especially in the contemporary environment, which regularly sees UAV strikes and other forms of kinetic operations.

The authors take pains to exercise due diligence in outlining these options, analyzing the pros and cons of each. They let the data guide their policy suggestions, rather than the opposite, as is sadly so often the case with contemporary counterterrorism analysis.

While the world of computer models seems a world away from the cocktail circuits of policymakers, analysts, and their fellow travelers, the increasing sophistication of such systems helps cut through

often unaddressed or unseen information. The potential for such technological assistance in the field of counterterrorism and strategy is revolutionary. The true significance of *Computational Analysis of Terrorist Groups: Lashkar-e-Taiba*, then, extends far beyond Lashkar-e-Taiba; it lies in arming counterterrorism professionals with a new template for analyzing the actions and motivations of other terrorist organizations.

Freedom's Frontier

Paul Harris

LAWRENCE J. HAAS, *Sound the Trumpet: The United States and Human Rights Promotion* (Rowman & Littlefield, 2012), 194 pp. $39.95.

It is a divide usually hailed as the most fundamental fault line in American foreign policy: the gap between those who would practice idealism versus those who seek to serve America's self-interest.

Each camp has its detractors. Some cynical observers might look with justified horror at the moments when America has pursued its naked self-interest. The U.S. carpet-bombing of Cambodia advocated by Henry Kissinger—that archacolyte of realpolitik—springs to mind.

But other observers, perhaps equally cynically minded, might warn that the road to hell in foreign policy is truly paved with good intentions. America's 1990s intervention in Somalia aimed to stop a famine, but descended into disaster and set back the idea of the "good intervention" in ways that, perhaps, the Rwandans ended up suffering most for. Or look at the current mess in Afghanistan, where a justified war against an oppressive enemy has now bled on for more than a decade.

This complex moral and political minefield is the territory through which Larry Haas wades with his new book, *Sound the Trumpet: The United States and Human Rights Promotion*. Haas, a former communications director for Al Gore and now a senior fellow at the American Foreign Policy Council, argues that human rights have to a large extent been central to U.S. foreign policy since the cataclysm of World War II. Moreover, he argues, human rights promotion is in America's self-interest, making the world a more peaceful place suitable for trade. In essence: doing good can also be selfish. "Self interest reflects our belief that the advance of human rights will make the world a more peaceful and prosperous place," he writes.

Haas' prose is fluid and quick, and ably condenses the last 60 years of international relations into a tightly structured argument. He also, sensibly, begins with the "Arab Spring," positing that the revolutions and wars that have spread across the greater Middle East, overthrowing some autocrats while leaving others in place, offer a timeless microcosm of the usual U.S. challenges abroad. Whom should America support amid the turmoil? How should that support manifest itself? By what measures will the U.S. judge whom to help, and when?

As Haas then goes on to show, these questions are not new. The book pivots back to the years after World War II, when the problems were much the same. With the Marshall Plan, perhaps the greatest ever achievement in modern U.S. foreign policy, Washington helped rebuild Europe and Japan, creating stability, prosperity and democracy out of ruin and war. But the post-war period also saw the U.S. refuse to help those crying out from need in Hungary, East Germany and Czechoslovakia as they sought to weaken the Soviet yoke.

PAUL HARRIS is a U.S. Correspondent for *The Guardian* and its sister weekly *The Observer*, based in New York. He is also the author of the novels *The Candidate* and *The Secret Keeper*. His website is www.paulharrisauthor.com.

Sound The Trumpet ploughs on, through the Nixon and Ford years, painting them as a time when self-interest moved to the fore. Then come Jimmy Carter, Ronald Reagan, George H.W. Bush and Bill Clinton, all of whom struggled to put human rights promotion back on the agenda, with Reagan by actively using it to take on the Kremlin, and with Bush and Clinton seeking to use it to craft a post-Cold War world. Yet, at each stage, perils await. Haas engagingly writes of the confidence of the 1990s which caused scholar Francis Fukuyama to claim history had ended. "History, however, pushed back," Haas deadpans. And thus the strange twins of George W. Bush and Barack Obama are ushered in as men who both struggle in different ways with our modern age of Islamist terrorism, drones and conflicts in Iraq and Afghanistan.

In trying to show that a desire for human rights is a common thread in modern U.S. foreign policy, Haas has to tackle some obvious moments when it was not. To his credit, he does understand this. America's support of oppressive autocrats in Bahrain and Saudi Arabia is not ignored, even as the U.S. welcomes the downfall of former allies in places like Egypt. Haas explains these events, not in terms of fundamental differences in overall strategy or goals, but, rather, in temporal terms. The seeming contradictions are not, fundamentally, a result of moral knots being tied, but of short-term needs in the face of events. "America's long term goal of expanding freedom conflicts with shorter term goals of national security," Haas explains.

To his even greater credit, Haas resolutely does not shy away from that other great historical contradiction of U.S. foreign policy in the period after the war: the civil rights struggle. Few things America did abroad undermined U.S. claims for the moral high ground more than the fact it denied many black people the vote at home and beat them in the streets when they protested about it.

He also shines welcome light on other areas. Too often, criticism of U.S. actions aboard has focused on the complaints of critics at home. Haas, by contrast, pays welcome attention to the voices of human rights dissidents abroad. While many experts in the U.S. and abroad slammed Reagan's hard-line policy against the Soviets (which included his unsubtle phrase the "evil empire"), Haas looks at the delight with which it was greeted by people living under Soviet rule. He quotes Natan Sharansky as saying: "It was the brightest, most glorious day. Finally a spade had been called a spade."

Throughout the book, there is an awareness of the deep complexity of the subject at hand. Haas examines how, even when realpolitik was ascendant in the White House, pressure on human rights exerted by Congress or powerful non-governmental bodies was still capable of influencing broader U.S policy. This is a vital and important point; America and American policy are far more than just who happens to be sitting in the Oval Office. It is America's system, with its constitution and its birth in a fight against imperialism, that makes it different from other Great Powers of history. This is true even when U.S. leaders are doing their utmost to behave just as badly as their rivals.

In seeking to trace the thread of human rights in American foreign policy, Haas does not skirt the contradictions, the accidents or the times it has been ignored. But, like a river flowing haphazardly to the sea, its path is always there—meandering at times, rushing forward at others. That is indeed what makes the U.S. different. It is hard to imagine America's rivals on the world stage, such as China now or the Soviet Union during the Cold War, even having these debates. Critics of America's behavior as a great power, therefore, need to consider the alternatives.

Forward From Kabul

Robert Bracknell

RAJIV CHANDRASEKARAN, *Little America: The War Within the War for Afghanistan* (New York: Alfred A. Knopf, 2012), 333 pp. $27.95 hardcover.

As the conflict in Afghanistan winds toward its terminus, Rajiv Chandrasekaran's *Little America* paints a fantastic portrait of how we got to this point, and where we are headed with regard to Afghanistan specifically, and South Asian regional security and development more broadly. Chandrasekaran, a veteran journalist who now serves as the National Editor of the *Washington Post*, weaves a tale of ambition, extraordinary service and sacrifice, good intentions, poor judgment, bureaucratic incompetence, internecine infighting, and a broken policy development process.

While most Americans focused on Afghanistan with laser-like intensity only after the attacks of September 11, 2001, U.S. involvement in Afghanistan goes back decades. American attention was focused on Afghanistan in earnest during the Cold War, as the U.S. replayed the "Great Game" on the Asian subcontinent, vying for influence against the Soviet regime. Chandrasekaran traces the roots of massive American aid projects in the 1950s, in which American contractors and government aid administrators decamped en masse to certain areas of Afghanistan to develop them agriculturally and in terms of infrastructure. Eventually, however, the projects failed, leaving in their wake the regrettable, yet perhaps predictable, detritus of unachieved aspirations. Chandrasekaran could hardly have selected a more apt metaphor for the modern American effort in Afghanistan—fantastic intentions tempered by the limits of our execution and Afghanistan's own desire to become a modern nation-state.

Chandrasekaran tells the story by tracing several parallel plot lines. The civilian-military partnership represented by Marine Brigadier General Larry Nicholson and his State Department partner, Kael Weston, represents the near-ideal in interagency cooperation. The two men challenged each other constantly with regard to the application of power, programs and dollars to maximize security and effective governance while setting the conditions for transition of complete autonomy to the Afghan government.

Chandrasekaran likewise delves into the story of USAID development professional Summer Coish, who battled Washington bureaucracy over 14 months from job offer to deployment. In Kabul, Coish soon perceived that many of her colleagues had no desire to be there other than for the enhanced pay or the career ticket-punch, and were counting the days until departure. Once she arrived in Kabul, she constantly was required to flout rules designed to maximize her personal safety in order to make any progress in her assigned portfolio—sneaking

ROBERT BRACKNELL is a Marine Lieutenant Colonel on active duty, assigned to an OSD activity. The views expressed herein are his alone.

out of the lavish embassy compound to meetings, taking unarmored vehicles to meet Afghan contacts, meeting people who could have been insurgents masquerading as aid workers or Afghan officials. In the process Coish, like hundreds if not thousands of people like her, was hampered in her effectiveness by the very rules and regulations of her government.

One of the major takeaways from *Little America* is that subinterests in American security policy often work in direct contravention of the overall strategic direction. Chandrasekaran's observations about how the Marine Corps came to own the Helmand battlespace is a case in point. He traces the history of the negotiations by which the Corps offered up forces for the 2009 surge, wherein the Commandant insisted on boutique task organization and command relationships that did not match the theater commander's assessments—leading to one interpretation, that the Marine Corps contribution to the campaign was more about the Marine Corps than the national interest. In another breathtaking example of military insubordination, the author describes a military planning process based around an expansive counterinsurgency campaign, in the face of clear and direct Presidential guidance regarding the limited scope and goals of the 2009 military surge. One aide to then-CENTCOM Commander Gen. David Petraeus admitted as much: "We didn't pay much attention to that memo."

Finally, Chandrasekaran spares no criticism for the incompetence approaching professional fraud demonstrated by the U.S. Agency for International Development. Upon learning that Afghanistan was nearly ideal for producing cotton as a cash crop with the potential to transform the Afghan economy and displace poppies, Agency managers—no doubt anticipating the reactions of members of Congress in cotton-growing states—put the kibosh on the idea, because of the crop's potential to compete in the world market with American products. The program manager pushing cotton as a viable cornerstone of Afghan agriculture realized that "instead of being part of the solution, [USAID] had become part of the problem." Assuming Chandrasekaran's characterization of the facts to be true, these examples are the type of pernicious parochial or institutional interests that undermine the disciplined, principled application of national power.

After 2014, as Afghanistan becomes the same kind of fading memory to the greater American conscience that Iraq has become, *Little America* belongs in the pantheon of readings that inform our next great national adventure—or informs strategic leadership on the wisdom of getting involved in the first place. *Little America* is not defeatist; it is realist, and it must be read by security professionals over the next couple of generations studying the history and efficacy of the Afghan campaign. It shows that American security policy often repeats mistakes that could be avoided by reading a little history, disciplining the leviathan agencies competing for budget and influence, and granting unity of effort primacy over the preferences and agendas of various individuals and agencies.

We've gone social.
Connect with us!

The Jewish Institute for National Security Affairs

www.JINSA.org

Better Power for a Changing World

Photo courtesy of Sargent Mark Fayloga

Rolls-Royce has an installed base of approximately 18,000 engines in service with 160 customers in 103 countries. It is the world's number two defense aero engine company with the largest customer base and over a quarter of the world's installed military engines.

Rolls-Royce manufactures engines in all key market sectors – combat, transport, helicopters, trainers, patrol, maritime and reconnaissance – and is well positioned on a number of new programs that will deliver new products for many years to come. Rolls-Royce offers our customers better power for a changing world.

Trusted to deliver excellence

www.rolls-royce.com

Rolls-Royce

GTP 9238 (04/13)